



FFC

**FAUJI FERTILIZER
COMPANY LIMITED**



First Quarter
**FINANCIAL
STATEMENTS**
March 31, 2024
(Un-Audited)

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SAY NO TO CORRUPTION

Company Information

BOARD OF DIRECTORS

Lt Gen Anwar Ali Hyder, HI(M) (Retd)

Chairman

Mr. Jahangir Piracha

Managing Director & Chief Executive Officer

Lt Gen Waheed Arshad, T.Bt, HI(M) (Retd)

Mr. Saad Amanullah Khan

Ms. Maryam Aziz

Syed Bakhtiyar Kazmi

Mr. Shoaib Javed Hussain

Mr. Jehangir Shah

Dr. Ayesha Khan

Mr. Yassir Ghiyati Ibn Ziyad

Mr. Qamar Haris Manzoor

Maj Gen Zafar Ul Haq, HI(M) (Retd)

Mr. Waseem Ajmal Chaudhary

CHIEF FINANCIAL OFFICER

Syed Atif Ali

Tel No. +92-51-8456101, Fax No. +92-51-8459961

E-mail: Atif_ali@ffc.com.pk

COMPANY SECRETARY

Brig Zulfiqar Ali Haider, SI(M) (Retd)

Tel No. +92-51-8453101, Fax No. +92-51-8459931

E-mail: secretary@ffc.com.pk

REGISTERED OFFICE

156 The Mall, Rawalpindi Cantt, Pakistan

Website: www.ffc.com.pk

Tel No. +92-51-111-332-111, +92-51-8450001

Fax No. +92-51-8459925, E-mail: ffcrrwp@ffc.com.pk



PLANTSITES

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

MARKETING DIVISION

Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat,

Lahore, Pakistan

Tel No. +92-42-36369137-40, Fax No. +92-42-36366324

KARACHI OFFICE

B-35, KDA Scheme No. 1, Karachi, Pakistan

Tel No. +92-21-34390115-16, Fax No. +92-21-34390117 & 34390122

AUDITORS

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

SHARES REGISTRAR

CDC Share Registrar Services Limited

CDC House, 99 - B, Block - B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400

Tel: +92-0800-23275, Fax: +92-21-34326053

DIRECTORS' REVIEW

For the three months ended March 31, 2024

Dear Shareholders

We are pleased to share our review of the Company's operational and financial performance for the first quarter ended March 31, 2024.

Operational Performance

Our manufacturing facilities operated above capacity without any shutdowns and produced 654 thousand tonnes of Sona Urea, which was 3% higher than same period last year.

Sona Urea sales stood at 661 thousand tonnes 5% higher than 2023, while the Company also marketed 94 thousand tonnes urea imported by the Government for steady supply of urea to the farmers. Aggregate urea sales of the Company thus stood at 755 thousand tonnes compared to 631 thousand tonnes of same period last year.

Financial Performance

Higher sales volume besides increase in selling prices due to significant escalation in gas prices towards close of last year resulted in higher sales revenue of Rs 58.4 billion compared to Rs 36.4 billion vs same period last year.

High cost of imported urea, inflation and higher gas prices caused the cost of sales to increase by 88% to Rs 41.1 billion. Distribution cost also surged by 70% to Rs 5.2 billion mainly due to the implementation of Axle Weight Regulation and impact of inflation. The increase in Super tax levy by Finance Act 2023 led to higher effective tax rate of 42% compared to 35% same period last year.

The highlight of our performance is the record return on investments and dividend income aggregating to **Rs 10.3 billion**. As a result, net profitability of the Company stood at Rs 10.5 billion with earnings per share of Rs 8.27 compared to Rs 6.08 per share same period last year. Profitability in dollar terms at USD 38 million, however, remained static at the level of 2021.

Based on above and after considering the requirement to build up reserves for capital-intensive projects, the Board of Directors is pleased to announce the first interim dividend of 55.5% (Rs 5.50 per share) for the period.

FUTURE OUTLOOK

According to the international agencies, Pakistan's economic situation is showing signs of stability. Tight monetary and fiscal policies have moderated the economic growth. However, there is an expectation of slight improvement in growth in the next fiscal year.

Phase II of capital-intensive Nodal Compression Project is progressing satisfactorily. The Board remains committed towards sustainability of the fertilizer business. The Company is striving to improve the yields of Pakistan's agriculture sector and food security of the Country.

On behalf of the Board,



Lt Gen Anwar Ali Hyder, HI(M), (Retd)
Chairman



Jahangir Piracha
Managing Director & Chief Executive Officer

Rawalpindi
April 29, 2024

متوقع مستقبل

عالمی اداروں کے مطابق، پاکستان کی معاشی صورتحال میں استحکام کے آثار نظر آرہے ہیں۔ سخت مالیاتی اور اقتصادی (Monetary and Fiscal) پالیسیوں کے باعث معاشی ترقی کی شرح اوسط ہے۔ تاہم، آئندہ مالی سال میں شرح نمو میں قدرے بہتری کی توقع ہے۔

خطیر مالیت (Capital-intensive) کے نوڈل کمپریشن پراجیکٹ کا دوسرا مرحلہ تسلی بخش انداز میں آگے بڑھ رہا ہے۔ بورڈ کھاد کے کاروبار کے استحکام کے لیے پرعزم ہے۔ کمپنی، پاکستان کے زرعی شعبے کی پیداوار میں اضافے اور ملک میں غذائی تحفظ کو یقینی بنانے کے لیے کوشاں ہے۔

بورڈ کی جانب سے

Fauji Fertilizer

جہانگیر پراچہ

میدینگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

Ameer Ali Hider

لیفٹیننٹ جنرل انور علی حیدر

ہلال امتیاز (ملٹری) ریٹائرڈ

چیئرمین

راولپنڈی

29 اپریل 2024

ڈائریکٹرز کا تجزیہ

31 مارچ 2024 کو ختم ہونے والی مدت کے لیے

معزز حصہ داران!

31 مارچ 2024 کو ختم ہونے والی پہلی سہ ماہی کے لیے کمپنی کی عملیاتی اور مالیاتی کارکردگی کے متعلق اپنا جائزہ بتاتے ہوئے ہمیں مسرت ہو رہی ہے۔

عملیاتی کارکردگی

ہماری پیداواری سہولیات نے کسی Shutdown کے بغیر استعداد سے بڑھ کر کام کرتے ہوئے 654 ہزار ٹن سونا یوریا کی پیداوار حاصل کی، جو کہ گزشتہ برس کی اسی مدت کے مقابلے میں 3 فیصد زائد تھی۔ 2023 کے مقابلے میں، سونا یوریا کی فروخت 5 فیصد اضافے کے ساتھ 661 ہزار ٹن رہی، جبکہ کمپنی نے کسانوں کو یوریا کی مسلسل فراہمی کے لیے حکومت کی جانب سے درآمد کی گئی 94 ہزار ٹن یوریا بھی فروخت کی۔ اس طرح کمپنی کی مجموعی یوریا فروخت 755 ہزار ٹن رہی جو کہ گزشتہ برس کی اسی مدت کے دوران 631 ہزار ٹن تھی۔

مالیاتی کارکردگی

زائد مقدار فروخت کے ساتھ ساتھ، گزشتہ سال کے اواخر میں گیس کی قیمتوں میں نمایاں اضافے کے باعث، قیمت فروخت میں اضافہ، 58.4 ارب روپے کی زائد آمدن فروخت (Sales Revenue) کا سبب بنا جو کہ گزشتہ برس کی اسی مدت کے دوران 36.4 ارب روپے تھی۔

درآمدی یوریا کی زائد لاگت، افراط زر اور گیس کی زائد قیمتوں کے نتیجے میں لاگت فروخت (Cost of Sales) 88 فیصد اضافے کے ساتھ 41.1 ارب روپے رہی۔ لاگت ترسیل (Distribution Cost) بھی 70 فیصد اضافے کے ساتھ 5.2 ارب روپے رہی جس کا بنیادی سبب Axle Weight Regulation کا نفاذ اور افراط زر کے اثرات ہیں۔ فنانس ایکٹ 2023 کے ذریعے سپر ٹیکس محصول میں اضافے کے باعث مؤثر ٹیکس کی شرح 42 فیصد تک بڑھ گئی جو کہ گزشتہ برس کی اسی مدت کے دوران 35 فیصد تھی۔

ہماری کارکردگی کا نمایاں پہلو سرمایہ کاریوں پر ریکارڈ منافع اور منافع منقسمہ آمدن (Dividend Income) ہے جو کہ مجموعی طور پر 10.3 ارب روپے رہے۔ نتیجتاً، کمپنی کا خالص منافع 10.5 ارب روپے رہا جبکہ فی حصہ آمدن 8.27 روپے رہی جو کہ گزشتہ سال کی اسی مدت کے دوران 6.08 روپے فی حصہ تھی۔ تاہم، ڈالر کے تناسب سے 38 ملین امریکی ڈالر کا منافع 2021 کی سطح پر جامد رہا۔

مندرجہ بالا کی بنیاد پر اور خطیر مالیت (Capital-intensive) کے منصوبوں کے لیے ذخائر جمع کرنے کی ضرورت کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز 55.5 فیصد (5.50 روپے فی حصہ) کے پہلے عبوری منافع منقسمہ کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے۔



Condensed Interim Financial Statements



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	Note	Un-audited March 31, 2024	Audited December 31, 2023
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves			
General reserves		8,802,360	8,802,360
Unappropriated profit		45,577,951	40,272,228
Deficit on remeasurement of investments to fair value - net		(36,322)	(104,460)
		67,226,371	61,852,510
NON - CURRENT LIABILITIES			
Long term borrowings - secured	5	16,375,000	18,200,000
Deferred liabilities		5,121,870	4,011,674
		21,496,870	22,211,674
CURRENT LIABILITIES			
Current portion of long term borrowings - secured	5	6,345,000	6,095,000
Lease liabilities		10,165	17,437
Trade and other payables		107,273,508	106,866,546
Mark-up and profit accrued		1,392,090	1,304,263
Short term borrowings - secured	6	717,337	13,737,746
Unpaid dividend		5,216,177	-
Unclaimed dividend		512,708	516,867
Taxation		11,747,031	10,678,645
		133,214,016	139,216,504
TOTAL LIABILITIES		154,710,886	161,428,178
TOTAL EQUITY AND LIABILITIES		221,937,257	223,280,688

CONTINGENCIES AND COMMITMENTS

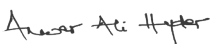
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The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

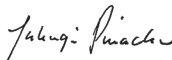
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	Note	Un-audited March 31, 2024	Audited December 31, 2023
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	8	41,541,499	40,223,171
Intangible assets		1,570,994	1,571,908
Long term investments	9	53,840,088	48,720,461
Long term loans and advances - secured		2,742,085	2,629,638
Long term deposits and prepayments		12,378	12,378
		99,707,044	93,157,556
CURRENT ASSETS			
Stores, spares and loose tools		8,320,290	7,784,354
Stock in trade		2,026,598	2,067,922
Trade debts		90,403	48,503
Loans and advances - secured		1,595,615	3,415,379
Deposits and prepayments		495,325	711,006
Other receivables	10	17,636,163	20,500,720
Short term investments	11	91,114,128	94,736,901
Cash and bank balances		951,691	858,347
		122,230,213	130,123,132
TOTAL ASSETS		221,937,257	223,280,688



Chairman



Chief Executive Officer



Director



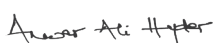
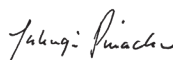
Chief Financial Officer

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

For the three month period ended March 31, 2024

	Note	March 31, 2024	March 31, 2023
(Rupees '000)			
Turnover - net	12	58,407,254	36,405,816
Cost of sales		(41,120,024)	(21,831,206)
GROSS PROFIT		17,287,230	14,574,610
Distribution cost		(5,193,056)	(3,055,823)
		12,094,174	11,518,787
Finance cost		(1,505,443)	(1,464,299)
Other losses			
Unwinding of GIDC liability		(132,117)	(382,614)
Loss allowance on subsidy receivable from GoP		(1,030,000)	(200,000)
		(1,162,117)	(582,614)
Other expenses		(1,675,981)	(1,073,360)
Other income		10,275,874	3,544,619
PROFIT BEFORE TAXATION		18,026,507	11,943,132
Provision for taxation		(7,504,607)	(4,213,000)
PROFIT FOR THE PERIOD		10,521,900	7,730,132
Earnings per share - basic and diluted (Rupees)		8.27	6.08

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Chairman

Chief Executive Officer

Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

For the three month period ended March 31, 2024

	March 31, 2024	March 31, 2023
	(Rupees '000)	
PROFIT FOR THE PERIOD	10,521,900	7,730,132
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to profit or loss		
Surplus / (deficit) on re-measurement of investments to fair value - net	68,138	(115,149)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10,590,038	7,614,983

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


Chairman

Chief Executive Officer

Director

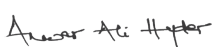
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)


For the three month period ended March 31, 2024

Note	March 31, 2024	March 31, 2023
(Rupees '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	13 19,513,755	12,745,923
Finance cost paid	(1,417,616)	(1,981,940)
Income taxes paid	(5,349,043)	(2,907,395)
	(6,766,659)	(4,889,335)
Net cash generated from operating activities	12,747,096	7,856,587
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,993,917)	(3,037,388)
Proceeds from sale of operating fixed assets	23,026	5,838
Advance against issue of shares - Subsidiaries / Associate	(5,080,000)	(226,908)
Other investments - net	822,504	(102,719)
Interest and profit received	553,096	487,306
Dividend received	4,221,586	-
Net cash used in investing activities	(1,453,705)	(2,873,871)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing:		
Repayments	(1,575,000)	(1,575,000)
Repayment of lease liabilities	(7,272)	(7,894)
Dividend paid	(4,159)	(10,465)
Net cash used in financing activities	(1,586,431)	(1,593,359)
Net increase in cash and cash equivalents	9,706,960	3,389,358
Cash and cash equivalents at beginning of the period	79,766,068	39,784,483
Effect of exchange rate changes	(67,520)	929,566
Cash and cash equivalents at end of the period	89,405,508	44,103,406
CASH AND CASH EQUIVALENTS		
Cash and bank balances	951,691	1,253,031
Short term borrowings	(717,337)	(11,735,248)
Short term highly liquid investments	89,171,154	54,585,623
	89,405,508	44,103,406

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the three month period ended March 31, 2024

	Share capital	Capital reserves	Revenue reserves		(Deficit) / surplus on remeasurement of investments at fair value - net	Total
			General reserves	Unappropriated profit		
	(Rupees '000)					
Balance as at January 1, 2023 (Audited)	12,722,382	160,000	8,802,360	29,265,107	(114,888)	50,834,961
Total comprehensive income						
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
Transactions with owners of the Company						
Distributions:						
Final dividend 2022: Rs 3.15 per share	-	-	-	(4,007,550)	-	(4,007,550)
Balance as at March 31, 2023 (Un-audited)	12,722,382	160,000	8,802,360	32,987,689	(230,037)	54,442,394
Balance as at January 1, 2024 (Audited)	12,722,382	160,000	8,802,360	40,272,228	(104,460)	61,852,510
Total comprehensive income						
Profit for the period	-	-	-	10,521,900	-	10,521,900
Other comprehensive income - net of tax	-	-	-	-	68,138	68,138
	-	-	-	10,521,900	68,138	10,590,038
Transactions with owners of the Company						
Distributions:						
Final dividend 2023: Rs 4.10 per share	-	-	-	(5,216,177)	-	(5,216,177)
Balance as at March 31, 2024 (Un-audited)	12,722,382	160,000	8,802,360	45,577,951	(36,322)	67,226,371

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

Chairman
Chief Executive Officer
Director
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

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 FFC is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizers, chemical, cement, energy generation, food processing, banking operations and technical services.

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, 2023. Comparative condensed interim statement of financial position is extracted from annual financial statements as at December 31, 2023 where as 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, 2023.

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. MATERIAL AND OTHER 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, 2023.

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (December 31, 2023: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (December 31, 2023: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited March 31, 2024	Audited December 31, 2023		Un-audited March 31, 2024	Audited December 31, 2023
(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
1,272,238,247	1,272,238,247		12,722,382	12,722,382

4.1 Fauji Foundation holds 44.35% (December 31, 2023: 44.35%) ordinary shares of the Company at the period end.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

	Note	Un-audited March 31, 2024	Audited December 31, 2023
(Rupees '000)			
5. LONG TERM BORROWINGS - SECURED			
From conventional banks	5.1	10,720,000	11,295,000
From Islamic banks	5.2	12,000,000	13,000,000
		22,720,000	24,295,000
Less: Current portion shown under current liabilities			
From conventional banks		3,595,000	3,595,000
From Islamic banks		2,750,000	2,500,000
		6,345,000	6,095,000
		16,375,000	18,200,000
5.1 Movement during the period / year is as follows:			
Opening balance		11,295,000	11,740,000
Draw-downs during the period / year		-	3,000,000
Repayments during the period / year		(575,000)	(3,445,000)
Closing balance	5.1.1	10,720,000	11,295,000

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

These carry mark-up ranging between 6 month KIBOR + 0.03% to 0.15% per annum (2023: 6 month KIBOR + 0.03% to 0.15% per annum) and are repayable up to December 2028 (2023: December 2028).

	Note	Un-audited March 31, 2024	Audited December 31, 2023
(Rupees '000)			
5.2 Movement during the period / year is as follows:			
Opening balance		13,000,000	10,000,000
Draw-downs during the period / year		-	5,000,000
Repayments during the period / year		(1,000,000)	(2,000,000)
Closing balance	5.2.1	12,000,000	13,000,000

5.2.1 The borrowings are secured by way of hypothecation of Company's assets including plant, machinery, tools & spares and other moveable 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 (2023: 6 month KIBOR + 0% to 0.10% per annum) and are repayable up to November 2028.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

	Note	Un-audited March 31, 2024	Audited December 31, 2023
(Rupees '000)			
6. SHORT TERM BORROWINGS - SECURED			
From conventional banks	6.1	634,611	8,828,089
From Islamic banks	6.2	82,726	4,909,657
		717,337	13,737,746

- 6.1** Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs. 27,670,000 thousand (2023: Rs. 21,018,000 thousand) which represent the aggregate of all facility agreements between the Company and respective banks. The per annum rates of mark-up are 1 month KIBOR + Nil to 0.25% and 3 month KIBOR + 0.10 (2023: 1 month KIBOR + 0% to 0.25% and 3 month KIBOR + 0.10% to 0.35%).

The facilities are secured by pari passu / ranking hypothecation charges on movable assets of the Company besides lien on PIBs in certain cases. The facilities have various maturity dates upto December 27, 2024.

- 6.2** Shariah compliant short term borrowing is available from a banking company under profit arrangement against a facility amounting to Rs. 7,000,000 thousand (2023: Rs. 7,000,000 thousand). The per annum rate of profit is 1 month KIBOR minus 0.05% to plus 0.05% (2023: 1 month KIBOR minus 0.10%).

The facility is secured by ranking hypothecation charge on current assets of the Company and lien over debt instruments. The facility has a maturity date of May 31, 2024.

		Un-audited March 31, 2024	Audited December 31, 2023
(Rupees '000)			
7. CONTINGENCIES AND COMMITMENTS			
7.1 Contingencies:			
(i) Guarantees issued by banks on behalf of the Company		10,564,815	10,828,877
(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 and letters of comfort in favour of its subsidiary i.e. Fauji Fresh n Freeze Limited amounting to Rs 4,144,204 thousand (2023: Rs 4,101,304 thousand).			
(iv) Penalty of Rs 5.5 Billion was imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices. Company filed appeal before the Competition Appellate Tribunal against the said order. The Tribunal was pleased to set aside the penalty imposed by CCP, however, it provided guidelines to CCP to decide the matter afresh and remanded the case back to CCP. 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 prior years, CCP under the said Tribunal guidelines resumed the proceedings and the Company duly joined through counsel. CCP is yet to initiate its proceedings and the Company is awaiting hearing notice. The Company remains confident of successfully defending these unreasonable claims.			

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

	Note	Un-audited March 31, 2024	Audited December 31, 2023
7.2 Commitments in respect of:		(Rupees '000)	
(i) Capital expenditure		11,162,978	10,954,052
(ii) Purchase of fertilizer, stores, spares and other operational items		8,707,943	4,387,767
(iii) Investment in Thar Energy Limited		88,826	90,423
(iv) Contracted out services		560,101	723,753
(v) Revolving credit facilities to:			
- Foundation Wind Energy Limited - I		1,500,000	1,500,000
- FFC Energy Limited		1,700,000	1,700,000
- Fauji Fresh n Freeze Limited		1,800,000	-
8. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	29,129,380	28,794,420
Capital work in progress	8.2	12,406,116	11,422,748
Right of use assets	8.3	6,003	6,003
		41,541,499	40,223,171
8.1 Operating fixed assets			
Opening written down value		28,794,420	25,316,719
Additions during the period / year		1,010,549	5,991,825
Written down value of disposals		(6)	(2,813)
Depreciation during the period / year		(675,583)	(2,511,311)
		29,129,380	28,794,420
8.1.1 Additions in and depreciation on operating fixed assets during the three month period ended March 31, 2023 were Rs 1,105,981 thousand and Rs 591,927 thousand respectively.			
		Un-audited March 31, 2024	Audited December 31, 2023
8.2 Capital work in progress		(Rupees '000)	
Opening value		11,422,748	2,297,168
Additions during the period / year		2,578,944	9,631,738
Transfers during the period / year		(1,595,576)	(506,158)
		12,406,116	11,422,748
8.3 Right of use assets			
Opening value		6,003	17,164
Depreciation during the period / year		-	(11,161)
		6,003	6,003
8.4 Depreciation charge has been allocated as follows:			
Cost of sales		647,570	2,426,562
Distribution cost		24,492	80,597
Other expenses		452	1,286
Charged to FFBL under the Company Services Agreement		3,069	14,027
		675,583	2,522,472

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

	Un-audited March 31, 2024	Audited December 31, 2023
	(Rupees '000)	
9. LONG TERM INVESTMENTS		
Investments held at cost		
In associated companies (Quoted)		
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
	19,114,614	19,114,614
In associated company (Unquoted)		
Thar Energy Limited	5,986,908	5,986,908
In joint venture (Unquoted)		
Pakistan Maroc Phosphore S.A., Morocco	705,925	705,925
In subsidiary companies (Unquoted)		
FFC Energy Limited	2,438,250	2,438,250
Fauji Fresh n Freeze Limited		
Investment at cost	6,335,500	6,335,500
Advance against issue of shares	5,000,000	-
Less: Impairment loss	(2,100,000)	(2,100,000)
	9,235,500	4,235,500
Foundation Wind Energy Limited - I	7,493,051	7,493,051
Foundation Wind Energy Limited - II	6,019,288	6,019,288
Olive Technical Services (Pvt) Limited		
Advance against issue of shares	100,000	20,000
	25,286,089	20,206,089
	51,093,536	46,013,536
Investments measured at fair value through other comprehensive income		
Term Deposit Receipts - from conventional bank	32,899	32,899
Term Finance Certificates - from conventional bank	300,000	498,865
Pakistan Investment Bonds	4,356,627	4,266,595
	4,689,526	4,798,359
	55,783,062	50,811,895

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

Note	Un-audited March 31, 2024	Audited December 31, 2023
	(Rupees '000)	
Less: Current portion shown under short term investments - fair value through other comprehensive income		
	32,899	32,899
	-	198,865
	1,910,075	1,859,670
11	1,942,974	2,091,434
	53,840,088	48,720,461

10. OTHER RECEIVABLES

Other receivables include Rs 6,961,878 thousand (December 31, 2023: Rs 6,961,878 thousand) on account of subsidy receivable and Rs 14,754,583 thousand - net of provision (December 31, 2023: Rs 16,866,320 thousand) on account of sales tax.

Note	Un-audited March 31, 2024	Audited December 31, 2023
	(Rupees '000)	

11. SHORT TERM INVESTMENTS
Amortised cost - conventional investments

Term deposits with banks and financial institutions
Foreign currency

4,668,693	4,956,685
4,668,693	4,956,685

Investments at fair value through profit or loss

Conventional investments
Shariah compliant investments

44,611,109	59,203,333
39,891,352	28,485,449
84,502,461	87,688,782

Current maturity of long term investments

Fair value through other comprehensive income

9	1,942,974	2,091,434
	91,114,128	94,736,901

Three month period ended

Un-audited March 31, 2024	Un-audited March 31, 2023
(Rupees '000)	

12. TURNOVER - NET

Manufactured urea
Purchased and packaged fertilizers
Turnover
Less: Sales tax & excise duty

44,936,999	29,666,447
13,752,963	6,759,035
58,689,962	36,425,482
(282,708)	(19,666)
58,407,254	36,405,816

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the three month period ended March 31, 2024

	March 31, 2024	March 31, 2023
13. CASH GENERATED FROM OPERATIONS		
	(Rupees '000)	
Profit before taxation	18,026,507	11,943,132
Adjustments for:		
Depreciation	672,514	595,423
Amortization	914	1,361
Unwinding of GIDC liability	132,117	382,614
Loss allowance on subsidy receivable	1,030,000	200,000
Finance cost	1,505,443	1,464,299
Gain on disposal of operating fixed assets	(23,020)	(5,838)
Interest and profit on loans, deposits and investments	(335,461)	(307,950)
Exchange (gain) / loss - net	67,520	(929,566)
Gain on re-measurement of investments at fair value through profit or loss	(622,515)	(939,798)
Dividend income	(5,784,918)	-
	(3,357,406)	460,545
	14,669,101	12,403,678
Changes in:		
Stores, spares and loose tools	(535,936)	(89,990)
Stock in trade	41,324	5,732,065
Trade debts	(41,900)	(351,599)
Loans and advances	1,819,764	(4,015,696)
Deposits and prepayments	215,681	(142,651)
Other receivables	3,183,323	153,725
Trade and other payables	274,845	(905,569)
	4,957,101	380,284
Changes in long term loans and advances	(112,447)	(38,040)
	19,513,755	12,745,923

14. 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, 2023. 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, 2023.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the three month period ended March 31, 2024

	March 31, 2024	March 31, 2023
	(Rupees '000)	
15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Significant transactions and balances with the related parties are as follows:		
HOLDING COMPANY		
Transactions		
Dividend	2,313,374	1,777,348
Cost recharge	187,500	238,248
Sale of fertilizer	17,792	-
Others	51	-
Balances		
Balance payable - unsecured *	2,500,874	-
SUBSIDIARY COMPANIES		
Transactions		
Payment received under revolving credit facility	1,800,000	-
Advance against issue of shares	5,080,000	-
Interest income	33,861	38,528
Sale of fertilizer	-	1,287
Rental income	9,290	8,839
Dividend income	3,577,566	-
Expense incurred on behalf of subsidiary companies	45,531	36,058
Receipt against expenses on behalf of subsidiary companies	-	6,172
Balances		
Balances receivable - unsecured *	562,761	2,402,074
ASSOCIATED UNDERTAKINGS / COMPANIES		
DUE TO COMMON DIRECTORSHIP		
Transactions		
Expenses charged on account of marketing of fertilizer on behalf of associated company	279,229	245,328
Commission on sale of products	5,115	4,307
Sale of fertilizer	34,035	-
Payments under consignment account - net	42,023,551	36,157,143
Payments against purchase of gas and PEF project	14,184,181	8,040,295
Equity investment	-	226,908
Services and materials provided	398	11,778
Donations	47,540	776,670
Interest expense	79,683	201,138
Interest income	1,675	1,639
Dividend income	2,207,352	-
Balances		
Long term investments *	32,899	32,899
Short term borrowings *	-	8,092,980
Dividend receivable *	1,563,333	-
Balances receivable - unsecured *	476,660	607,914
Balances payable - unsecured *	69,911,041	72,444,064

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the three month period ended March 31, 2024

	March 31, 2024	March 31, 2023
	(Rupees '000)	
KEY MANAGEMENT PERSONNEL		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2024: 1 and 605 (2023:1 and 501) respectively	1,897,533	1,595,759
STAFF RETIREMENT BENEFITS		
Contributions		
Employees' Provident Fund Trust	155,545	139,184
Employees' Gratuity Fund Trust	385,115	266,333
Employees' Pension Fund Trust	43,448	-
Employees' Funds as Dividend on equity holding of 0.25% (2023: 0.25%)	-	8,415
Balances		
Balance Payable - Gratuity Fund Trust *	708,726	997,592
Balance Receivable - Pension Fund Trust *	398,268	365,682
Others		
Transactions		
Remuneration and benefits of key management personnel (Number of person(s): 20 (2023: 20))	182,890	160,303
Balances		
Loans and advances*	129,783	108,049

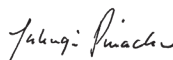
* Comparative figures of receivable / payable balances are as at December 31, 2023.

16. NON ADJUSTING EVENTS AFTER REPORTING DATE

- 16.1 The Board of Directors of the Company in its meeting held on April 29, 2024 proposed first interim dividend of Rs 5.50 per share.

17. GENERAL

- 17.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 17.2 Corresponding figures have been rearranged and reclassified, wherever necessary, to conform to current year basis and presentation.
- 17.3 These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on April 29, 2024.


Chairman

Chief Executive Officer

Director

Chief Financial Officer



Condensed Interim Consolidated Financial Statements



CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2024


	Note	Un-audited March 31, 2024	Audited December 31, 2023
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		14,771,712	13,702,705
Revenue reserves	5	129,127,383	122,921,101
Deficit on remeasurement of investments to fair value - net		(2,116,791)	(4,314,604)
Non-controlling interest		3,385,943	3,589,019
		157,890,629	148,620,603
Share in revaluation reserve of associates - net		1,514,083	1,462,850
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	17,702,723	19,565,210
Lease liabilities		58,009	64,049
Deferred government grant		93,616	101,665
Deferred liabilities		18,061,754	13,929,341
		35,916,102	33,660,265
CURRENT LIABILITIES			
Current portion of long term borrowings - secured	6	6,794,201	6,544,201
Current portion of lease liabilities		18,463	33,708
Current portion of deferred government grant		33,949	35,186
Trade and other payables		109,517,950	108,785,446
Mark-up and profit accrued		1,849,509	1,392,334
Short term borrowings - secured	7	717,337	15,133,161
Unpaid dividend		5,216,177	-
Unclaimed dividend		512,708	516,867
Taxation		11,807,864	10,737,293
		136,468,158	143,178,196
TOTAL EQUITY AND LIABILITIES		331,788,972	326,921,914
CONTINGENCIES AND COMMITMENTS	8		

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	Note	Un-audited March 31, 2024	Audited December 31, 2023
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	9	69,656,394	69,293,945
Intangible assets		1,934,321	1,935,235
Long term investments	10	107,389,362	97,800,805
Long term loans and advances - secured		2,742,085	2,629,638
Long term deposits and prepayments		30,638	30,638
		181,752,800	171,690,261
CURRENT ASSETS			
Stores, spares and loose tools		8,792,354	8,203,179
Stock in trade		5,631,739	3,991,849
Trade debts		13,816,718	13,544,418
Loans and advances		1,851,150	2,607,359
Deposits and prepayments		610,799	716,482
Other receivables	11	20,475,280	22,628,651
Short term investments	12	96,790,895	101,743,497
Cash and bank balances		2,067,237	1,796,218
		150,036,172	155,231,653
TOTAL ASSETS		331,788,972	326,921,914


Chairman

Chief Executive Officer

Director

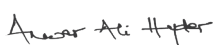
Chief Financial Officer

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

For the three month period ended March 31, 2024

	Note	March 31, 2024	March 31, 2023
(Rupees '000)			
Turnover - net	13	62,312,958	39,688,672
Cost of sales		43,663,440	23,943,805
GROSS PROFIT		18,649,518	15,744,867
Administrative and distribution expenses		(5,453,896)	(3,346,735)
		13,195,622	12,398,132
Finance cost		(1,641,650)	(1,737,817)
Other losses			
Unwinding of GIDC liability		(132,117)	(382,614)
Loss allowance on subsidy receivable from GoP		(1,030,000)	(200,000)
		(1,162,117)	(582,614)
Other expenses		(1,829,582)	(1,073,360)
Other income		5,013,260	3,825,014
Share of profit / (loss) of associates and joint venture		8,939,991	(260,038)
PROFIT BEFORE TAX		22,515,524	12,569,317
Provision for taxation		(9,840,951)	(4,237,064)
PROFIT FOR THE PERIOD		12,674,573	8,332,253
ATTRIBUTABLE TO:			
Equity Holders of Fauji Fertilizer Company Limited		12,560,156	8,256,211
Non - Controlling Interest		114,417	76,042
		12,674,573	8,332,253
Earnings per share - basic and diluted (Rupees)		9.96	6.55

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.


Chairman

Chief Executive Officer

Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)


For the three month period ended March 31, 2024

	March 31, 2024	March 31, 2023
	(Rupees '000)	
PROFIT FOR THE PERIOD	12,674,573	8,332,253
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to profit or loss		
Surplus / (deficit) on re-measurement of investments to fair value - net of tax	68,138	(115,149)
Share of equity accounted investees - share of OCI, net of tax	2,043,158	1,143,776
	2,111,296	1,028,627
Items that will not be subsequently reclassified to profit or loss		
Equity accounted investees - share of OCI, net of tax	17,827	30,957
Comprehensive income taken to equity	14,803,696	9,391,837
Comprehensive income not recognised in equity		
Items that may be subsequently reclassified to profit or loss		
Share in revaluation reserve of associates - net	51,233	35,102
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	14,854,929	9,426,939

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.



Chairman



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 For the three month period ended March 31, 2024

	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	Transation reserve	Statutory reserve	General reserve	Unappropriated profit			
Balance as at January 1, 2023	12,722,382	40,000	120,000	4,552,385	5,712,045	8,802,360	87,129,413	(1,791,255)	2,848,187	120,115,517
Total comprehensive income										
Profit for the period	-	-	-	-	-	-	8,256,211	-	76,042	8,332,253
Other comprehensive income - net of tax	-	-	-	223,391	-	-	30,957	805,236	-	1,099,594
	-	-	-	223,391	-	-	8,287,168	805,236	76,042	9,391,837
Transactions with owners of the Company										
Distributions:										
Final dividend 2022: Rs 3.15 per share	-	-	-	-	-	-	(4,007,560)	-	-	(4,007,560)
Other changes in equity										
Transfer to statutory reserve	-	-	-	-	(758,049)	-	758,049	-	-	-
Balance as at March 31, 2023	12,722,382	40,000	120,000	4,755,776	4,953,996	8,802,360	92,167,080	(986,019)	2,924,229	125,499,804
Balance as at January 1, 2024	12,722,382	40,000	120,000	6,871,041	6,671,664	8,802,360	114,118,741	(4,314,604)	3,589,019	146,620,603
Total comprehensive income										
Profit for the period	-	-	-	(86,517)	-	-	12,560,156	-	114,417	12,674,573
Other comprehensive (loss) / income - net of tax	-	-	-	(86,517)	-	-	17,827	2,197,813	-	2,129,123
	-	-	-	(86,517)	-	-	12,577,983	2,197,813	114,417	14,803,696
Transactions with owners of the Company										
Distributions:										
Final dividend 2023: Rs 4.10 per share	-	-	-	-	-	-	(5,216,177)	-	-	(5,216,177)
FWEL-II dividends to non-controlling interest holders:										
Final dividend 2023: Rs 4.5 per share	-	-	-	-	-	-	-	-	(317,493)	(317,493)
Other changes in equity										
Transfer to statutory reserve	-	-	-	-	1,155,524	-	(1,155,524)	-	-	-
Balance as at March 31, 2024	12,722,382	40,000	120,000	6,784,524	7,827,188	8,802,360	120,325,023	(2,116,791)	3,385,943	157,890,629

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.

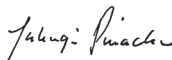
Chairman
Chief Executive Officer
Director
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the three month period ended March 31, 2024

Note	March 31, 2024	March 31, 2023
(Rupees '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	15 18,513,827	12,242,025
Finance cost paid	(1,184,475)	(1,907,379)
Income tax paid	(5,342,040)	(2,971,196)
	(6,526,515)	(4,878,575)
Net cash generated from operating activities	11,987,312	7,363,450
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,149,659)	(3,085,181)
Proceeds from sale of property, plant and equipment	23,026	5,873
Investment in Fauji Foods Limited	-	(4,650,000)
Advance against issue of shares in Thar Energy Limited	-	(226,908)
Other investments - net	869,455	(3,697,438)
Interest and profit received	531,872	515,419
Dividend received	644,020	-
Net cash used in investing activities	(81,286)	(11,138,235)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing:		
Drawdowns	9,287	9,717
Repayments	(1,621,774)	(1,590,000)
Repayment of lease liabilities	(21,285)	(67,452)
Dividend paid	(321,652)	10,465
Net cash used in financing activities	(1,955,424)	(1,637,270)
Net increase / (decrease) in cash and cash equivalents	9,950,602	(5,412,055)
Cash and cash equivalents at beginning of the period	86,315,120	46,933,653
Effect of exchange rate changes	(67,901)	929,211
Cash and cash equivalents at end of the period	96,197,821	42,450,809
CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,067,237	1,567,593
Short term highly liquid investments	94,847,921	54,939,952
Short term borrowings - secured	(717,337)	(14,056,736)
	96,197,821	42,450,809

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.


Chairman

Chief Executive Officer

Director

Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

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 other fertilizers, chemical, cement, energy generation, food processing, banking operations and technical services. 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, operation, 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, 2023. Comparative figures of condensed interim statement of financial position is extracted from audited consolidated financial statements as at December 31, 2023 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, 2023.

- 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. Material and other 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, 2023.

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2023: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2023: Rs 15,000,000 thousand).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited March 31, 2024	Audited December 31, 2023	Note	Un-audited March 31, 2024	Audited December 31, 2023
(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
1,272,238,247	1,272,238,247		12,722,382	12,722,382
5. REVENUE RESERVES				
General reserve			8,802,360	8,802,360
Unappropriated profit			120,325,023	114,118,741
			129,127,383	122,921,101
6. LONG TERM BORROWINGS - SECURED				
From conventional banks				
Fauji Fertilizer Company Limited			6.1	10,720,000
Fauji Fresh n Freeze Limited			6.2	1,776,924
From Islamic banks				
Fauji Fertilizer Company Limited			6.3	12,000,000
			24,496,924	26,109,411
Less: Current portion shown under current liabilities				
From conventional banks			4,044,201	4,044,201
From Islamic banks			2,750,000	2,500,000
			6,794,201	6,544,201
			17,702,723	19,565,210
6.1 Movement during the period / year is as follows:				
Opening balance			11,295,000	11,740,000
Draw-downs during the period / year			-	3,000,000
Repayments during the period / year			(575,000)	(3,445,000)
Closing balance			10,720,000	11,295,000

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

These carry mark-up ranging between 6 month KIBOR + 0.03% to 0.15% per annum (2023: 6 month KIBOR + 0.03% to 0.15% per annum) and are repayable up to December 2028 (2023: December 2028).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

	Un-audited March 31, 2024	Audited December 31, 2023
6.2 Movement during the period / year is as follows:	(Rupees '000)	
Opening balance	1,814,411	1,888,323
Draw-downs during the period / year	9,287	286,088
Repayments during the period / year	(46,774)	(360,000)
Closing balance	<u>1,776,924</u>	<u>1,814,411</u>

6.2.1 The borrowings are secured by way of hypothecation of FFF's present and future fixed assets (excluding land and building), ranking pari passu charge, certain FFC's corporate guarantees etc.

These carry mark-up ranging between 3 month + 0.05% to 6 month KIBOR + 0.05% (2023: 3 month + 0.05% to 6 month KIBOR + 0.05%), additionally TERF facilities included have markup ranging between 2.5% to 3.5%. (2023: 2.5% to 3.5%) and are repayable up to September 2031 (2023: September 2031)

	Un-audited March 31, 2024	Audited December 31, 2023
6.3 Movement during the period / year is as follows:	(Rupees '000)	
Opening balance	13,000,000	10,000,000
Draw-downs during the period / year	-	5,000,000
Repayments during the period / year	(1,000,000)	(2,000,000)
Closing Balance	<u>12,000,000</u>	<u>13,000,000</u>

6.3.1 The borrowings are secured by way of hypothecation of Company's assets including plant, machinery, tools & spares and other moveable 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 (2023: 6 month KIBOR + 0% to 0.10% per annum) and are repayable up to November 2028.

	Un-audited March 31, 2024	Audited December 31, 2023
7. SHORT TERM BORROWINGS - SECURED	(Rupees '000)	
From conventional banks	634,611	10,223,504
From Islamic banks	82,726	4,909,657
	<u>717,337</u>	<u>15,133,161</u>
8. CONTINGENCIES AND COMMITMENTS		
8.1 Contingencies:		
i) Guarantees issued by banks on behalf of the Group companies	10,564,815	10,828,877
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	38,302,884	38,633,928
iv) Group's share of contingencies in Fauji Cement Company Limited as at December 31, 2023 (2023: September 30, 2023)	383,616	383,616

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

	Note	Un-audited March 31, 2024	Audited December 31, 2023
		(Rupees '000)	
v)	Group's share of contingencies in Askari Bank Limited as at December 31, 2023 (2023: September 30, 2023)	151,769,989	153,362,382
vi)	Penalty of Rs 5.5 Billion was imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices. Company filed appeal before the Competition Appellate Tribunal against the said order. The Tribunal was pleased to set aside the penalty imposed by CCP, however, it provided guidelines to CCP to decide the matter afresh and remanded the case back to CCP. 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 prior years, CCP under the said Tribunal guidelines resumed the proceedings and the Company duly joined through counsel. 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, 2024	Audited December 31, 2023
		(Rupees '000)	
8.2	Commitments in respect of:		
i)	Capital expenditure	11,661,669	11,294,273
ii)	Purchase of fertilizer, stores, spares and other operational items	8,749,467	4,809,221
iii)	Investment in Thar Energy Limited	88,826	90,423
iv)	Contracted out services	560,101	723,753
v)	Group's share of commitments of PMP as at December 31, 2023 (2023: September 30, 2023)	9,154	10,000
vi)	Group's share of commitments of FCCL as at December 31, 2023 (2023: September 30, 2023)	255,730	302,102
vii)	Group's share of commitments of FFBL as at March 31, 2024 (2023: December 31, 2023)	13,271,815	8,775,623
viii)	Group's share of commitments of Askari Bank Limited as at December 31, 2023 (2023: September 30, 2023)	218,671,241	176,615,201
ix)	Group's share of commitments of TEL as at December 31, 2023 (2023: September 30, 2023)	1,793,699	1,818,349
9.	PROPERTY PLANT AND EQUIPMENT		
	Operating fixed assets	43,603,927	43,676,178
	Capital work in progress	13,031,859	11,901,414
	Right of use assets	13,020,608	13,716,353
		69,656,394	69,293,945
9.1	Operating fixed assets		
	Opening written down value	43,676,178	41,473,957
	Additions during the period / year	1,019,213	6,337,722
	Written down value of disposals / adjustments	(6)	(11,718)
	Depreciation during the period / year	(1,091,458)	(4,125,011)
	Impairment charge	-	1,228
		43,603,927	43,676,178
9.1.1	Additions in and depreciation on operating fixed assets during the three month period ended March 31, 2023 were Rs 1,135,339 thousand and Rs 1,255,551 thousand respectively.		

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

	Note	Un-audited March 31, 2024	Audited December 31, 2023
(Rupees '000)			
9.2 Capital work in progress			
Opening value		11,901,414	2,461,172
Additions during the period / year		2,726,021	10,234,653
Transfers during the period / year		(1,595,576)	(794,411)
		13,031,859	11,901,414
9.3 Right of use assets			
Opening balance		13,716,353	13,987,206
Exchange loss - net		-	939,686
Depreciation during the period / year		(695,745)	(1,210,539)
		13,020,608	13,716,353
9.4 Depreciation charge has been allocated as follows:			
Cost of sales		1,747,171	5,199,211
Administrative and distribution expenses		36,512	121,026
Other expenses		452	1,286
Charged to FFBL under the Company Services Agreement		3,069	14,027
		1,787,204	5,335,550
10. LONG TERM INVESTMENTS			
Equity accounted investments	10.1	104,642,810	95,093,880
Other long term investments	10.2	2,746,552	2,706,925
		107,389,362	97,800,805
10.1 Equity accounted investments			
Investment in associated companies - under equity method			
Fauji Cement Company Limited			
Balance at the beginning		3,417,302	3,085,305
Share of profit for the period / year		114,108	-
Gain on dilution of interest		-	331,997
		3,531,410	3,417,302
Fauji Fertilizer Bin Qasim Limited			
Balance at the beginning		35,008,094	32,621,347
Share of profit for the period / year		3,802,615	1,515,120
Share of OCI for the period / year		438,025	871,627
Dividend		(644,019)	-
		38,604,715	35,008,094
Fauji Foods Limited			
Balance at the beginning		4,787,277	-
Investment during the period / year	10.3	-	4,650,000
Share of profit for the period / year		19,069	137,369
Share of OCI for the period / year		-	(92)
		4,806,346	4,787,277

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

Note	Un-audited March 31, 2024	Audited December 31, 2023
(Rupees '000)		
Askari Bank Limited		
Balance at the beginning	36,947,033	31,594,433
Share of profit for the period / year	3,001,171	7,709,072
Share of OCI for the period / year	2,378,126	(2,356,472)
Dividend	(1,563,333)	-
	40,762,997	36,947,033
Thar Energy Limited		
Balance at the beginning	8,662,870	5,730,558
Investment during the period / year	-	226,908
Share of profit for the period / year	1,042,998	2,705,214
Share of OCI for the period / year	-	190
	9,705,868	8,662,870
Investment in joint venture - under equity method		
Pakistan Maroc Phosphore S.A., Morocco		
Balance at the beginning	6,271,304	6,017,700
Share of profit / (loss) for the period / year	960,030	(1,161,830)
Gain on translation of net assets	140	1,415,434
	7,231,474	6,271,304
	104,642,810	95,093,880
10.2 Other long term investments		
Investment measured at fair value through other comprehensive income		
Term Deposit Receipts - from conventional bank	32,899	32,899
Term Finance Certificates - from conventional bank	300,000	498,865
Pakistan Investment Bonds	4,356,627	4,266,595
	4,689,526	4,798,359
Less: Current portion shown under short term investments Investment at fair value through other comprehensive income		
Term Deposit Receipts - from conventional bank	32,899	32,899
Bank Alfalah Term Finance Certificates	-	198,865
Pakistan Investment Bonds	1,910,075	1,859,670
	1,942,974	2,091,434
12	2,746,552	2,706,925

10.3 In the year 2023, 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).

11 OTHER RECEIVABLES

Other receivables include Rs 6,961,878 thousand (December 31, 2023: Rs 6,961,878 thousand) on account of subsidy receivable and Rs 14,754,583 thousand - net of provision (December 31, 2023: Rs 16,866,320 thousand) on account of sales tax.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

	Note	Un-audited March 31, 2024	Audited December 31, 2023
(Rupees '000)			
12. SHORT TERM INVESTMENTS			
Amortized cost - conventional instruments			
Foreign currency		4,668,693	4,956,685
		4,668,693	4,956,685
Investments at fair value through profit or loss			
Conventional investments		49,999,174	65,869,092
Shariah compliant investments		40,180,054	28,826,286
		90,179,228	94,695,378
Current maturity of long term investments			
Investments measured at fair value through other comprehensive income	10	1,942,974	2,091,434
		96,790,895	101,743,497
Three month period ended			
		Un-audited March 31, 2024	Un-audited March 31, 2023
(Rupees '000)			
13. TURNOVER - NET			
Fertilizer		58,689,962	36,425,482
Power		2,527,609	2,080,012
Food		2,009,232	1,622,349
Technical services		104,098	41,111
		63,330,901	40,168,954
Sales tax		(806,489)	(409,565)
Trade discount		(211,454)	(70,717)
		(1,017,943)	(480,282)
		62,312,958	39,688,672

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

14. 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)				
March 31, 2024 (Un-audited)					
Assets					
Segment assets (Total)	166,466,308	51,044,220	9,168,137	467,497	227,146,162
Equity accounted investees	104,642,810	-	-	-	104,642,810
Liabilities					
Segment liabilities (Total)	167,096,799	1,962,298	3,228,701	96,462	172,384,260
Capital expenditure	1,993,917	768	154,973	-	2,149,658
Depreciation	675,583	1,000,932	110,551	138	1,787,204
December 31, 2023 (Audited)					
Assets					
Segment assets (Total)	170,911,158	53,178,358	7,413,930	324,588	231,828,034
Equity accounted investees	95,093,880	-	-	-	95,093,880
Liabilities					
Segment liabilities (Total)	168,871,573	1,494,429	6,376,734	95,725	176,838,461
Capital expenditure	15,117,405	56,853	277,337	874	15,452,469
Depreciation	2,549,006	2,355,923	430,364	257	5,335,550

* net of consolidated adjustments / eliminations

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

	March 31, 2024	March 31, 2023
15. CASH GENERATED FROM OPERATIONS	(Rupees '000)	
Profit before tax	22,515,524	12,569,317
Adjustments for:		
Depreciation	1,787,204	1,259,047
Amortization	914	2,277
Unwinding of GIDC liability	132,117	382,614
Loss allowance on subsidy receivable	1,030,000	200,000
Amortization of transaction cost	-	693
Finance cost	1,641,650	1,737,817
Gain on sale of property, plant and equipment	(23,020)	(5,873)
Income on loans, deposits and investments	(410,877)	(373,446)
Share of profit of associated companies and joint venture	(8,939,991)	260,038
Amortization of deferred government grant	(9,287)	(9,717)
Exchange loss / (gain) - net	67,901	(929,211)
Gain on remeasurement of investments at fair value through profit or loss	(669,466)	(960,710)
	(5,392,855)	1,563,529
	17,122,669	14,132,846
Changes in:		
Stores and spares	(589,175)	(115,845)
Stock in trade	(1,639,890)	4,042,470
Trade debts	(272,300)	(1,454,435)
Loans and advances	756,209	(3,620,908)
Deposits and prepayments	105,683	(149,094)
Other receivables	2,278,457	159,737
Trade and other payables	864,621	(714,706)
	1,503,605	(1,852,781)
Changes in long term loans and advances	(112,447)	(38,040)
	18,513,827	12,242,025

16. 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, 2023. 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, 2023.

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

	March 31, 2024	March 31, 2023
17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES	(Rupees '000)	
Significant transactions and balances with the related parties are as follows:		
HOLDING COMPANY		
Transactions		
Dividend	2,313,374	1,777,348
Cost recharge	187,500	238,248
Sale of fertilizer	17,792	-
Others	2,201	-
Balances		
Balance payable - unsecured *	2,500,874	-
ASSOCIATED UNDERTAKINGS / COMPANIES DUE TO COMMON DIRECTORSHIP		
Transactions		
Expenses charged on account of marketing of fertilizer on behalf of associated company	279,229	245,328
Commission on sale of products	5,115	8,307
Sale of fertilizer	34,035	
Payments under consignment account - net	42,023,551	36,157,143
Payments against purchase of gas and PEF project	14,184,181	8,040,295
Equity investment	-	226,908
Services and materials provided	398	11,778
Donation	199,680	776,670
Interest expense	79,701	201,138
Interest income	46,649	9,744
Dividend income	2,207,352	-
Balances		
Long term investments*	32,899	32,899
Long term borrowings *	400,588	413,612
Short term borrowings *	-	8,392,980
Dividend receivable*	1,563,333	-
Bank balance *	594,825	124,603
Balance receivable - unsecured *	476,660	609,998
Balance payable - unsecured *	69,911,041	72,444,064
KEY MANAGEMENT PERSONNEL		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2024: 1 and 605 (2023:1 and 501) respectively	1,897,533	1,595,759

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2024

	March 31, 2024	March 31, 2023
STAFF RETIREMENT BENEFITS		
(Rupees '000)		
Contributions		
Employees' Provident Fund Trust	159,114	141,530
Employees' Gratuity Fund Trust	385,115	266,333
Employees' Pension Fund Trust	43,448	-
Employees' Funds as Dividend on equity holding of 0.25% (2023: 0.25%)	-	8,415
Balances		
Balance payable to Gratuity Fund Trust *	709,757	1,004,264
Balance receivable - Pension Fund Trust *	398,268	365,682
Balance payable - Provident Fund Trust *	20,953	750

* Comparative figures of receivable / payable balances are as of December 31, 2023.

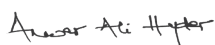
18. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of FFC in its meeting held on April 29, 2024 proposed first interim dividend of Rs 5.50 per share.

19. GENERAL

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

19.2 These condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of FFC on April 29, 2024.



Chairman



Chief Executive Officer



Director



Chief Financial Officer



SAY NO TO CORRUPTION

SAY NO TO CORRUPTION

If Undelivered please return to:
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Website: www.ffc.com.pk



Askari Bank Ltd



Fauji Cement Company Ltd

