



FFBL

Faugi Fertilizer Bin Qasim Limited



1ST QUARTER REPORT | 2021

COMPANY INFORMATION

DIRECTORS

Mr Waqar Ahmed Malik

Chairman

Mr Sarfaraz Ahmed Rehman

Chief Executive & Managing Director

Lt Gen Tariq Khan, HI(M), (Retd)

Dr Nadeem Inayat

Mr Qamar Haris Manzoor

Mr Mohammad Munir Malik

Mr Rehan Ahmed

Syed Bakhtiyar Kazmi

Syed Khalid Siraj Subhani

Mr Moez ur Rehman

Ms Pouruchisty Sidhwa

Ms Saira Nasir

COMPANY SECRETARY

Brig Aamir Hussain Mirza, SI(M), (Retd)

CHIEF FINANCIAL OFFICER

Mr Muhammad Javed Akhtar

REGISTERED OFFICE

FFBL Tower, C1 / C2, Sector B, Jinnah Boulevard,
Phase II, DHA Islamabad.

Tel: +92 51 8763325, Fax: +92 51 8763304-05

E-mail: secretary@ffbl.com

PLANTSITE

Plot No. EZ/1/P-1 Eastern Zone, Port Qasim, Karachi 75020.

Tel: +92 21 34724500-29, Fax : +92 21 34750704

Email: information@ffbl.com

WEB PRESENCE

www.ffbl.com

BANKERS

Habib Bank Limited

MCB Bank Limited

United Bank Limited

National Bank of Pakistan

Allied Bank Limited

Askari Bank Limited

Faysal Bank Limited

Standard Chartered Bank (Pakistan) Limited

Habib Metropolitan Bank Limited

The First Micro Finance Bank Limited

Soneri Bank Limited

Summit Bank Limited

JS Bank Limited

Samba Bank Limited

Zarai Taraqati Bank Limited

Industrial Bank of China

The Bank of Khyber

Al-Baraka Bank (Pakistan) Limited

Dubai Islamic Bank Pakistan Limited

Bank Islami Pakistan Limited

Meezan Bank Limited

MCB Islamic Bank Limited

Bank Al-Falah Limited

Bank Al-Habib Limited

Silk Bank Limited

The Bank of Punjab

LEGAL ADVISORS

Orr Dignam & Co,
Advocates Marina Heights,
2nd floor, 109 East, Jinnah Avenue,
Blue Area, Islamabad, Pakistan
Tel: (051) 2348645-9

AUDITORS

EY Ford Rhodes,
Eagle Plaza, 75 West,
Fazal-e-Haq Road,
Blue Area, Islamabad .

SHARES REGISTRAR

M/s Corplink (Pvt) Limited,
Wings Arcade, 1-K,
Commercial, Model Town, Lahore.
Tel: (042) 35839182, 35916719
Fax: (042) 35869037

The Board of Directors is pleased to present a brief overview of the operational and financial performance of the Company for the quarter ended March 31, 2021.

The third wave of COVID-19 has struck the country with a further significant impact. Though the vaccination process has commenced, it is still in the initial stages. The policy of Smart Lockdowns in affected areas has mitigated the impact and helped in keeping the wheel of the economy working. FFBL is striving to ensure uninterrupted operations while following the SOPs and protecting the health of its employees.

By the grace of Almighty, overall plant performance remained satisfactory and your Company achieved 21.4 million safe-man-hours as of 31 March 2021 with 11.25 years of safe operation without any loss time injury and excursions with respect to liquid and gaseous emissions. Plant's annual turnaround was completed successfully. March 2021 witnessed the highest ever monthly production of 50,875 MT of Ammonia (Previous: 50,027 in May 2019) and 60,651 MT of Urea (Previous: 60,428 in October 2009).

Economic Coordination Committee has approved the supply of Gas for the next five years after expiry of the previous agreement on December 31, 2020.

Financial results

The Company witnessed significantly improved performance for the quarter ended March 31, 2021, and posted a net profit, after 5 years of consecutive losses, in the first quarter of a financial year. Net Profit grew by 142% amounting to Rs. 1,266 million with Earnings per share of Re 0.98 in the first quarter 2021 as compared to a net loss of Rs. 3,048 million and Loss per share of Rs. 2.36 in the corresponding quarter of 2020.

Sales and profit increased significantly versus 2020, primarily on account of increase in DAP prices in the international market, at the back of strong global demand for phosphatic fertilizers; improved operating efficiencies and reduced finance costs. Sales at Rs. 13,005 million is 36% higher than Rs. 9,558 million of the comparative quarter of 2020. The Company incurred finance cost of Rs. 651 million as against Rs. 1,519 million in the corresponding quarter, owing to lower mark-up rates and reduced leverage. Borrowing stood at Rs. 27,082 million at the end of the first quarter 2021 as compared to Rs. 41,485 in the corresponding quarter of 2020. Other income increased mainly due to receipt of dividend income of Rs. 1,034 million from associates.

Our subsidiaries have also shown better results during the quarter. Operational results of FFL improved significantly with a sales growth of 43% in first quarter, posting gross profit growth of over 300%, i.e. 11.1% gross profit margin against gross loss margin of 6.0% in 2020. FPCL earned a net profit of Rs. 964 million which is 2.2% higher versus the corresponding quarter, mainly due to lower finance cost.

The Company posted consolidated net profit of Rs. 1,223 million as against a net loss of Rs. 2,900 million in corresponding quarter due to improved performance across the group.

Upgraded Credit Rating

We are further pleased to inform all stakeholders of the Company about the upgradation of its long-term credit rating from A+ (single A plus) to AA- (double A minus), which signifies high credit quality and strong protection factors. FFBL's short-term rating is A-1 (single A minus), which denotes high certainty of timely payments, excellent liquidity factors supported by good fundamental protection factors.

Future Prospects and Strategic Direction


The Company has been approached by Fauji Fertilizer Company Limited with a non-binding Letter of Intent for the contemplated acquisition of shareholding of FFBL in Foundation Wind Energy-I and Foundation Wind Energy-II. The non-binding Letter of Intent is subject to negotiation and execution of definitive documentation, completion of procedural formalities and requisite corporate approvals from relevant Regulatory Authorities. The Board has decided to enter into further discussions on the said investments.

The Company continues to focus on the core business and contemplate various options regarding some of its non-core businesses. Recent financial results indicate better performance of the core business of the Company which has certainly helped in its revival. It is also manifested in the improved credit rating of the Company which demonstrates its financial strength and standing. The Management is committed to continue deleveraging of the Company.

The Company has been able to turnaround its state of affairs from dismal to stable which gives us the encouragement to continue with the strategic direction to make FFBL an efficient and prosperous entity. Future profitability is dependent upon adequate gas supply, fertilizer margins, macroeconomic conditions and COVID phenomena.

The Company remains in close coordination with Ministry of Petroleum and SSGCL for continuous gas supplies. Going forward, FFBL expects better results for its stakeholders, through improved sales and margins for the remainder of the year.

For and on behalf of the Board



Waqar Ahmed Malik

Chairman



Sarfaraz Ahmed Rehman

Chief Executive & Managing Director

Islamabad
April 26, 2021

کریڈٹ ریٹنگ میں بہتری

ہم تمام اسٹیک ہولڈرز کو یہ بتا تے ہوئے مسرت محسوس کر رہے ہیں کہ کمپنی کی طویل مدتی کریڈٹ ریٹنگ A + (سنگل A پلس) سے بڑھ کر AA- (ڈبل A مائنس) ہو گئی ہے، جو اعلیٰ کریڈٹ کوالٹی اور مضبوط تحفظ کے عوامل کی نشاندہی کرتا ہے۔ FFBL کی قلیل مدتی درجہ بندی A-1 (سنگل A مائنس) ہے، جو بروقت ادائیگیوں، اعلیٰ بنیادی تحفظ کے عوامل کی بدولت بہترین لیکویڈیٹی کو ظاہر کرتی ہے۔

مستقبل کے امکانات اور حکمت عملی کی سمت

فوجی فریڈلائزر کمپنی لمیٹڈ نے غیر مشروط لیٹر آف انٹینٹ کے ذریعے فاؤنڈیشن ونڈ انرجی- | اور فاؤنڈیشن ونڈ انرجی - II میں ایف ایف بی ایل کی شیئر ہولڈنگ کے حصول کے لئے کمپنی سے رابطہ کیا ہے۔ غیر مشروط لیٹر آف انٹینٹ مذاکرات اور قطعی دستاویزات کی تکمیل، ضابطوں پر عملدرآمد، کارپوریٹ منظوری اور متعلقہ ریگولیٹری اتھارٹیز سے منظوری سے مشروط ہے۔ بورڈ نے مذکورہ سرمایہ کاریوں پر مزید سوچ بچار کرنے کا فیصلہ کیا ہے۔

کمپنی اپنے بنیادی کاروبار پر توجہ مرکوز رکھے ہوئے ہے اور اپنے ذیلی کاروبار کے بارے میں مختلف تجاویز پر غور و فکر کرتی رہتی ہے۔ حالیہ مالی نتائج کمپنی کے بنیادی کاروبار کی بہتر کارکردگی کی نشاندہی کرتے ہیں جس نے یقینی طور پر اس کی بحالی میں مدد فراہم کی ہے۔ اس بات کا ثبوت کمپنی کی بہتر کریڈٹ ریٹنگ سے بھی ظاہر ہوتا ہے جو اس کے مالی استحکام اور بہتر درجہ بندی کا مظہر ہے۔ انتظامیہ کمپنی کے قرضوں کو کم سے کم کرنے کیلئے مسلسل کوشاں ہے۔


کمپنی اپنی مایوس کن کارکردگی کو مستحکم کرنے میں کامیاب رہی ہے جو ایف ایف بی ایل کو ایک موثر اور خوشحال ادارہ بنانے کی حکمت عملی کو جاری رکھنے کی حوصلہ افزائی کرتی ہے۔ کمپنی کی مستقبل کی منافع بخش کارکردگی، گیس کی مناسب فراہمی، کھاد کے مارجن، معاشی حالات اور COVID کی صورت حال پر منحصر ہے۔

کمپنی گیس کی مسلسل فراہمی کے لئے وزارت پیٹرولیم اور ایس ایس جی سی ایل کے ساتھ قریبی رابطے میں ہے۔ ایف ایف بی ایل مستقبل میں اپنے اسٹیک ہولڈرز کے لئے بہتر فروخت اور مارجن کے ذریعے مزید بہتر نتائج کی توقع کرتی ہے۔

منجانب بورڈ



سرفراز احمد رحمان
منیجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر



وقار احمد ملک
چیئرمن

اسلام آباد

26 اپریل 2021

بورڈ آف ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی سہ ماہی کی بابت کمپنی کی پیداواری اور مالیاتی کارکردگی کا مختصر جائزہ پیش کرتے ہیں۔

COVID-19 کی تیسری لہر نے ملک کو مزید متاثر کیا ہے۔ اگرچہ ویکسینیشن کا عمل شروع ہو چکا ہے، تاہم یہ ابھی ابتدائی مراحل میں ہے۔ متاثرہ علاقوں میں اسمارٹ لاک ڈاؤن کی پالیسی نے مضر اثرات کو کم کیا اور معیشت کا پہلے چلتے رہنے میں مدد دی۔ ایف ایف بی ایل ایس او پیز پر عمل اور اپنے ملازمین کی صحت کی حفاظت کرتے ہوئے بلا تعطل پیداوار کو یقینی بنانے کے لئے کوشاں ہے۔

اللہ تعالیٰ کے فضل و کرم سے، پلانٹ کی مجموعی کارکردگی تسلی بخش رہی اور کمپنی نے 11.25 سال کے محفوظ آپریشن کے ساتھ، بغیر مائع اور گیس کے اخراج اور بغیر تعطل کے، 31 مارچ 2021 تک 21.4 ملین سیف مین آؤر مکمل کیے۔ پلانٹ کا سالانہ ٹرن اراؤنڈ کامیابی کے ساتھ مکمل ہوا۔ مارچ 2021 میں امونیا کی اب تک کی سب سے زیادہ ماہانہ پیداوار 50.875 میگا ٹن (گذشتہ: مئی 2019 میں 50.027) اور 60.651 میگا ٹن یوریا کی پیداوار (گذشتہ: اکتوبر 2009 میں 60.428) دیکھنے میں آئی۔ اقتصادی رابطہ کمیٹی نے 31 دسمبر 2020 کو پچھلے معاہدے کی میعاد ختم ہونے کے بعد اگلے پانچ سالوں کے لئے کمپنی کو گیس کی فراہمی کی منظوری دے دی ہے۔

مالی نتائج

کمپنی نے 31 مارچ 2021 کو ختم ہونے والی سہ ماہی میں نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا اور مالی سال کی پہلی سہ ماہی میں مسلسل 5 سال کے نقصانات کے بعد خالص منافع حاصل کیا۔ 2021 کی پہلی سہ ماہی میں خالص منافع 142 فیصد کا اضافہ ہوا جو کہ 0.98 روپے فی حصص آمدن کے ساتھ 1.266 ملین روپے ہے۔ 2020 کی اسی سہ ماہی میں 2.36 روپے فی حصص خسارہ کے ساتھ خالص خسارہ 3.048 ملین روپے تھا۔

2020 کے مقابلے میں فروخت اور منافع میں نمایاں اضافہ دیکھنے میں آیا جس کی بنیادی وجہ بین الاقوامی منڈی میں ڈی اے پی کی قیمتوں میں اضافہ، فاسفیٹ کھادوں کی مضبوط طلب، بہتر آپریٹنگ کارکردگی اور مالی اخراجات میں کمی ہے۔ موجودہ سہ ماہی کی 13,005 ملین روپے کی فروخت 2020 کی تقابلی سہ ماہی کی 9,558 ملین روپے سے 36 فیصد زیادہ ہے۔ گذشتہ سال پہلی سہ ماہی کے 1,519 ملین روپے کے مقابلے میں موجودہ سہ ماہی میں مارک اپ شرح میں کمی اور مالی سہولیات کے کم استعمال کی وجہ سے 651 ملین روپے کی مالیاتی لاگت آئی۔ 2021 کی پہلی سہ ماہی کے اختتام پر قرضے کا حجم 2020 کی اسی سہ ماہی کے 41,485 ملین روپے کے مقابلے میں 27,082 ملین روپے رہا۔ دیگر آمدنی میں اضافہ کی بنیادی وجہ منسلک کمپنیوں سے حاصل شدہ 1.034 ملین روپے کا ڈیویڈنڈ ہے۔

ہماری ذیلی کمپنیوں نے بھی سہ ماہی کے دوران بہتر نتائج حاصل کئے۔ ایف ایف ایل کے پیداواری نتائج میں پہلی سہ ماہی میں فروخت میں 43 فیصد اضافے کے ساتھ نمایاں بہتری آئی۔ مجموعی منافع میں 300 فیصد اضافہ ہوا۔ 2020 میں 6 فیصد کے مجموعی نقصان کے مقابلے میں اس سہ ماہی میں 11.1 فیصد کا مجموعی منافع حاصل ہوا۔ ایف پی سی ایل نے بنیادی طور پر کم مالیاتی لاگت کی وجہ سے 964 ملین روپے کا خالص منافع حاصل کیا جو گذشتہ سال اسی سہ ماہی کے مقابلے میں 2.2 فیصد زیادہ ہے۔

کمپنی نے گذشتہ سال اسی سہ ماہی کے 2,900 ملین روپے کے مجموعی خسارہ کے مقابلے میں پورے گروپ کی بہتر کارکردگی کی وجہ سے موجودہ سہ ماہی میں 1,223 ملین روپے کا مجموعی منافع حاصل کیا۔

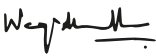
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

| | | March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|--------------------------------------|------|-------------------------------------|-----------------------------------|
| | Note | (Rupees '000) | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | 5 | 12,912,529 | 9,341,100 |
| Advance against issue of shares | | - | 4,885,787 |
| Capital reserve | | 1,632,729 | 228,350 |
| Revenue reserve | | | |
| Accumulated profit / (loss) | | 770,572 | (495,832) |
| | | 15,315,830 | 13,959,405 |
| NON-CURRENT LIABILITIES | | | |
| Long-term loans | 6 | 14,460,425 | 15,425,006 |
| Deferred liabilities | 7 | 13,342,235 | 14,530,380 |
| | | 27,802,660 | 29,955,386 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 24,374,436 | 21,637,647 |
| Advances from customers | | 1,475,608 | 2,204,000 |
| Unpaid dividend | | 10,954 | 10,954 |
| Unclaimed dividend | | 116,860 | 117,007 |
| Accrued interest | | 365,443 | 445,326 |
| Short-term borrowings | | 6,430,333 | 15,822,065 |
| Current portion of long-term loans | 6 | 6,191,661 | 6,816,662 |
| | | 38,965,295 | 47,053,661 |
| | | 82,083,785 | 90,968,452 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 9 | | |

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.

| | | March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|-------------------------------------------|------|-------------------------------------|-----------------------------------|
| | Note | (Rupees '000) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 10,111,650 | 10,192,781 |
| Long-term investments | 11 | 24,546,403 | 24,546,403 |
| Long-term loans | 12 | 500,000 | 6,990,318 |
| Long-term advances | | 1,510 | 3,210 |
| Long-term deposits | | 78,643 | 78,643 |
| | | 35,238,206 | 41,811,355 |
| CURRENT ASSETS | | | |
| Stores and spares | | 2,770,079 | 2,894,482 |
| Stock-in-trade | | 5,238,291 | 2,861,568 |
| Trade debts | | 930,618 | 1,656,387 |
| Advances | | 893,956 | 772,702 |
| Current portion of long-term loans | 12 | 6,828,982 | - |
| Trade deposits and short-term prepayments | | 59,961 | 99,899 |
| Interest accrued | | 634,962 | 473,503 |
| Other receivables | 13 | 3,803,871 | 5,170,133 |
| Income tax refundable - net | | 1,736,080 | 1,744,650 |
| Sales tax refundable - net | | 9,128,606 | 8,435,341 |
| Cash and bank balances | | 14,820,173 | 25,048,432 |
| | | 46,845,579 | 49,157,097 |
| | | 82,083,785 | 90,968,452 |



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



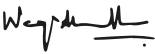
CHIEF FINANCIAL OFFICER

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

FOR THE PERIOD ENDED MARCH 31, 2021

| | Note | Quarter ended March 31, | |
|-----------------------------------------------------------------|------|-------------------------|--------------------|
| | | 2021 | 2020 |
| | | (Rupees '000) | |
| Sales - net | 14 | 13,005,132 | 9,558,197 |
| Cost of sales | 15 | (10,527,836) | (10,116,433) |
| Gross profit / (loss) | | 2,477,296 | (558,236) |
| Selling and distribution expenses | | (911,625) | (713,691) |
| Administrative expenses | | (289,954) | (286,943) |
| | | 1,275,717 | (1,558,870) |
| Finance costs | | (650,852) | (1,518,721) |
| Unwinding of GIDC | 7 | (345,886) | - |
| Other expenses | | (138,731) | (193,144) |
| | | 140,248 | (3,270,735) |
| Other income | 16 | 1,565,884 | 316,334 |
| Profit / (loss) before taxation | | 1,706,132 | (2,954,401) |
| Taxation - net | 17 | (439,728) | (93,663) |
| Profit / (loss) after taxation | | 1,266,404 | (3,048,064) |
| | | | Restated |
| Earnings / (loss) per share - basic and diluted (Rupees) | | 0.98 | (2.36) |

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

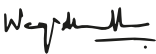


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE PERIOD ENDED MARCH 31, 2021

| | Quarter ended March 31, | |
|--------------------------------------------|-------------------------|-------------|
| | 2021 | 2020 |
| | (Rupees '000) | |
| Profit / (loss) after taxation | 1,266,404 | (3,048,064) |
| Other comprehensive income | - | - |
| Total comprehensive income / (loss) | 1,266,404 | (3,048,064) |

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



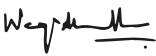
CHIEF FINANCIAL OFFICER

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


FOR THE PERIOD ENDED MARCH 31, 2021

| | Share capital | Advance against issue of shares | Capital reserve | Accumulated profit / (loss) | Total |
|-------------------------------------------------|----------------|------------------------------------|-----------------|--------------------------------|-------------|
| | (Rupees ' 000) | | | | |
| Balance as at January 01, 2020 - audited | 9,341,100 | - | 228,350 | (2,735,489) | 6,833,961 |
| Total comprehensive income | | | | | |
| Loss after taxation for the period | - | - | - | (3,048,064) | (3,048,064) |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | (3,048,064) | (3,048,064) |
| Balance as at March 31, 2020 | 9,341,100 | - | 228,350 | (5,783,553) | 3,785,897 |
| Balance as at January 01, 2021 - audited | 9,341,100 | 4,885,787 | 228,350 | (495,832) | 13,959,405 |
| Total comprehensive income | | | | | |
| Profit after taxation for the period | - | - | - | 1,266,404 | 1,266,404 |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 1,266,404 | 1,266,404 |
| Issue of share capital | 3,571,429 | (4,885,787) | 1,428,571 | - | 114,213 |
| Share issuance cost | - | - | (24,192) | - | (24,192) |
| Balance as at March 31, 2021 | 12,912,529 | - | 1,632,729 | 770,572 | 15,315,830 |

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2021

| | Note | Quarter ended March 31, | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------------|---------------------|
| | | 2021 | 2020 |
| | | (Rupees '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operating activities | 18 | 1,788,273 | 4,600,812 |
| Income tax paid | | (495,873) | (128,227) |
| Finance costs paid | | (728,701) | (1,398,057) |
| Payment to gratuity fund | | - | (57,811) |
| Compensated absences paid | | (89,448) | (10,638) |
| Payment to Workers' (Profit) Participation Fund | | (261,665) | - |
| Net cash generated from operating activities | | 212,586 | 3,006,079 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditures | | (170,185) | (406,228) |
| Long-term advances | | 1,700 | 3,628 |
| Sale proceeds from disposal of property, plant and equipment | | 18,599 | 1,140 |
| Dividend received | | 660,597 | - |
| Long-term loans disbursed | | (338,664) | - |
| Profit received on bank balances, term deposits and sub-ordinated loans | | 278,543 | 162,264 |
| Net cash generated from / (used in) investing activities | | 450,590 | (239,196) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipt against issue of shares - net | | 90,021 | - |
| Long-term financing payment | | (1,589,582) | (1,125,000) |
| Short-term borrowings - net | | (3,050,497) | (4,000,000) |
| Dividend paid | | (147) | (1,123) |
| Net cash used in financing activities | | (4,550,205) | (5,126,123) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | (3,887,029) | (2,359,240) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 13,676,359 | (8,982,750) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 9,789,330 | (11,341,990) |
| CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents included in the condensed interim statement of cash flows comprise the following condensed interim statement of financial position amounts: | | | |
| - Cash and bank balances | | 14,820,173 | 3,960,205 |
| - Short-term running finance | | (5,030,843) | (15,302,195) |
| | | 9,789,330 | (11,341,990) |

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

1 THE COMPANY AND ITS OPERATIONS

Fauji Fertilizer Bin Qasim Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The shares of the Company are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, DHA II, Islamabad. The principal objective of the Company is manufacturing, purchasing and marketing of fertilizers. The Company commenced its commercial production on January 1, 2000.

2 BASIS OF PREPARATION

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.

The disclosures in these condensed interim financial statements do not include the information reported for complete annual financial statements and should therefore be read in conjunction with the financial statements for the year ended December 31, 2020. The comparative Statement of Financial Position is extracted from the annual financial statements, as of December 31, 2020, whereas the Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity are extracted from the un-audited condensed interim financial statements, for the period ended March 31, 2020.

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 Listed Companies (Code of Corporate Governance) Regulations, 2019. The condensed interim consolidated financial statements of the Company are prepared separately.

In these condensed interim financial statements, the investments in subsidiaries and associates are accounted for on the basis of direct equity interest at cost, rather than on the basis of reported results.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2020.

4 IMPACT OF COVID-19

On January 31, 2020, the World Health Organization (WHO) announced a global health emergency due to Corona virus. Because of the rapid increase in exposure globally, on March 11, 2020, WHO classified the COVID-19 outbreak as a pandemic.

The Government of Pakistan imposed restrictions on movement temporarily. The Company has adopted the required regulations. The plant operations remained broadly unaffected and there has been no significant effect on sales. Accordingly, till date there has been no effects on Company's financial as well as operational results. Management is also not expecting any significant disruptions in the future. Management of the Company, however, continue to evaluate it's effect till the date of authorization of these condensed interim financial statements for current period.

5 SHARE CAPITAL

5.1 Pursuant to the decision of the Board of Directors in their meeting held on October 06, 2020, the Company commenced the process for a right issue of shares in the aggregate amount of Rs. 4,999,999,998 divided into 357,142,857 ordinary shares (i.e. 38.3325% of existing ordinary shares of Rs. 10 per share) at Rs. 14 per share. As at December 31, 2020, the Company had received an amount of Rs. 4,885,787,494, whilst the balance amount of Rs. 114,212,504 remained unsubscribed (i.e. amounting to 8,158,036 shares), which were allotted to the underwriters in respective proportion, pursuant to the Board of Directors decision in their meeting held on January 04, 2021. During the period, the Company has allotted the right shares upon fulfilling all regulatory requirements.

5.2 The status of significant shareholdings, as at March 31, 2021, are given below:

| | No. of Shares | Percentage (%) |
|----------------------------------|----------------------|-----------------------|
| Fauji Fertilizer Company Limited | 644,018,629 | 49.88 |
| Fauji Foundation | 236,161,393 | 18.29 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | | March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------|
| | Note | (Rupees '000) | |
| 6 | LONG-TERM LOANS | | |
| | Loans from banking companies-secured | 20,652,086 | 22,241,668 |
| | Less: Current portion shown under current liabilities | 6,191,661 | 6,816,662 |
| | | <u>14,460,425</u> | <u>15,425,006</u> |
| 7 | DEFERRED LIABILITIES | | |
| | Compensated leave absences | 403,735 | 477,186 |
| | Deferred taxation | 7.1 1,840,105 | 1,904,820 |
| | Payable against GIDC | 7.2 11,098,395 | 12,148,374 |
| | | <u>13,342,235</u> | <u>14,530,380</u> |
| 7.1 | The balance of deferred tax is in respect of the following taxable / (deductible) temporary differences: | | |
| | Accelerated tax depreciation | 1,540,914 | 1,500,102 |
| | Unwinding / remeasurement gain on GIDC | 694,541 | 794,848 |
| | Provision for inventory obsolescence | (64,025) | (58,805) |
| | Allowance of expected credit loss against other receivables | (124,396) | (124,396) |
| | Provision against allowance | (206,929) | (206,929) |
| | | <u>1,840,105</u> | <u>1,904,820</u> |
| 7.2 | Payable against GIDC | | |
| | Opening balance | 19,592,989 | - |
| | Gas Infrastructure Development Cess | - | 22,333,844 |
| | Remeasurement gain on GIDC | - | (3,300,548) |
| | Unwinding of GIDC | 345,886 | 559,693 |
| | | <u>19,938,875</u> | <u>19,592,989</u> |
| | Current portion of GIDC | 8 (8,840,480) | (7,444,615) |
| | Closing balance | <u>11,098,395</u> | <u>12,148,374</u> |
| 8 | TRADE AND OTHER PAYABLES | | |
| | Creditors | 8.1 11,203,500 | 9,425,016 |
| | Payable against GIDC | 7.2 8,840,480 | 7,444,615 |
| | Accrued liabilities | 2,987,305 | 3,287,426 |
| | Workers' (Profit) Participation Fund | 92,205 | 259,631 |
| | Workers' Welfare Fund | 647,575 | 601,799 |
| | Payable to gratuity fund | 200,729 | 188,615 |
| | Payable to provident fund | 81 | 56 |
| | Security deposits | 14,041 | 13,419 |
| | Other payables | 388,520 | 417,070 |
| | | <u>24,374,436</u> | <u>21,637,647</u> |

8.1 Creditors include payables to related parties amounting to Rs. 9,729,017 thousands (December 31, 2020: Rs. 7,076,278 thousands) against purchase of raw material, steam and power.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | | March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|-------------|------------------------------------------------------------------------|-------------------------------------|-----------------------------------|
| | Note | (Rupees '000) | |
| 9 | CONTINGENCIES AND COMMITMENTS | | |
| | Contingencies | | |
| | i) Guarantees issued by banks on behalf of the Company | 104,963 | 89,706 |
| | Commitments | | |
| | i) Capital expenditures - contracted | 168,112 | 227,111 |
| | ii) Letters of credit for purchase of stores, spares and raw materials | 1,357,337 | 797,643 |
| | For further commitments refer note 19. | | |
| 10 | PROPERTY, PLANT AND EQUIPMENT | | |
| | Opening written down value | 10,192,781 | 10,427,911 |
| | Additions during the period / year | 170,185 | 711,315 |
| | Cost of disposals during the period / year | (45,778) | (506,824) |
| | Depreciation charged during the period / year | (233,363) | (926,336) |
| | Accumulated depreciation on disposals during the period / year | 27,825 | 486,715 |
| | | 10,111,650 | 10,192,781 |
| 11 | LONG-TERM INVESTMENTS | | |
| | Joint venture | 11.1 1,411,150 | 1,411,150 |
| | Associated companies | 11.2 7,691,556 | 7,691,556 |
| | Subsidiary companies | 11.3 15,443,697 | 15,443,697 |
| | Other long-term investments | 11.4 - | - |
| | | 24,546,403 | 24,546,403 |
| 11.1 | Investment in joint venture - at cost | | |
| | Pakistan Maroc Phosphore S.A, Morocco | 1,411,150 | 1,411,150 |
| 11.2 | Investments in associates - at cost | | |
| | Quoted | | |
| | Askari Bank Limited | 5,230,991 | 5,230,991 |
| | Un-quoted | | |
| | Foundation Wind Energy - I Limited | 1,225,873 | 1,225,873 |
| | Foundation Wind Energy - II Limited | 1,234,692 | 1,234,692 |
| | | 7,691,556 | 7,691,556 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|--------------------------------------------------------|-------------------------------------|-----------------------------------|
| Note | (Rupees '000) | |
| 11.3 Investments in subsidiaries - at cost | | |
| Quoted | | |
| Fauji Foods Limited | | |
| Gross value | 7,421,766 | 7,421,766 |
| Impairment in value of investment | (820,000) | (820,000) |
| | 6,601,766 | 6,601,766 |
| Un-quoted | | |
| Fauji Meat Limited | | |
| Gross value | 6,885,000 | 6,885,000 |
| Impairment in value of investment | (4,782,212) | (4,782,212) |
| | 2,102,788 | 2,102,788 |
| FFBL Foods Limited | 298,518 | 298,518 |
| FFBL Power Company Limited | 6,440,625 | 6,440,625 |
| | 15,443,697 | 15,443,697 |
| 11.4 Investment - available for sale - unquoted | | |
| Arabian Sea Country Club Limited (ASCLL) | | |
| 300,000 ordinary shares of Rs.10 each | 3,000 | 3,000 |
| Less: Impairment in value of investment | 3,000 | 3,000 |
| | - | - |
| 12 LONG-TERM LOANS | | |
| Related parties | | |
| Fauji Meat Limited (FML) | 12.1 | 1,065,318 |
| Fauji Foods Limited (FFL) | 12.2 | 5,925,000 |
| | | 7,328,982 |
| Less: Current portion shown under current assets | | 6,828,982 |
| | | 500,000 |
| | | 6,990,318 |

12.1 The outstanding amount of Subordinated loan consists of:

- Rs. 904 million, out of which Rs. 339 million disbursed during the period, are payable within 1 year from date of disbursement of each respective tranche, commencing from March 29, 2022. The total limit of loan to FML, approved in the Company's Annual General Meeting, on March 30, 2020, is Rs. 3,000 million (unless otherwise utilized). The tenure of the loan has been extended for a further period of 1 year in the Company's Annual General Meeting held on March 29, 2021. The loan carries mark-up at the rate which is higher of the Company's borrowing cost or KIBOR for the relevant period plus 1.5%, per annum, on the terms set out in the agreement and in compliance with the requirements of section 199 of Companies Act, 2017; and

- Rs. 500 million, payable within 5 years from date of disbursement of each respective tranche, commencing from March 20, 2024. The loan carries mark-up at the rate which is higher of the Company's borrowing cost or KIBOR for the relevant period plus 0.5%.

The Company has the right, as and when desired by the Board of Directors, to convert all or part of these outstanding loans (including mark-up accrued thereon) into the ordinary shares of FML by written notice to FML, subject to approval of Securities and Exchange Commission of Pakistan and fulfillment of other regulatory requirements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

12.2 The outstanding amount of Subordinated loan consists of:

- Rs. 2,500 million, payable within 1 year from date of disbursement of each respective tranche, commencing from March 29, 2022. The total limit of cash loan to FFL, approved in the Company's Annual General Meeting, on March 30, 2020, is Rs. 2,500 million. The tenure of the loan has been extended for a further period of 1 year in the Company's Annual General Meeting held on March 29, 2021. The loan carries mark-up at the rate which is higher of the Company's borrowing cost or KIBOR for the relevant period plus 1.5%, per annum, on the terms set out in the agreement and in compliance with the requirements of section 199 of Companies Act, 2017; and

- Rs. 3,425 million, payable within 1 year from date of disbursement of each respective tranche, commencing from November 25, 2021. The total limit of cash loan to FFL, approved in the Company's Extra Ordinary General Meeting, on November 25, 2020, is Rs. 3,500 million. The loan carries mark-up at the rate which is higher of the Company's borrowing cost or KIBOR for the relevant period plus 1.5%, per annum, on the terms set out in the agreement and in compliance with the requirements of section 199 of Companies Act, 2017.

The Company has the right, as and when desired by the Board of Directors, to convert all or part of the outstanding loan (including mark-up accrued thereon) into the ordinary shares of FFL by written notice to FFL, subject to approval of Securities and Exchange Commission of Pakistan and fulfillment of other regulatory requirements.

13 OTHER RECEIVABLES

This includes an amount of Rs. 97,914 thousands (December 31, 2020: Rs. 1,827,495 thousands) receivable from Fauji Fertilizer Company Limited (FFCL), an associated company, on account of amounts received from customers against sales of the Company's products by FFCL under an inter-company services agreement.

| | Note | Quarter ended March 31, | |
|-----------------------|------|-------------------------|------------------|
| | | 2021 | 2020 |
| | | (Rupees '000) | |
| 14 SALES - NET | | | |
| Gross sales | | 13,256,736 | 9,760,166 |
| Less: | | | |
| Sales tax | | 247,874 | 192,357 |
| Trade discount | | - | 5,948 |
| Commission | 14.1 | 3,730 | 3,664 |
| | | 251,604 | 201,969 |
| | | <u>13,005,132</u> | <u>9,558,197</u> |

14.1 Commission is paid at the rate of Re. 1 per bag sold by Fauji Fertilizer Company Limited, based on an inter-company services agreement.

| | Note | Quarter ended March 31, | |
|-------------------------------------------------|------|-------------------------|-------------------|
| | | 2021 | 2020 |
| | | (Rupees '000) | |
| 15 COST OF SALES | | | |
| Raw materials consumed | | 7,788,861 | 5,781,320 |
| Packing materials consumed | | 133,613 | 122,919 |
| Fuel and power | | 2,123,932 | 2,645,014 |
| Chemicals and supplies consumed | | 39,755 | 52,893 |
| Salaries, wages and benefits | | 307,824 | 413,790 |
| Rent, rates and taxes | | 14,899 | 64,891 |
| Insurance | | 36,832 | 52,745 |
| Travel and conveyance | | 27,571 | 34,317 |
| Repairs and maintenance | | 337,483 | 462,027 |
| Communication, establishment and other expenses | | 44,189 | 44,649 |
| Provision for slow moving stores and spares | | 18,000 | 14,000 |
| Depreciation | | 198,293 | 192,987 |
| Opening stock - work-in-process | | 100,364 | 194,733 |
| Closing stock - work-in-process | | (84,552) | (86,883) |
| Cost of goods manufactured | | 11,087,064 | 9,989,402 |
| Opening stock - finished goods | | 221,132 | 11,712,363 |
| Closing stock - finished goods | | (780,360) | (11,585,332) |
| | | <u>10,527,836</u> | <u>10,116,433</u> |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | Note | Quarter ended March 31, | |
|-----------|-----------------------------------------------------------------|-------------------------|--------------------|
| | | 2021 | 2020 |
| | | (Rupees '000) | |
| 16 | OTHER INCOME | | |
| | Profit on bank balances and term deposits | 279,806 | 147,339 |
| | Dividend from-FWEL - I and FWEL - II | 218,750 | - |
| | Dividend from AKBL | 815,652 | - |
| | Income from subsidiaries | 60,509 | 20,477 |
| | Mark-up on sub-ordinated loans-FFL | 128,802 | 98,947 |
| | Mark-up on sub-ordinated loans-FML | 23,996 | 19,773 |
| | Guarantee fee-FML | 3,699 | - |
| | Guarantee fee-FFL | 3,699 | - |
| | Scrap sale and other receipts | 19,442 | 29,623 |
| | Exchange gain | 10,883 | - |
| | Gain on disposal of property, plant and equipment | 646 | 175 |
| | | 1,565,884 | 316,334 |
| 17 | TAXATION - NET | | |
| | Current tax | 504,443 | 143,373 |
| | Deferred tax | (64,715) | (49,710) |
| | | 439,728 | 93,663 |
| 18 | CASH GENERATED FROM OPERATIONS | | |
| | Profit / (loss) before taxation | 1,706,132 | (2,954,401) |
| | Adjustment for non-cash charges and other items: | | |
| | Provision for gratuity | 12,113 | 17,248 |
| | Exchange (gains) / losses | (10,883) | 194,367 |
| | Provision for compensated absences | 15,998 | 18,484 |
| | Provision for slow moving stores | 18,000 | 14,000 |
| | Provision for Workers' (Profit) Participation Fund | 92,205 | - |
| | Provision for Workers' Welfare Fund | 45,776 | - |
| | Unwinding of GIDC | 345,886 | - |
| | Depreciation | 233,363 | 231,358 |
| | Finance costs | 650,852 | 1,518,721 |
| | Dividend from associates | (1,034,402) | - |
| | Profit on bank balances and term deposits | (279,806) | (147,339) |
| | Gain on disposal of property, plant and equipment | (646) | (175) |
| | Mark-up on sub-ordinated loans | (152,798) | (118,720) |
| | Guarantee fee | (7,398) | - |
| | Operating profit / (loss) before working capital changes | 1,634,392 | (1,226,457) |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | Quarter ended March 31, | |
|-------------------------------------------|--------------------------------|-------------|
| | 2021 | 2020 |
| | (Rupees '000) | |
| Changes in working capital: | | |
| Stores and spares | 106,403 | 175,349 |
| Stock-in-trade | (2,376,723) | 1,758,882 |
| Trade debts | 725,769 | 4,884,010 |
| Advances | (121,254) | (127,834) |
| Trade deposits and short-term prepayments | 39,938 | 58,272 |
| Other receivables | 1,734,483 | 1,893,953 |
| Sales tax refundable | (693,265) | (714,208) |
| Trade and other payables | 738,530 | (2,101,155) |
| | 153,881 | 5,827,269 |
| Cash generated from operations | 1,788,273 | 4,600,812 |

19 RELATED PARTY TRANSACTIONS

The Company has related parties which comprise of subsidiaries, a joint venture, entities under common directorship, directors, key management personnel, share holders and employees funds. Fauji Fertilizer Company Limited (FFCL) has a 49.88% share holding in the Company (2020: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2020: 18.29%) in the Company. Transactions with related parties and balances outstanding, other than those have been disclosed elsewhere in these condensed interim financial statements are given below. The carrying values of investments, subordinated loans and balance receivable from related parties are disclosed in note 11, 12 and 13 to these condensed interim financial statements.

| | Quarter ended March 31, | |
|------------------------------------------------|--------------------------------|-------------|
| | 2021 | 2020 |
| | (Rupees '000) | |
| Transactions with Fauji Foundation: | | |
| Services received | 20,190 | 119 |
| Payments against services | 1,440 | - |
| Donation paid | 7,400 | - |
| Balance payable | 44,982 | 33,632 * |
| Transactions with subsidiary companies: | | |
| Fauji Meat Limited | | |
| Balance receivable | 43,574 | 33,682 * |
| Material / services provided | 9,892 | 7,020 |
| Receipts against material / services | - | 911 |
| Guarantee fee | 3,699 | - |
| Mark-up on sub-ordinated loan | 23,996 | 19,773 |
| Mark-up receivables on sub-ordinated loan | 208,112 | 180,417 * |
| FFBL Power Company Limited | | |
| Material / services provided | 156,675 | 203,895 |
| Material / services received | 2,362,737 | 2,455,092 |
| Balance payable | 1,706,381 | 1,185,407 * |
| Balance receivable | 97,996 | 102,722 * |
| Receipts against material / services | 161,401 | 141,881 |
| Payments against material / services | 1,841,763 | 1,887,345 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | Quarter ended March 31, | |
|-------------------------------------------------------------------------------------|--------------------------------|-------------|
| | 2021 | 2020 |
| | (Rupees '000) | |
| Fauji Foods Limited | | |
| Material / services provided | 5,150 | 1,791 |
| Material / services received | 98 | - |
| Receipts against material / services | 1,429 | - |
| Receivable against material / services | 5,150 | 1,527 * |
| Guarantee fee | 3,699 | - |
| Mark-up on sub-ordinated loan | 128,802 | 98,947 |
| Mark-up receivables on sub-ordinated loan | 425,574 | 293,073 * |
| FFBL Foods Limited | | |
| Expenses incurred | - | 261 |
| Receipts during period | 1,891 | 17 |
| Receivables against material / services | - | 1,891 * |
| Transactions with associates: | | |
| Fauji Fertilizer Company Limited | | |
| Services and material acquired | 203,700 | 225,787 |
| Services and material provided | 1,017 | - |
| Receipts under consignment account | 14,867,930 | 16,643,644 |
| Commission charged | 3,730 | 3,664 |
| Balance receivable | 97,914 | 1,827,495 * |
| Askari Bank Limited | | |
| Balances at bank | 1,493,485 | 1,014,123 * |
| Profit on bank balances | 123,971 | 44,700 |
| Long-term loans | 416,667 | 416,667 * |
| Mark-up on long-term loans | 7,625 | 17,759 |
| Mark-up payable on long-term loans | 306 | 8,448 * |
| Dividend receivable | 815,652 | - |
| Foundation Wind Energy - I Limited & Foundation Wind Energy - II Limited | | |
| Dividend received | 218,750 | - |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | Quarter ended March 31, | |
|------------------------------------------------------------|--------------------------------|-------------|
| | 2021 | 2020 |
| | (Rupees '000) | |
| Transactions with joint venture: | | |
| Pakistan Maroc Phosphore S.A, Morocco | | |
| Purchase of raw materials | 6,899,516 | 4,806,668 |
| Expenses incurred on behalf of joint venture | 485 | 2,726 |
| Balance payable at the period end - secured | 8,022,636 | 5,890,871 * |
| Balance receivable at the period end - unsecured | 4,122 | 5,622 * |
| Dividend received | 441,847 | - |
| Other related parties: | | |
| Contribution to Provident Fund | 17,481 | 17,795 |
| Payment to gratuity fund | - | 57,811 |
| Payment to Workers' (Profit) Participation Fund | 261,665 | - |
| Meeting fee to directors | 2,475 | 2,250 |
| Balance payable at the period end - unsecured (WPPF & WWF) | 739,780 | 861,430 * |
| Payable to Gratuity Fund | 200,729 | 188,615 * |
| Remuneration of key management personnel | | |
| Short-term benefits | 54,207 | 30,397 |
| Post employment benefits | 9,942 | 10,616 |

* These balance of accounts, appearing as comparatives, are as at December 31, 2020 (audited).

In addition to the above:

- a security charge amounting to US\$ 91,456,667 and Rs. 4,000 million (2020: US\$ 91,456,667 and Rs. 4,000 million) has been registered on the assets of the Company, in respect of project financing arranged by Foundation Wind Energy-I Limited.
 - a security charge amounting to US\$ 89,146,667 and Rs. 4,000 million (2020: US\$ 89,146,667 and Rs. 4,000 million) has been registered on the assets of the Company, in respect of project financing arranged by Foundation Wind Energy-II Limited.
 - the Company has provided sponsor support, to lenders of project financing arranged by FPCL, to fund any shortfall, to the extent FPCL is unable to fulfill its financial obligations:
 - (i) up to Rs. 29,150 million (2020: Rs. 29,150 million) and all cost over runs, till technical completion date; and
 - (ii) up to Rs. 8,000 million after project completion date.
 - the Company has issued standby letter of credit amounting to Rs. 934 million in favor of the FML under the Diminishing Musharaka Agreement.
- the Company has committed to provide collateral or other sponsor support to FML, the total limit of such facility approved in the Company's Annual General Meeting, on March 29, 2021, is disclosed in note 12.1. The Company provided sponsor support in the form of corporate guarantee amounting to Rs. 1,000 million.
- the Company has also approved a further facility of Rs. 3,500 million to FML in its Annual General Meeting held on March 29, 2021, which is still unutilized.
 - the Company has issued standby letter of credit amounting to Rs. 1,000 million in favour of the FFL under the Master Facility Agreement.
 - the Company has also provided a revolving guarantee amounting to Rs. 6,067 million in favour of the FFL under the Master Facility Agreement.

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

FOR THE PERIOD ENDED MARCH 31, 2021

20 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

20.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period; consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

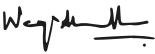
21 GENERAL

21.1 Figures have been rounded off to the nearest thousand rupees.

21.2 After the reporting date, the Company has received a non binding letter of intent (LOI) for the acquisition of Foundation Wind Energy - I Limited and Foundation Wind Energy - II Limited ("Wind companies") from Fauji Fertilizer Company Limited ("FFC"). Pursuant to Board of Directors (BOD) meeting dated April 16, 2021, BOD has authorised the Company to execute and sign the non-binding LOI in respect of the proposed acquisition of FFBL's shares of Wind companies.

21.3 The Board of Directors, in their meeting held on April 26, 2021 has decided to merge its wholly owned subsidiary, FFBL Foods Limited, with the Company, subject to preparation and approval of scheme of amalgamation by the Board of Directors and such other approvals as may be required.

21.4 These condensed interim financial statements were authorized for issue on April 26, 2021 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS

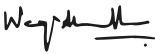
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

| | | March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|-------------------------------------------------------------------|------|-------------------------------------|-----------------------------------|
| | Note | (Rupees '000) | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | 5 | 12,912,529 | 9,341,100 |
| Advance against issue of shares | | - | 4,885,787 |
| Capital reserve | | 1,632,729 | 228,350 |
| Statutory reserve | | 1,995,950 | 1,880,710 |
| Revenue reserves | | | |
| Translation reserve | | 3,586,127 | 3,575,458 |
| Revaluation reserve on available for sale investments, net of tax | | (166,683) | (32,845) |
| Accumulated profit | | 1,214,974 | 208,226 |
| | | 21,175,626 | 20,086,786 |
| Non-Controlling Interest | | 2,461,596 | 2,361,285 |
| | | 23,637,222 | 22,448,071 |
| NON-CURRENT LIABILITIES | | | |
| Long-term loans | 6 | 33,493,002 | 35,085,279 |
| Lease liabilities | | 368,380 | 379,289 |
| Deferred liabilities | 7 | 16,349,308 | 17,395,369 |
| | | 50,210,690 | 52,859,937 |
| CURRENT LIABILITIES AND PROVISIONS | | | |
| Trade and other payables | 8 | 25,675,710 | 23,797,774 |
| Advances from customers | | 2,027,171 | 2,419,855 |
| Unpaid dividend | | 10,954 | 10,954 |
| Unclaimed dividend | | 117,826 | 117,973 |
| Accrued interest | | 847,742 | 759,305 |
| Short-term borrowings | | 11,394,011 | 22,682,389 |
| Current portion of long-term loans | 6 | 9,357,482 | 9,949,340 |
| Current portion of lease liabilities | | 72,175 | 76,490 |
| | | 49,503,071 | 59,814,080 |
| | | 123,350,983 | 135,122,088 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 9 | | |

The annexed notes, from 1 to 23, form an integral part of these condensed interim consolidated financial statements.

| | | March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|-------------------------------------------|------|-------------------------------------|-----------------------------------|
| | Note | (Rupees '000) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 48,652,778 | 49,227,653 |
| Intangible assets | | 434,796 | 443,202 |
| Long-term investments | 11 | 23,866,881 | 24,287,166 |
| Long-term advances | | 1,510 | 3,210 |
| Long-term deposits | | 85,249 | 85,249 |
| | | 73,041,214 | 74,046,480 |
| CURRENT ASSETS | | | |
| Stores and spares | | 3,540,974 | 3,684,073 |
| Stock-in-trade | | 7,090,167 | 4,334,005 |
| Trade debts | | 3,191,387 | 3,161,372 |
| Advances | | 1,470,035 | 1,265,010 |
| Trade deposits and short-term prepayments | | 194,188 | 273,873 |
| Interest accrued | | 5,649 | 851 |
| Other receivables | 12 | 3,701,678 | 5,069,025 |
| Income tax refundable - net | | 3,547,839 | 3,548,830 |
| Sales tax refundable | | 10,235,248 | 9,561,645 |
| Short-term investments | 13 | 1,521,239 | 1,560,936 |
| Cash and bank balances | | 15,540,643 | 28,345,266 |
| | | 50,039,047 | 60,804,886 |
| Non-current asset held for sale | 14 | 270,722 | 270,722 |
| | | 123,350,983 | 135,122,088 |



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

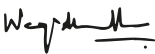


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | Note | Quarter ended March 31, | |
|----------------------------------------------------------------|------|-------------------------|--------------------|
| | | 2021 | 2020 |
| | | (Rupees '000) | |
| Sales - net | 15 | 17,455,908 | 12,879,987 |
| Cost of sales | 16 | (13,300,895) | (11,821,750) |
| Gross profit | | 4,155,013 | 1,058,237 |
| Selling and distribution expenses | | (1,191,266) | (988,907) |
| Administrative expenses | | (449,571) | (459,179) |
| | | 2,514,176 | (389,849) |
| Finance costs | | (1,297,046) | (2,824,558) |
| Unwinding of GIDC | 7 | (345,886) | - |
| Other operating expenses | | (191,105) | (272,637) |
| | | 680,139 | (3,487,044) |
| <i>Other income</i> | 17 | | |
| Share of profit of associates and joint venture - net | | 755,322 | 807,552 |
| Others | | 448,126 | 235,414 |
| | | 1,203,448 | 1,042,966 |
| Profit / (loss) before taxation | | 1,883,587 | (2,444,078) |
| Taxation - net | 18 | (661,288) | (456,271) |
| Profit / (loss) after taxation | | 1,222,299 | (2,900,349) |
| Attributable to: | | | |
| - Owners of the Holding Company | | 1,121,988 | (2,621,842) |
| - Non-controlling interest | | 100,311 | (278,507) |
| | | 1,222,299 | (2,900,349) |
| Earning / (loss) per share - basic and diluted (Rupees) | | 0.87 | Restated (2.03) |

The annexed notes, from 1 to 23, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER


CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | Quarter ended March 31, | |
|-------------------------------------------------------|--------------------------------|-------------|
| | 2021 | 2020 |
| | (Rupees '000) | |
| Profit / (loss) after taxation | 1,222,299 | (2,900,349) |
| Other comprehensive income / (loss) | | |
| Exchange difference on translating a joint venture | 31,493 | 25,964 |
| Effect of translation - share of associate | (20,824) | (2,955) |
| Revaluation reserve on available for sale investments | (157,457) | 330,537 |
| Related deferred tax | 23,619 | (49,581) |
| | (133,838) | 280,956 |
| Total comprehensive income / (loss) | 1,099,130 | (2,596,384) |
| Attributable to: | | |
| - Owners of the Holding Company | 998,819 | (2,317,877) |
| - Non-controlling interest | 100,311 | (278,507) |
| | 1,099,130 | (2,596,384) |

The annexed notes, from 1 to 23, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

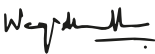


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | Share capital | Advance against issue of shares | Reserves | | | | Non-controlling interest | Total | |
|-------------------------------------------------|---------------|---------------------------------|-----------------|-------------------------------------------------------|-------------------|---------------------|--------------------------|-----------|-----------------------------|
| | | | Capital reserve | Revaluation reserve on available for sale investments | Statutory reserve | Translation reserve | | | Accumulated Profit / (loss) |
| (Rupees' 000) | | | | | | | | | |
| Balance as at January 01, 2020 - audited | 9,341,100 | - | 228,350 | (744,310) | 1,329,299 | 2,866,785 | (3,875,066) | 1,582,983 | 10,729,141 |
| Total comprehensive income | | | | | | | | | |
| Loss for the period after taxation | - | - | - | - | - | - | (2,621,842) | (278,507) | (2,900,349) |
| Other comprehensive income for the period | - | - | - | 280,956 | - | 23,009 | - | - | 303,965 |
| Total comprehensive loss for the period | - | - | - | 280,956 | - | 23,009 | (2,621,842) | (278,507) | (2,596,384) |
| Transfer to statutory reserve | - | - | - | - | 114,226 | - | (114,226) | - | - |
| Balance as at March 31, 2020 | 9,341,100 | - | 228,350 | (463,354) | 1,443,525 | 2,889,794 | (6,611,134) | 1,304,476 | 8,132,757 |
| Balance as at January 01, 2021 - audited | 9,341,100 | 4,885,787 | 228,350 | (32,845) | 1,880,710 | 3,575,458 | 208,226 | 2,361,285 | 22,448,071 |
| Total comprehensive income | | | | | | | | | |
| Profit for the period after taxation | - | - | - | - | - | - | 1,121,988 | 100,311 | 1,222,299 |
| Other comprehensive income for the period | - | - | - | (133,838) | - | 10,669 | - | - | (123,169) |
| Total comprehensive income for the period | - | - | - | (133,838) | - | 10,669 | 1,121,988 | 100,311 | 1,099,130 |
| Transfer to statutory reserve | - | - | - | - | 115,240 | - | (115,240) | - | - |
| Issue of share capital | 3,571,429 | (4,885,787) | 1,428,571 | - | - | - | - | - | 114,213 |
| Share issuance cost | - | - | (24,192) | - | - | - | - | - | (24,192) |
| Balance as at March 31, 2021 | 12,912,529 | - | 1,632,729 | (166,683) | 1,995,950 | 3,586,127 | 1,214,974 | 2,461,596 | 23,637,222 |

The annexed notes, from 1 to 23, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER


CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | Note | Quarter ended March 31, | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------------|---------------------|
| | | 2021 | 2020 |
| (Rupees '000) | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operating activities | 19 | 1,836,686 | 5,409,888 |
| Income tax paid | | (568,360) | (183,025) |
| Payment to Gratuity Fund | | - | (53,627) |
| Finance cost paid | | (1,189,464) | (2,545,871) |
| Compensated absences paid | | (82,922) | (14,037) |
| Payment to Workers Welfare Fund | | (5,876) | (5,626) |
| Payment to Workers' (Profit) Participation Fund | | (280,400) | (19,421) |
| Net cash (used in) / generated from operating activities | | (290,336) | 2,588,281 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditures | | (232,522) | (968,715) |
| Intangibles | | - | (1,245) |
| Long term advances | | 1,700 | 3,628 |
| Dividend received | | 660,597 | - |
| Sale proceeds of property, plant and equipment | | 110,728 | 10,599 |
| Profit received on bank balances and term deposits | | 322,517 | 221,645 |
| Net cash generated from / (used in) investing activities | | 863,020 | (734,088) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Short-term borrowings - net | | (2,821,366) | (5,549,998) |
| Long-term loans | | (2,194,006) | (1,701,389) |
| Receipt against issue of share capital - net | | 90,021 | - |
| Lease liabilities | | (24,494) | (31,782) |
| Dividend paid | | (147) | (1,123) |
| Net cash used in financing activities | | (4,949,992) | (7,284,292) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | (4,377,308) | (5,430,099) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 11,673,800 | (15,903,799) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 7,296,492 | (21,333,898) |
| CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents included in the condensed interim consolidated statement of cash flows comprise the following condensed interim consolidated statement of financial position amounts: | | | |
| - Cash and bank balances | | 15,540,643 | 4,345,622 |
| - Short-term highly liquid investments | 13 | 1,521,239 | 20,000 |
| - Short-term running finance | | (9,765,390) | (25,699,520) |
| | | 7,296,492 | (21,333,898) |

The annexed notes, from 1 to 23, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2021

1 THE GROUP AND ITS OPERATIONS

Fauji Fertilizer Bin Qasim Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The shares of the Company are quoted on Pakistan Stock Exchange (PSX). The registered office of FFBL is situated at FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, DHA Phase II, Islamabad, Pakistan. The principal objective of FFBL is manufacturing, purchasing and marketing of fertilizers. FFBL commenced its commercial production effective January 01, 2000.

Fauji Fertilizer Bin Qasim Limited group comprises of Fauji Fertilizer Bin Qasim Limited (FFBL / the Holding Company) and its subsidiaries, Fauji Meat Limited (FML), FFBL Foods Limited, FFBL Power Company Limited (FPCL) and Fauji Foods Limited (FFL) collectively referred as ("Group").

Fauji Meat Limited is a public limited company incorporated on September 05, 2013 in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The principal objectives of FML are to establish a meat abattoir unit for halal slaughtering of animals to obtain meat for local and export sale purposes.

FFBL Foods Limited is a public limited company incorporated on July 04, 2013 in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The principal objective is to produce multi brand dairy products.

FFBL Power Company Limited is a public limited company incorporated on June 27, 2014 in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The principal activity is generation and supply of electricity and all other forms of energy.

Fauji Foods Limited (FFL) was incorporated in Pakistan on September 26, 1966 as a public company and its shares are quoted on PSX. It is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products.

2 BASIS OF PREPARATION

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

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 for the year ended December 31, 2020. The comparative Consolidated Statement of Financial Position is extracted from the annual consolidated financial statements, as of December 31, 2020, whereas the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity are extracted from the unaudited condensed interim consolidated financial statements, for the period ended March 31, 2020.

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 Listed Companies (Code of Corporate Governance) Regulations, 2019.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are similar to those applied in the preparation of the consolidated financial statements for the preceding year, ended December 31, 2020.

4 IMPACT OF COVID-19

On January 31, 2020, the World Health Organization (WHO) announced a global health emergency due to Corona virus. Because of the rapid increase in exposure globally, on March 11, 2020, WHO classified the COVID-19 outbreak as a pandemic.

The Government of Pakistan imposed restrictions on movement temporarily. The Group has adopted the required regulations. The plant operations remained broadly unaffected and there has been no significant effect on sales. Accordingly, till date there has been no effects on Group's financial as well as operational results. Management is also not expecting any significant disruptions in the future. Management, however, continue to evaluate it's effect till the date of authorization of these financial statements for current and next period.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021**

5 SHARE CAPITAL

5.1 Pursuant to the decision of the Board of Directors in their meeting held on October 06, 2020, FFBL commenced the process for a right issue of shares in the aggregate amount of Rs. 4,999,999,998 divided into 357,142,857 ordinary shares (i.e. 38.3325% of existing ordinary shares of Rs. 10 per share) at Rs. 14 per share. As at December 31, 2020, FFBL had received an amount of Rs. 4,885,787,494, whilst the balance amount of Rs. 114,212,504 remained unsubscribed (i.e. amounting to 8,158,036 shares), which were allotted to the underwriters in respective proportion, pursuant to the Board of Directors decision in their meeting held on January 04, 2021. During the period, FFBL has allotted the right shares upon fulfilling all regulatory requirements.

5.2 Group consists of following subsidiary companies:

| | Ownership in 2021 | Ownership in 2020 |
|----------------------------|----------------------|----------------------|
| Fauji Meat Limited | 90.18% | 90.18% |
| FFBL Power Company Limited | 75.00% | 75.00% |
| FFBL Foods Limited | 100.00% | 100.00% |
| Fauji Foods Limited | 67.50% | 67.50% |

The condensed interim financial statements of subsidiary companies have been consolidated on line by line basis. The carrying value of investments held by the Holding Company is eliminated against the subsidiaries' share capital and pre-acquisition reserves. All material intercompany balances and transactions have been eliminated.

| | March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|-------------|-------------------------------------|-----------------------------------|
| Note | (Rupees '000) | |

6 LONG-TERM LOANS

| | | |
|-------------------------------------------------------|-------------------|-------------------|
| Loans from banking companies-secured | 42,850,484 | 45,034,619 |
| Less: Current portion shown under current liabilities | 9,357,482 | 9,949,340 |
| | 33,493,002 | 35,085,279 |

7 DEFERRED LIABILITIES

| | | |
|----------------------------|-------------------|-------------------|
| Compensated leave absences | 577,975 | 642,377 |
| Deferred taxation | 7.1 4,672,938 | 4,604,618 |
| Payable against GIDC | 7.2 11,098,395 | 12,148,374 |
| | 16,349,308 | 17,395,369 |

7.1 DEFERRED TAXATION - NET

The balance of deferred tax is in respect of the following major taxable / (deductible) temporary differences:

| | | |
|---------------------------------------------------------------|------------------|------------------|
| Accelerated depreciation | 3,013,620 | 2,968,050 |
| Share of profit of joint venture and associates - net | 1,447,689 | 1,468,072 |
| Share of profit of subsidiary | 1,054,246 | 909,640 |
| Unwinding / remeasurement gain on GIDC | 694,541 | 794,848 |
| Provision for inventory obsolescence | (110,758) | (158,012) |
| Provision for doubtful other receivables | (124,396) | (124,396) |
| Deferred tax on revaluation of available for sale investments | (40,396) | (16,777) |
| Provision against allowance | (206,929) | (206,929) |
| Unabsorbed losses, tax credits and others | (1,054,679) | (1,029,878) |
| | 4,672,938 | 4,604,618 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | | March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|------------|--------------------------------------|-------------------------------------|-----------------------------------|
| | Note | (Rupees '000) | |
| 7.2 | Payable against GIDC | | |
| | Opening balance | 19,592,989 | - |
| | Gas Infrastructure Development Cess | - | 22,333,844 |
| | Remeasurement gain on GIDC | - | (3,300,548) |
| | Unwinding of GIDC | 345,886 | 559,693 |
| | | 19,938,875 | 19,592,989 |
| | Current portion of GIDC | 8 (8,840,480) | (7,444,615) |
| | Closing balance | 11,098,395 | 12,148,374 |
| 8 | TRADE AND OTHER PAYABLES | | |
| | Creditors | 8.1 11,376,608 | 10,278,020 |
| | Payable against GIDC | 7.2 8,840,480 | 7,444,615 |
| | Accrued liabilities | 3,640,863 | 4,035,824 |
| | Workers' (Profit) Participation Fund | 143,429 | 280,830 |
| | Workers' Welfare Fund | 649,100 | 607,675 |
| | Payable to gratuity fund | 281,384 | 263,360 |
| | Payable to provident fund | 17,234 | 8,446 |
| | Security deposits | 134,234 | 55,546 |
| | Withholding tax payable | 77,061 | 67,526 |
| | Sales tax payable | 91,677 | 240,488 |
| | Other payables | 423,640 | 515,444 |
| | | 25,675,710 | 23,797,774 |

8.1 Creditors include payables to a related party amounting to Rs. 8,022,636 thousands (December 31, 2020: Rs. 5,890,871 thousands) against purchase of raw material.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|-------------------------------------|-----------------------------------|
|-------------------------------------|-----------------------------------|

(Rupees '000)

9 CONTINGENCIES AND COMMITMENTS

Contingencies

| | | |
|----------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| i) Guarantees issued by banks on behalf of FFBL | 104,963 | 89,706 |
| ii) Group's share of contingent liabilities of Foundation Wind Energy - I Limited as at December 31, 2020 (September 30, 2020) | 64,690 | 64,690 |
| iii) Group's share of contingent liabilities of Foundation Wind Energy - II Limited as at December 31, 2020 (September 30, 2020) | 257,950 | 257,950 |
| iv) Group's share of contingent liabilities of Askari Bank Limited as at December 31, 2020 (September 30, 2020) | 47,658,336 | 47,084,838 |
| v) Contingent liabilities of FML | 308,223 | 308,223 |
| vi) Contingent liabilities of FFL | 1,796,703 | 1,793,203 |

Commitments

| | | |
|------------------------------------------------------------------------------------------------------|------------|------------|
| i) Capital expenditures - FFBL | 168,112 | 227,111 |
| ii) Letters of credit - FFBL | 1,357,337 | 797,643 |
| iii) Group's share of commitments of FWEL- I & FWEL- II as at December 31, 2020 (September 30, 2020) | 1,122,359 | 1,112,318 |
| iv) Group's share of commitments of PMP as at December 31, 2020 (September 30, 2020) | 87,119 | 12,463 |
| v) Commitments of FPCL | 3,281,110 | 2,626,630 |
| vi) Group's share of commitments of Askari Bank Limited as at December 31, 2020 (September 30, 2020) | 89,041,400 | 93,056,938 |
| vii) Commitments of FFL | 1,500 | - |

10 PROPERTY, PLANT AND EQUIPMENT

| | | |
|------------------------------------------------------------|-------------------|-------------------|
| Opening written down value | 49,227,653 | 50,960,138 |
| Additions during the period / year | 232,522 | 1,492,637 |
| Assets held for sale | - | (270,752) |
| Disposals during the period / year | (182,003) | (763,249) |
| Depreciation during the period / year | (686,976) | (2,719,162) |
| Depreciation charged on disposals during the period / year | 95,763 | 564,350 |
| Adjustments during the period / year | (34,181) | (36,309) |
| Closing written down value | 48,652,778 | 49,227,653 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|-------------------------------------|-----------------------------------|
|-------------------------------------|-----------------------------------|

(Rupees '000)

11 LONG-TERM INVESTMENTS

Investment in joint venture - equity method

Pakistan Maroc Phosphore S.A, Morocco

| | | |
|--------------------------------------------|-----------|-------------|
| Opening balance | 6,400,564 | 5,991,039 |
| Share of profit | 239,966 | 839,491 |
| Translation difference / dividend received | 5,583 | (1,118,720) |
| Gain on translation of net assets | 31,493 | 688,754 |
| Closing balance | 6,677,606 | 6,400,564 |

Investment in associates - equity method

Fauji Cement Company Limited

| | | |
|------------------------|---|-----------|
| Opening balance | - | 422,373 |
| Share of profit | - | 3,357 |
| Disposal of investment | - | (425,730) |
| Closing balance | - | - |

Foundation Wind Energy - I Limited

| | | |
|--------------------------|-----------|-----------|
| Opening balance | 3,557,413 | 2,899,002 |
| Share of (loss) / profit | (27,646) | 658,411 |
| Dividend | (105,000) | - |
| Closing balance | 3,424,767 | 3,557,413 |

Foundation Wind Energy - II Limited

| | | |
|--------------------------|-----------|-----------|
| Opening balance | 3,486,480 | 2,874,539 |
| Share of (loss) / profit | (28,782) | 611,941 |
| Dividend | (113,750) | - |
| Closing balance | 3,343,948 | 3,486,480 |

Askari Bank Limited

| | | |
|-------------------------------------------------------|------------|------------|
| Opening balance | 10,842,709 | 8,051,916 |
| Share of profit | 571,784 | 2,341,681 |
| Dividend | (815,652) | (407,825) |
| Revaluation reserve of available for sale investments | (157,457) | 837,018 |
| Effect of translation | (20,824) | 19,919 |
| Closing balance | 10,420,560 | 10,842,709 |

Investment - available for sale - unquoted

Arabian Sea Country Club Limited (ASCLL)

300,000 ordinary shares of Rs. 10 each

Less: Impairment in value of investment

| | | |
|--|-------------------|-------------------|
| | 3,000 | 3,000 |
| | 3,000 | 3,000 |
| | - | - |
| | 23,866,881 | 24,287,166 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

12 OTHER RECEIVABLES

This includes an amount of Rs. 97,914 thousands (December 31, 2020: Rs. 1,827,495 thousands) receivable from Fauji Fertilizer Company Limited, an associated company on account of amount recovered from customers, against sales of the Holding Company's products under an inter-company services agreement.

| March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|-------------------------------------|-----------------------------------|
| (Rupees '000) | |

13 SHORT-TERM INVESTMENTS

Loans and receivables

| | | |
|-----------------------------------------------------|-----------|-----------|
| Term deposits with banks and financial institutions | 1,521,239 | 1,560,936 |
|-----------------------------------------------------|-----------|-----------|

13.1 The balance at the period end includes investment in term deposits receipt, having maturity periods up to 01 month, and carrying mark-up at 6.75% to 7.20% per annum (December 31, 2020: 6.75% to 7.20% per annum).

14 NON-CURRENT ASSET HELD FOR SALE

In October 2020, the Board of FFBL Foods Limited committed to a plan to sell its land located in Pindi Bhattian along with building and other equipment present on that land. Accordingly, these assets have been presented as held for sale. Assets held for sale have been stated at lower of carrying amount and fair value less cost to sell.

| March 31, 2021 (Un - audited) | December 31, 2020 (Audited) |
|-------------------------------------|-----------------------------------|
| (Rupees '000) | |

Property and equipment

| | | |
|----------------------------|---------|---------|
| Freehold land | 270,242 | 270,242 |
| Office and other equipment | 6 | 6 |
| Building | 474 | 474 |
| | 270,722 | 270,722 |

Subsequent to reporting date, Board of Directors of FFBL Foods Limited, in their meeting held on April 23, 2021, reassessed their earlier decision to sell the land; considering the current economic conditions and market dynamics. Accordingly, the Holding Company will reclassify the land to property, plant and equipment, with effect from the date of this decision.

| Note | Quarter ended March 31, | |
|------|-------------------------|------|
| | 2021 | 2020 |
| | (Rupees '000) | |

15 SALES - NET

| | | |
|---------------------|------------|------------|
| Gross sales | 18,659,072 | 14,047,666 |
| Less: | | |
| Sales tax | 984,429 | 938,736 |
| Trade discount | 142,069 | 137,717 |
| Advance tax u/s 235 | 72,936 | 87,416 |
| Commission | 3,730 | 3,810 |
| 15.1 | 1,203,164 | 1,167,679 |
| | 17,455,908 | 12,879,987 |

15.1 It includes commission paid by the Holding Company at the rate of Re.1 per bag to Fauji Fertilizer Company Limited, based on an inter-company services agreement.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | Quarter ended March 31, | |
|----------------------------------------------------------------|-------------------------|--------------|
| | 2021 | 2020 |
| | (Rupees '000) | |
| 16 COST OF SALES | | |
| Raw materials consumed | 11,429,707 | 8,401,260 |
| Packing materials consumed | 726,648 | 556,998 |
| Fuel and power | 280,100 | 291,950 |
| Ash dumping | 3,429 | 2,369 |
| Stores and supplies consumed | 124,922 | 198,669 |
| Salaries, wages and benefits | 563,528 | 689,786 |
| Repairs and maintenance | 431,402 | 555,284 |
| Travel and conveyance | 39,102 | 52,344 |
| Rent, rates and taxes | 14,899 | 65,162 |
| Insurance | 76,943 | 99,531 |
| Utilities | 78,736 | 48,226 |
| Provision for slow moving stores | 18,000 | 14,000 |
| Communication, establishment and other expenses | 70,643 | 58,946 |
| Depreciation and amortization | 624,654 | 599,004 |
| Opening stock - work in process | 273,371 | 341,189 |
| Closing stock - work in process | (261,107) | (312,120) |
| Cost of goods manufactured | 14,494,977 | 11,662,598 |
| Opening stock - finished goods | 334,696 | 12,022,295 |
| Closing stock - finished goods | (1,528,778) | (11,863,143) |
| Cost of sales | 13,300,895 | 11,821,750 |
| 17 OTHER INCOME | | |
| <i>Share of profit from joint venture and associates - net</i> | | |
| Pakistan Maroc Phosphore S.A | 239,966 | 316,432 |
| Foundation Wind Energy - I Limited | (27,646) | (43,493) |
| Foundation Wind Energy - II Limited | (28,782) | (39,228) |
| Fauji Cement Company Limited | - | 2,230 |
| Askari Bank Limited | 571,784 | 571,611 |
| | 755,322 | 807,552 |
| Profit on bank balances & term deposits | 327,315 | 195,820 |
| Scrap sale and other receipts | 37,821 | 33,587 |
| Exchange gain | 23,233 | - |
| Gain on disposal of property, plant and equipment | 24,488 | 440 |
| Miscellaneous income | 35,269 | 5,567 |
| | 448,126 | 235,414 |
| | 1,203,448 | 1,042,966 |
| 18 TAXATION - NET | | |
| Current tax | 569,351 | 161,650 |
| Deferred tax | 91,937 | 294,621 |
| | 661,288 | 456,271 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | Quarter ended March 31, | |
|---------------------------------------------------------|-------------------------|----------------|
| | 2021 | 2020 |
| | (Rupees '000) | |
| 19 CASH GENERATED FROM OPERATIONS | | |
| Profit / (loss) before taxation | 1,883,587 | (2,444,078) |
| Adjustment for non-cash charges and other items: | | |
| Provision for gratuity | 17,546 | 22,703 |
| Exchange (gain) / loss | (23,233) | 227,018 |
| Provision for compensated absences | 18,998 | 21,257 |
| Provision for Workers' Welfare Fund | 47,301 | 1,237 |
| Provision for Workers' (Profit) Participation Fund | 142,999 | 45,517 |
| Unwinding of GIDC | 345,886 | - |
| Amortization of transaction cost of long-term finance | 9,871 | 11,053 |
| Depreciation | 686,976 | 659,388 |
| Amortization | 8,406 | 5,347 |
| Provision for slow moving stores | 18,000 | 14,000 |
| Finance cost | 1,287,176 | 2,813,505 |
| Profit on bank balances and term deposits | (327,315) | (195,820) |
| Profit from joint venture and associates - net | (755,322) | (807,552) |
| Gain on disposal of property, plant and equipment | (24,488) | (440) |
| Operating profit before working capital changes | 3,336,388 | 373,135 |
| Changes in working capital: | | |
| Stores and spares | 125,099 | 173,784 |
| Stock-in-trade | (2,756,162) | 630,137 |
| Trade debts | (30,014) | 4,616,519 |
| Advances | (205,025) | (466,171) |
| Trade deposits and short term prepayments | 79,686 | 100,058 |
| Other receivables | 1,735,569 | 1,987,571 |
| Sales tax receivable | (673,603) | (685,128) |
| Trade and other payables | 224,748 | (1,320,017) |
| | (1,499,702) | 5,036,753 |
| Cash generated from operations | 1,836,686 | 5,409,888 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

20 RELATED PARTY TRANSACTIONS

Fauji Fertilizer Company Limited (FFCL) has 49.88% share holding in FFBL (2020: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2020: 18.29%) in the Holding Company. The Group has related parties which comprise of a joint venture, entities under common directorship, directors, key management personnel and employees' funds. Transactions with related parties and the balances outstanding at the period end are given below. The carrying value of investment in associates and joint venture are disclosed in note 11 to the condensed interim consolidated financial statements.

| | Quarter ended March 31, | |
|-------------------------------------------------------------------------------------|-------------------------|-------------|
| | 2021 | 2020 |
| | (Rupees '000) | |
| Transactions with Fauji Foundation (FF): | | |
| Dividend paid | 24,440 | 119 |
| Payment against services | 1,440 | - |
| Donation paid | 18,400 | - |
| Services provided | 44,982 | 33,632 * |
| Transactions with associated undertakings due to common directorship | | |
| Fauji Fertilizer Company Limited | | |
| Services and material acquired | 203,700 | 225,787 |
| Services and material provided | 1,017 | - |
| Receipts under consignment account | 14,867,930 | 16,643,644 |
| Commission charged | 3,730 | 3,664 |
| Askari Bank Limited | | |
| Balances at bank | 1,493,485 | 1,818,823 * |
| Profit on bank balances | 129,511 | 44,952 |
| Long-term loans | 416,667 | 813,211 * |
| Mark-up on long-term loans | 7,625 | 17,759 |
| Mark-up payable on long-term loans | 306 | 24,148 * |
| Finance cost charged | 6,818 | - |
| Running finance | - | 931,412 * |
| Markup on running finance | - | 28,856 |
| Dividend receivable | 815,652 | - * |
| Foundation Wind Energy - I Limited & Foundation Wind Energy - II Limited | | |
| Dividend received | 218,750 | - |
| Transactions with joint venture: | | |
| Purchase of raw materials | 6,899,516 | 4,806,668 |
| Expenses incurred on behalf of joint venture | 485 | 2,726 |
| Balance payable | 8,022,636 | 5,890,871 * |
| Balance receivable - unsecured | 4,122 | 5,622 * |
| Dividend received | 441,847 | - |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

| | Quarter ended March 31, | |
|------------------------------------------------------|--------------------------------|-------------|
| | 2021 | 2020 |
| | (Rupees '000) | |
| Other related parties: | | |
| Contribution to provident fund | 23,010 | 31,003 |
| Payment to gratuity fund | - | 53,627 |
| Payment to WPPF & WWF | 286,276 | 25,047 |
| Meeting fee to directors | 4,500 | 4,490 |
| Balance payable- unsecured (WPPF & WWF) | 792,529 | 888,505 * |
| Payable to gratuity fund | 281,384 | 263,360 * |
| Payable to provident fund | 17,234 | 8,446 * |
| Expenses on behalf of Fauji Cereals | 3,993 | - |
| Payment to Fauji Security Services (Private) Limited | 116 | - |
| Noon sugar Mills for purchase of white sugar | 14,139 | 4,388 |
| Remuneration of key management personnel | | |
| Short-term benefits | 100,200 | 58,010 |
| Post employment benefits | 22,214 | 20,876 |

In addition to above:

Security charge amounting to US\$ 91,456,667 and Rs. 4,000 million (2020: US\$ 91,456,667 and Rs. 4,000 million) has been registered on assets of FFBL in respect of project financing arranged by Foundation Wind Energy-I Limited (FWEL-I).

Security charge amounting to US\$ 89,146,667 and Rs. 4,000 million (2020: US\$ 89,146,667 and Rs. 4,000 million) has been registered on assets of FFBL in respect of project financing arranged by Foundation Wind Energy-II Limited (FWEL-II).

* Balance of accounts appearing as comparatives are as at December 31, 2020 (audited)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

21 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments.

| | Fertilizer | Food | Meat | Power | Elimination- net | Consolidated |
|---------------------------|-------------|------------|-----------|------------|---------------------|--------------|
| (Rupees' 000) | | | | | | |
| March 31, 2021 | | | | | | |
| Revenue | 13,005,132 | 2,377,317 | 31,787 | 3,961,500 | (1,919,828) | 17,455,908 |
| Profit / (loss) after tax | 1,266,404 | (350,801) | (271,585) | 964,039 | (385,758) | 1,222,299 |
| March 31, 2020 | | | | | | |
| Revenue | 9,558,197 | 1,667,053 | 159,323 | 3,921,792 | (2,426,378) | 12,879,987 |
| (Loss) / profit after tax | (3,048,064) | (933,365) | (348,767) | 867,851 | 561,996 | (2,900,349) |
| March 31, 2021 | | | | | | |
| Assets | 82,083,785 | 11,845,539 | 6,706,720 | 33,473,062 | (10,758,123) | 123,350,983 |
| Liabilities | 66,767,959 | 16,052,977 | 6,417,437 | 17,857,257 | (7,381,869) | 99,713,761 |
| December 31, 2020 | | | | | | |
| Assets | 90,968,452 | 11,945,684 | 6,790,018 | 34,586,728 | (9,168,794) | 135,122,088 |
| Liabilities | 77,009,047 | 15,802,321 | 6,229,152 | 19,934,962 | (6,301,465) | 112,674,017 |

22 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

22.1 Financial risk factors

The group's activities expose it to a variety of financial risk including market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently these condensed interim consolidated financial statements do not include all the financial risk management information and disclosures required in the annual consolidated financial statements.

23 GENERAL

23.1 Figures have been rounded off to the nearest thousand rupees.

23.2 Corresponding figures have been reclassified / re-arranged, wherever necessary, for the purpose of comparison.

23.3 After the reporting date, FFBL has received a non binding letter of intent (LOI) for the acquisition of Foundation Wind Energy - I Limited and Foundation Wind Energy - II Limited ("Wind companies") from Fauji Fertilizer Company Limited ("FFC"). Pursuant to Board of Directors (BOD) meeting dated April 16, 2021, BOD has authorised FFBL to execute and sign the non-binding LOI in respect of the proposed acquisition of FFBL's shares of Wind companies.

23.4 These condensed interim consolidated financial statements were authorized for issue on April 26, 2021 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



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