

First Quarter FINANCIAL STATEMENTS

March 31, 2021 (Un-audited)









CONTENTS

Company Information

Directors' Review

دْائر يكٹرزكاتجزيه

Condensed Interim
Financial Statements

Condensed Interim
Consolidated Financial Statements



SAY NO TO CORRUPTION

Company Information

BOARD OF DIRECTORS

Mr. Waqar Ahmed Malik

Chairman

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

Chief Executive & Managing Director

Dr. Nadeem Inayat

Mr. Farhad Shaikh Mohammad

Mr. Saad Amanullah Khan

Ms. Maryam Aziz

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

Mr. Qamar Haris Manzoor

Capt. Saeed Ahmad Nawaz (Retd)

Mr. Peter Bruun Jensen

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

Syed Bakhtiyar Kazmi Mr. Shoaib Javed Hussain

CHIEF FINANCIAL OFFICER

Mr. Mohammad Munir Malik

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

E-mail: munir_malik@ffc.com.pk

COMPANY SECRETARY

Brig Asrat Mahmood, 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: ffcrwp@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, 2021

Dear Shareholders.

On behalf of the Board of Directors, we are very pleased to report that your Company has earned net profitability of Rs 5.82 billion for the first guarter of 2021, which is the second highest first quarterly earnings ever.

We remain fully committed to ensure uninterrupted supply of urea to the farming community during these challenging times. The Company produced 628 thousand tonnes of Sona Urea operating at combined efficiency of 123%.

Sona Urea offtake was recorded at 575 thousand tonnes. Aggregate all product revenue stood at Rs 21.59 billion, which was higher by 5% over last year mainly due to increase in DAP turnover as a result of escalating prices of imported fertilizers.

Although GIDC was abolished last year, aggregate cost of sales remained in line with last year mainly due to increased cost of sales of DAP compared to 2020. Finance cost decreased by 38% as compared to last year, whereas other income improved by 58%. The Company was thus able to achieve earning per share of Rs 4.57 with an improvement of 36% over last year.

In view of the commendable results, the Board is pleased to announce first interim dividend of 35% (Rs 3.50 per share) for the period.

The shareholders would also be pleased to know that in line with a resolve to create synergies in renewable energy sector, the Board of Directors have considered and recommended acquisition of majority equity stake in Foundation Wind Energy I Limited (FWEL-I) and Foundation Wind Energy II Limited (FWEL-II), which are profitable projects. A letter of intent has been issued to owners of FWEL I & II which is being considered by them for acceptance.

Future Outlook

Going forward the Company remains exposed to working capital constraints attributable to the GIDC settlement besides unsettled subsidy claims and accumulating GST refunds. Profitability of the Company also remains pressurized by the unjust disallowance of business expenditure caused by sales to dealers who are not registered under the Sales Tax Act.

With the resurgence of the pandemic, FFC remains focused on sustained business The Company also continues to implement highest standards of occupational health and safety to provide a conducive environment for its employees and stakeholders.

On behalf of the Board,

Wagar Ahmed Malik Chairman

Lt Gen Tarig Khan HI (M), (Retired) **Chief Executive & Managing Director**

Rawalpindi April 28, 2021

ڈائز یکٹرز کا تجزیہ

معزز حصه داران!

بورڈ آف ڈائر یکٹرز کی جانب ہے، ہمیں بیاطلاع دیتے ہوئے بے صدخوتی ہورہی ہے کہ سال 2021 کی پہلی سہ ماہی کے لئے آپ کی مکپنی نے 5.82 ارب رویے کاخالص منافع حاصل کیاہے، جو کہ پہلی سہ ماہی میں کمپنی کی تاریخ کا دوسرا بلندترین منافع ہے۔

ہم ان مشکل حالات کے دوران کا شکار برادری کو بوریا کی بلاقطل فراہمی کویقنی بنانے کے لئے پوری طرح برعزم ہیں۔ کمپنی نے 123 فیصد کی مجموعی پیداواری صلاحیت کےساتھ بوریا کی 628 ہزارٹن کی پیداوار حاصل کی۔

سونا پوریا کی فروخت 575 ہزارٹن ریکارڈ کی گئی۔تمام مصنوعات کی مجموعی آمدن 21.59ارب رویے رہی ،جو کہ گزشتہ برس کے مقابلے میں 5 فیصد زائد ہے جس کا بنیا دی سبب درآ مدشدہ کھا دوں کی قیمتوں میں بڑھوتری کے نتیج میں DAP کی آمدن میں اضافہ ہے۔

اگرچیگر شته سال GIDC کوختر کردیا گیا تھا، تا ہم، مجموعی لاگت فروخت (Cost of Sales) گزشته برس کےمقابلے میں تقریباً برابررہی اوراس کا بنیادی سبب سال 2020 کے مقابلے میں DAP کی بڑھی ہوئی لاگت فروخت ہے۔ مالیاتی لاگت (Finance Cost) گزشتہ برس کے مقالبے میں 38 فیصد کم ہوئی جبکہ دیگر آمدن (Other Income) میں 58 فیصد کی بہتری ہوئی۔ اس طرح کمپنی گزشتہ برس کے مقالبے میں 36 فیصد کی بہتری کے ساتھ 57 مارو بے فی حصہ کی خالص آمدن حاصل کرنے میں کا میاب رہی۔

قابل ستائش نتائج کومد نظر کھتے ہوئے، بورڈ 3 3 فیصد (3.50 رویے فی حص) کا پہلاعبوری منافع منقسمہ کا علان کرتے ہوئے خوشی محسوں کرتا ہے۔ ھے داران کو یہ جان کربھی خوثی ہوگی کہ قابل تجہ بیرتوانائی کے شعبے میں ہم آ ہنگی پیدا کرنے کے عزم کے پیش نظر، بورڈ آف ڈائر یکٹرز نے Foundation Wind Energy Limited (FWEL-II) اور Foundation Wind Energy Limited (FWEL-I) کے منافع بخش منصوبوں میں اکثریتی تصف کے حصول کی سفارش کی ہے ۔اس سلسلے میں FWEL 1811 کے مالکان کو Letter of Intent جاری کردیا گیاہے جو کہان کی منظوری کے لیے زیرغورہے۔

متوقعمستقبل

مستقبل میں، GIDC کی ادائیگی کے ساتھ ساتھ واجب الوصول سبسڈی کلیمز اور بڑھتے ہوئے GST ریفنڈز کے باعث، کمپنی جاری سرمائے (Working capital) کی کئی کے خدشے سے دوجارہے۔ کمپنی کا منافع ،Sales Tax Act کتحت رجٹر نہ ہونے والے ڈیلرز کو کی جانے والی فروخت سے منسلکہ کاروباری اخراجات کی غیر منصفانہ نامنظوری کے باعث بھی ،زیر دیاؤ ہے۔

COVID-19 کی نئالبر کے دوران، FFC کاروباری معمولات کو برقر ارر کھنے برتوجہ مرکوز کیے ہوئے ہے۔ کمپنی پیشہ ورانصحت اور تحفظ کے اعلی معیار کو بھی برقرار رکھے ہوئے ہے تا کہ اپنے ملاز مین اور متعلقین کوساز گار ماحول فراہم کر سکے۔

بورڈ کی جانب سے

ليفشينك جزل طارق خان ہلال امتیاز (ملٹری)ریٹائرڈ

چيف ايگزيکڻو و مينجنگ ڈائريکٹر

وقاراحمرملك

چیئر مین

راولینڈی 2021يريل 2021





CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

	Note	Un-audited March 31, 2021	Audited December 31, 2020
		(Rupe	es '000)
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves	5	30,950,705	29,461,383
Surplus on remeasurement of investments to			
fair value - net		143,300	191,906
		43,976,387	42,535,671
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	9,787,098	10,627,321
Lease liabilities		8,971	59,161
Deferred government grant		8,915	24,633
Gas Infrastructure Development Cess (GIDC) payable		29,327,784	32,771,664
Deferred liabilities		5,163,561	5,259,415
		44,296,329	48,742,194
CURRENT LIABILITIES			
Current portion of long term borrowings - secured	6	4,312,500	4,334,776
Current portion of lease liabilities		67,714	23,132
Current portion of deferred government grant		103,377	87,659
Trade and other payables	7	42,699,728	46,620,853
Mark-up and profit accrued		402,848	274,936
Short term borrowings - secured	8	27,851,976	25,257,980
Unclaimed dividend		471,126	467,812
Taxation		5,247,774	4,603,745
	'	81,157,043	81,670,893
TOTAL EQUITY AND LIABILITIES		169,429,759	172,948,758

CONTINGENCIES AND COMMITMENTS

9

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

	Note	Un-audited March 31, 2021	Audited December 31, 2020
		(Rupe	es '000)
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	23,702,286	22,840,989
Intangible assets		1,574,920	1,571,935
Long term investments	11	34,987,744	34,674,616
Long term loans and advances - secured		2,037,257	1,945,533
Long term deposits and prepayments		14,264	14,088
		62,316,471	61,047,161
CURRENT ASSETS			
Stores, spares and loose tools		4,552,285	4,433,760
Stock in trade		5,156,897	319,989
Trade debts		1,909,287	2,287,336
Loans and advances - secured		905,825	789,170
Deposits and prepayments		282,149	50,685
Other receivables	12	23,064,286	20,965,069
Short term investments	13	70,839,090	81,902,113
Cash and bank balances		403,469	1,153,475
		107,113,288	111,901,597
TOTAL ASSETS		169,429,759	172,948,758

Chief Executive

Director Chief Financial Officer



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

For the three month period ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
		(Rupe	es '000)
Turnavan ant	14	24 500 502	20,000,240
Turnover - net	14	21,588,592	20,626,340
Cost of sales		13,154,451	13,135,891
GROSS PROFIT		8,434,141	7,490,449
Distribution cost		2,007,742	2,074,695
		6,426,399	5,415,754
Finance cost		419,939	672,786
Other expenses		722,901	562,527
		5,283,559	4,180,441
Other income		2,719,373	1,719,621
PROFIT BEFORE TAXATION		8,002,932	5,900,062
Provision for taxation		2,188,000	1,638,000
PROFIT FOR THE PERIOD		5,814,932	4,262,062
Earnings per share - basic and diluted (Rupees)		4.57	3.35

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

Wegrall

Chairman Chief Executive

-38mi

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, 2021

	March 31, 2021 (Rupe	March 31, 2020 es '000)
PROFIT FOR THE PERIOD	5,814,932	4,262,062
OTHER COMPREHENSIVE INCOME Items that are reclassified subsequently to profit or loss		
(Deficit) / surplus on re-measurement of investments to fair value - net	(48,606)	185,523
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,766,326	4,447,585

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

Way

Chairman Chief

Chief Executive

BSW.

Chief Financial Officer

Director



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

For the three month period ended March 31, 2021

			Reven	ue reserves		
	Share capital	Capital reserves	General reserves	Unappropriated profit	Surplus / (deficit) on remeasurement of investments at fair value - net	Total
				(Rupees '000)		
Balance as at January 1, 2020 (Audited)	12,722,382	160,000	8,802,360	13,895,600	(13,641)	35,566,701
Total comprehensive income						
Profit for the period	-	-	-	4,262,062	-	4,262,062
Other comprehensive income - net of tax	-	-	-	-	185,523	185,523
	-	-	-	4,262,062	185,523	4,447,585
Transactions with owners of the Company	,					
Distributions:						
Final dividend 2019: Rs 3.25 per share	-	-	-	(4,134,774)	-	(4,134,774)
Balance as at March 31, 2020	12,722,382	160,000	8,802,360	14,022,888	171,882	35,879,512
Balance as at January 1, 2021 (Audited)	12,722,382	160,000	8,802,360	20,659,023	191,906	42,535,671
Total comprehensive income						
Profit for the period	-	-	-	5,814,932	-	5,814,932
Other comprehensive (loss) - net of tax	-		-		(48,606)	(48,606)
				5,814,932	(48,606)	5,766,326
Transactions with owners of the Company						
Distributions:						
Final dividend 2020: Rs 3.40 per share	-			(4,325,610)		(4,325,610)
Balance as at March 31, 2021	12,722,382	160,000	8,802,360	22,148,345	143,300	43,976,387

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

Chief Executive

Director Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the three month period ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
		(Rupe	es '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	15	(5,972,206)	9,598,760
Finance cost paid		(292,027)	(728,179)
Income taxes paid		(1,619,971)	(1,246,208)
		(1,911,998)	(1,974,387)
Net cash (used in) / generated from operating activities		(7,884,204)	7,624,373
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,465,868)	(654,033)
Proceeds from sale of property, plant and equipment		4,551	5,259
Advance against issue of shares - Thar Energy Limited		(376,707)	-
Other investments - net		(2,170,392)	(1,384,638)
Interest and profit received		244,979	297,065
Dividend received		223,715	-
Net cash used in investing activities		(3,539,722)	(1,736,347)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term financing		(862,499)	(831,250)
Repayment of lease liabilities		(5,608)	(9,693)
Dividend paid		(4,322,296)	(4,219,311)
Net cash used in financing activities		(5,190,403)	(5,060,254)
Net (decrease) / increase in cash and cash equivalents		(16,614,329)	827,772
Cash and cash equivalents at beginning of the period		57,709,240	31,886,368
Effect of exchange rate changes		(106,557)	170,315
Cash and cash equivalents at end of the period		40,988,354	32,884,455
CASH AND CASH EQUIVALENTS			
Cash and bank balances		403,469	1,183,581
Short term borrowings		(27,851,976)	(9,867,400)
Short term highly liquid investments		68,436,861	41,568,274
		40,988,354	32,884,455

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

V

Chief Executive

Director

Chief Financial Officer

For the three month period ended March 31, 2021

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

- 2.2 The disclosures in these condensed interim financial statements do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended December 31, 2020. Comparative condensed interim statement of financial position is extracted from annual financial statements as at December 31, 2020 whereas comparative condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements of the Company for the three month period ended March 31, 2020.
- 2.3 These condensed interim financial statements are un-audited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim financial statements and financial risk management policy are the same as those applied in preparation of financial statements of the Company for the year ended December 31, 2020.

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (December 31, 2020: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (December 31, 2020: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	idited h 31, 21	Audited December 31, 2020		Un-audited March 31, 2021	Audited December 31, 2020
(1	Number	of shares)		(Rupe	es '000)
			Ordinary shares of Rs 10 each,		
256,4	195,902	256,495,902	issued for consideration in cash	2,564,959	2,564,959
			Ordinary shares of Rs 10 each,		
1,015,7	742,345	1,015,742,345	issued as fully paid bonus shares	10,157,423	10,157,423
1,272,2	238,247	1,272,238,247		12,722,382	12,722,382

4.1 Fauji Foundation held 44.35% (December 31, 2020: 44.35%) ordinary shares of the Company at the period end.

For the three month period ended March 31, 2021

		Note	Un-audited March 31, 2021	Audited December 31, 2020
			(Rupe	es '000)
5.	REVENUE RESERVES			
	General reserves		8,802,360	8,802,360
	Unappropriated profit		22,148,345	20,659,023
			30,950,705	29,461,383
6.	LONG TERM BORROWINGS - SECURED			
	From conventional banks	6.1	12,099,598	12,962,097
	From Islamic banks	6.2	2,000,000	2,000,000
			14,099,598	14,962,097
	Less: Current portion shown under current liabilities			
	From conventional banks		4,062,500	4,084,776
	From Islamic banks		250,000	250,000
			4,312,500	4,334,776
			9,787,098	10,627,321
6.1	Movement during the period / year is as follows:			
	Opening balance		12,962,097	10,833,750
	Draw-downs during the period / year			6,409,538
	Repayments during the period / year		(862,499)	(4,281,191)
	Closing balance	6.1.1	12,099,598	12,962,097

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 + 0.08% to 0.40% per annum and 3 month KIBOR + 0.15% to 0.40% per annum (December 31, 2020: 6 month KIBOR + 0.08% to 0.40% per annum and 3 month KIBOR + 0.15% to 0.40% per annum) and are repayable up to December 2025 (December 31, 2020: December 2025).

The Company availed Rs. 2,000,000 thousand currently outstanding at Rs. 1,750,000 thousand under the refinance scheme at markup rate from 25bps to 50bps.

		Note	Un-audited March 31, 2021	Audited December 31, 2020
			(Rupe	es '000)
6.2	Movement during the period / year is as follows:			
	Opening balance		2,000,000	350,000
	Draw-downs during the period / year			2,000,000
	Repayments during the period / year		-	(350,000)
	Closing balance	6.2.1	2,000,000	2,000,000

6.2.1 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.

This carry profit rate of 6 month KIBOR + 0.10% per annum (December 2020: 6 month KIBOR + 0.10% to 0.40% per annum) and are repayable up to May 2025 (December 2020: May 2025).

For the three month period ended March 31, 2021

7. TRADE AND OTHER PAYABLES

These include Rs 27,389,102 thousand (December 31, 2020: Rs 23,945,221 thousand) on account of current portion of Gas Infrastructure Development Cess (GIDC) payable. A review petition for factual determination has been filed before the Supreme Court of Pakistan. Additionally, the Company has also been granted with a stay from Sindh High Court against the subject settlement.

		Note	Un-audited March 31, 2021	Audited December 31, 2020
8.	SHORT TERM BORROWINGS - SECURED		(Rupees '000)	
	From conventional banks	8.1	22,894,725	20,564,934
	From Islamic banks	8.2	4,957,251	4,693,046
			27,851,976	25,257,980

8.1 Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs. 47,760,000 thousand (December 2020: Rs. 47,760,000 thousand) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto February 2022.

The facilities are secured by pari passu / ranking hypothecation charges on assets of the Company besides lien over Mutual Funds /PIBs in certain cases. The per annum rates of mark-up range between 1 month KIBOR + 0.05% to 0.35% and 3 month KIBOR + 0% to 0.20% (December 2020: 1 week KIBOR minus 0.05%, 1 month KIBOR minus 0.05% to 1 month KIBOR + 0.35% and 3 month KIBOR minus 0.10% to 3 month KIBOR + 0.20%).

8.2 Shariah compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to 5,000,000 thousand (December 2020: Rs. 5,000,000 thousand) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto May 2021.

The facilities are secured by ranking hypothecation charges on assets of the Company besides lien over PIBs in certain cases. The per annum rates of profit is 3 month KIBOR minus 0.05% to 0.10% (2020: 3 month KIBOR minus 0.05% to 0.05%).

Un-audited March 31, 2021	Audited December 31, 2020
(Rupe	es '000)

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies:

(i) Guarantees issued by banks on behalf of the Company	5,145,859	5,140,917
(ii) Claims against the Company and / or potential exposure not		
acknowledged as debt	50,696	50,696

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2021

(iii) Penalty of Rs 5,500,000 thousand imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices, which was set aside by the Competition Appellate Tribunal, in appeal filed by the Company, who also remanded the case back to CCP to decide the case afresh under quidelines provided by the Tribunal. CCP did not challenge this order before the Supreme Court of Pakistan in appeal within the stipulated time, thus making the appeal time barred. However CCP, under the said Tribunal guidelines, has started proceedings but the date of hearing is yet to be communicated. The Company remains confident of successfully defending these unreasonable claims in future as well.

		Note	Un-audited March 31, 2021	Audited December 31, 2020
			(Rupe	es '000)
9.2	Commitments in respect of:			
	(i) Capital expenditure		3,789,906	1,613,024
	(ii) Purchase of fertilizer, stores, spares and other operation	nal items	856,253	2,060,554
	(iii) Investment in Thar Energy Limited		1,845,824	2,307,192
	(iv) Contracted out services		566,415	102,546
10.	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	10.1	21,585,136	21,880,111
	Capital work in progress	10.2	2,061,581	897,906
	Right of use assets	10.3	55,569	62,972
			23,702,286	22,840,989
10.1	Operating fixed assets			
	Opening written down value		21,880,111	19,980,087
	Additions during the period / year		298,466	4,180,466
	Written down value of disposals		-	(980)
	Transfers / adjustments			91
	Depreciation during the period / year		(593,441)	(2,279,553)
			21,585,136	21,880,111

10.1.1 Additions in and depreciation on operating fixed assets during the three month period ended March 31, 2020 were Rs 2,089,016 thousand and Rs 556,088 thousand respectively.

		Un-audited March 31, 2021	Audited December 31, 2020
		(Rupe	es '000)
10.2	Capital work in progress		
	Opening value	897,906	2,144,039
	Additions during the period / year	1,254,467	133,961
	Transfers during the period / year	(90,792)	(1,380,094)
		2,061,581	897,906
10.3	Right of use assets		
	Opening value	62,972	87,973
	Additions during the period / year	-	8,050
	Depreciation during the period / year	(7,403)	(33,051)
		55,569	62,972

For the three month period ended March 31, 2021

		Note	Un-audited March 31, 2021	Audited December 31, 2020
	-		(Rupe	es '000)
10.4	Depreciation charge has been allocated as follows:			
	Cost of sales		581,734	2,243,501
	Distribution cost		17,181	59,731
	Other expenses		568	1,852
	Charged to FFBL under the Company Services Agreement		1,361	7,520
			600,844	2,312,604
11.	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	4,658,919
	Advance against issue of shares		-	2,493,774
			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		3,206,251	3,206,251
	Advance against issue of shares		376,707	-
			3,582,958	3,206,251
	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
	Less: Impairment loss		(2,100,000)	(2,100,000)
			4,235,500	4,235,500
	Olive Technical Services (Pvt) Limited	11.1	6,673,750	6,673,750
	Investments measured at fair value through other comprehensive income		30,077,247	29,700,540
	Term Deposit Receipts - from conventional banks		118,267	125,548
	Term Finance Certificates - from conventional bank		200,000	200,000
	Pakistan Investment Bonds		4,668,437	4,736,896
			4,986,704	5,062,444
			35,063,951	34,762,984

Un-audited

Audited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2021

Note	March 31, 2021	December 31, 2020
	(Rupees '000)	
nts		
	10,200	21,516
	66,007	66,852
13	76,207	88,368
	34,987,744	34,674,616
	nts	Note 2021 (Ruperints 10,200 66,007 13 76,207

11.1 This represents 4 shares (2020: Nil) of Rs 10 each of Olive Technical Services (Pvt) Limited, a wholly owned subsidiary allotted to its directors on behalf of FFC.

12. OTHER RECEIVABLES

These include Rs 6,961,878 thousand (December 31, 2020: Rs 6,961,878 thousand) on account of subsidy receivable and Rs 15,195,271 thousand (December 31, 2020: Rs 14,172,638 thousand) on account of sales tax receivable from the Government

		Note	Un-audited March 31, 2021	Audited December 31, 2020
			(Rupe	es '000)
13.	SHORT TERM INVESTMENTS			
	Amortised cost - conventional investments			
	Term deposits with banks and financial institutions			
	Foreign currency		2,326,022	2,426,874
	Investments at fair value through profit or loss			
	Conventional investments		68,216,642	74,767,100
	Shariah compliant investments		220,219	4,619,771
			68,436,861	79,386,871
	Current maturity of long term investments			
	Fair value through other comprehensive income	11	76,207	88,368
			70,839,090	81,902,113
			Un-audited March 31, 2021	Un-audited March 31, 2020
14.	TURNOVER - NET		(Rupees '000)	
	Turnover		22,040,020	21,046,117
	Sales tax		(451,428)	(419,777)
			21,588,592	20,626,340

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

For the three month period ended March 31, 2021

		Un-audited March 31, 2021	Un-audited March 31, 2020
		(Rupe	es '000)
15.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	8,002,932	5,900,062
	Adjustments for:		
	Depreciation	599,483	564,015
	Amortization	742	1,261
	Finance cost	419,939	674,346
	Gain on disposal of property, plant and equipment	(4,551)	(5,259)
	Interest and profit on loans, deposits and investments	(139,078)	(188,283)
	Exchange loss / (gain) - net	106,557	(171,875)
	Gain on re-measurement of investments at fair value through profit or loss Dividend income	(148,350) (1,631,304) (796,562) 7,206,370	(140,653) - 733,552 6,633,614
	Changes in:	,,.	-,,-
	Stores, spares and loose tools	(118,525)	(427,823)
	Stock in trade	(4,836,908)	(206,034)
	Trade debts	378,049	3,670,664
	Loans and advances	(116,655)	585,985
	Deposits and prepayments	(231,464)	(22,485)
	Other receivables	(796,168)	(459,092)
	Trade and other payables	(7,365,005)	(137,619)
		(13,086,676)	3,003,596
	Changes in long term loans and advances	(91,724)	(36,065)
	Changes in long term deposits and prepayments	(176)	(2,385)
		(5,972,206)	9,598,760

16. 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, 2020. 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, 2020.

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, 2021

March 31,	March 31,				
2021	2020				
(Rupees '000)					

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

HOL	DIN	IG	CON	IDΔ	NV

Transactions		
Dividend paid	1,918,408	1,833,772
Cost recharge	62,500	-
Sale of fertilizer	-	630
Others	30	27
Balances		
Balance payable - unsecured *	62,500	52,500
SUBSIDIARY COMPANIES		
Transactions		
Equity investment	-	1,500,000
Interest income	1,101	1,938
Rental income	2,760	2,204
Expenses incurred on behalf of subsidiary companies	43,410	35,716
Receipt against expenses on behalf of subsidiary companies	75,003	340
Balances		
Balances receivable - unsecured *	345,688	373,420
ASSOCIATED UNDERTAKINGS / COMPANIES		
DUE TO COMMON DIRECTORSHIP		
Transactions		
Expenses charged on account of marketing		
of fertilizer on behalf of associated company	196,749	210,132
Commission on sale of products	3,730	3,664
Payments under consignment account - net	14,871,390	17,321,467
Purchase of gas as feed and fuel stock	8,127,032	8,255,655
Equity investment	376,707	-
Services and materials provided	4,057	6,311
Donations	194,000	164,473
Interest expense	26,914	79,781
Interest income	2,362	3,605
Dividend income	1,631,304	-
Balances		
Dividend receivable *	1,631,304	223,715
Long term investments *	118,267	125,548
Short term borrowing *	2,058,914	2,303,598
Running finance *	8,877	153,285
Balances receivable - unsecured *	364,560	362,345
Balances payable - unsecured *	64,599,939	66,368,028



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

For the three month period ended March 31, 2021

	March 31, 2021	March 31, 2020
	(Rupe	es '000)
KEY MANAGEMENT PERSONNEL		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2021: 1 and 413 (2020: 1 and 387) respectively	1,231,450	1,119,062
STAFF RETIREMENT BENEFITS		
Contributions		
Employees' Provident Fund Trust	115,050	116,820
Employees' Gratuity Fund Trust	229,632	253,724
Employees' Pension Fund Trust	217,967	159,720
Employees' Funds as Dividend on equity holding		
of 0.15% (2020: 0.15%)	7,721	6,065
Balances		
Payable to Gratuity Fund Trust *	562,741	734,965
Payable to Pension Fund Trust *	328,722	439,697

^{*} Comparative figures of receivable / payable balances are as at December 31, 2020.

18. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in its meeting held on April 28, 2021 proposed first interim dividend of Rs 3.50 per share.

19. GENERAL

- 19.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 19.2 Late in 2019 news emerged from China about the COVID-19 (Coronavirus). In the first few months of 2020 the virus had spread globally, and its negative impact had gained momentum. The management considers presently this outbreak does not have any impact on the amounts being reported in the Company's statement of financial position as at March 31, 2021. While this is still an evolving situation as at the time of issuing these condensed interim financial statements yet, to date the operations of the Company have continued uninterrupted during this pandemic, future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.
- **19.3** These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on April 28, 2021.

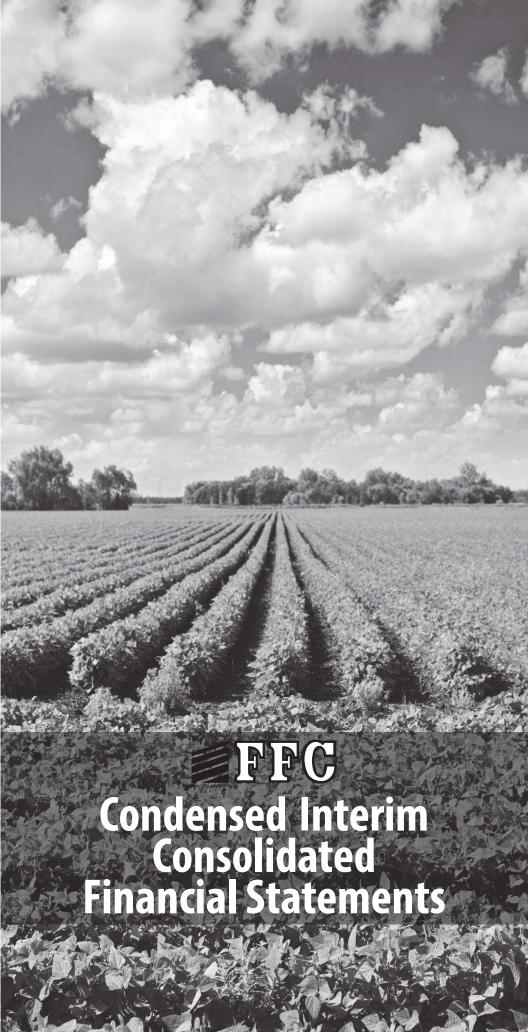
Weg + Weg

Chairman

Chief Executive

Director

Chief Financial Officer





CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

	Note	Un-audited March 31, 2021	Audited December 31, 2020
		(Rupee:	s '000)
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		5,548,552	6,736,633
Revenue reserves	5	60,456,028	57,616,596
Surplus on remeasurement of investments			
to fair value - net		295,862	663,884
		79,022,824	77,739,495
Share in revaluation reserve of associates - net		1,367,904	1,392,593
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	11,343,458	12,199,452
Lease liabilities		26,267	78,355
Deferred government grant		10,700	27,363
Gas Infrastructure Development Cess (GIDC) payable		29,327,784	32,771,664
Deferred liabilities		8,666,559	8,541,348
		49,374,768	53,618,182
CURRENT LIABILITIES	ļ		
Current portion of long term borrowings - secured	6	5,764,879	5,781,827
Current portion of lease liabilities		70,280	25,698
Current portion of deferred government grant		107,611	92,893
Trade and other payables	7	43,101,406	46,928,291
Mark-up and profit accrued		469,672	278,745
Short term borrowings - secured	8	28,226,976	25,277,286
Unclaimed dividend		471,126	467,812
Taxation		5,247,774	4,607,530
		83,459,724	83,460,082
TOTAL EQUITY AND LIABILITIES		213,225,220	216,210,352
TOTAL EQUITY AND LIABILITIES	:	213,223,220	=======================================

CONTINGENCIES AND COMMITMENTS

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

	Note	Un-audited March 31, 2021	Audited December 31, 2020
		(Rupees '000)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	33,266,622	32,595,937
Intangible assets		1,940,527	1,937,957
Long term investments	11	64,075,391	62,512,198
Long term loans and advances - secured		2,037,257	1,945,533
Long term deposits and prepayments		27,496	27,320
		101,347,293	99,018,945
CURRENT ASSETS			
Stores, spares and loose tools		4,706,111	4,562,872
Stock in trade		5,814,368	473,371
Trade debts		5,795,841	5,869,244
Loans and advances		906,166	810,995
Deposits and prepayments		361,029	68,265
Other receivables	12	21,493,823	20,780,294
Short term investments	13	72,189,090	83,188,113
Cash and bank balances		611,499	1,438,253
		111,877,927	117,191,407
TOTAL ASSETS		213,225,220	216,210,352

V *

Chief Executive

Director

Chief Financial Officer



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

For the three month period ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
		(Rupe	es '000)
Turnover - net	14	22,518,749	21,403,139
Cost of sales		13,703,079	13,648,030
GROSS PROFIT		8,815,670	7,755,109
Administrative and distribution expenses		2,138,396	2,163,541
		6,677,274	5,591,568
Finance cost		491,531	857,142
Other expenses		724,184	562,527
		5,461,559	4,171,899
Other income		1,118,980	1,770,425
Share of profit of associates and joint venture		1,915,468	2,037
PROFIT BEFORE TAXATION		8,496,007	5,944,361
Provision for taxation		2,487,717	1,657,914
PROFIT FOR THE PERIOD		6,008,290	4,286,447
Earnings per share - basic and diluted (Rupees)		4.72	3.37

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

Chief Executive

Chief Financial Officer

Director

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

For the three month period ended March 31, 2021

	March 31, 2021	March 31, 2020
	(Rupe	es '000)
PROFIT FOR THE PERIOD	6,008,290	4,286,447
OTHER COMPREHENSIVE INCOME		
Items that are reclassified subsequently to profit or loss		
Deficit / (surplus) on re-measurement of investments to fair value - net of tax	(48,606)	185,523
Share of equity accounted investees - share of OCI, net of tax	(336,915)	701,355
	(385,521)	886,878
Items that will not be subsequently reclassified to profit or loss		
Equity accounted investees - share of OCI, net of tax	(13,830)	16,321
Comprehensive income taken to equity	5,608,939	5,189,646
Comprehensive income not recognised in equity		
Items that may be subsequently reclassified to profit or loss Share in revaluation reserve of associates - net	(24,689)	66,827
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,584,250	5,256,473

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

Chief Executive

Director

Chief Financial Officer



Revenue reserves

FAUJI FERTILIZER COMPANY LIMITED

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

For the three month period ended March 31, 2021

Share Share Share Capital Permium		•		-						
Table Tabl		Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserve	General reserve	Unappropriated profit	Surplus / (deficit) on remeasurement of investments to fair - net	Total
Per chained 12,722,382			İ			(Rupe	(000, sa			
The Company 20 15.764 - 15.764 - 15.764 - 15.764 - 16.774 - 16.774 - 16.774 - 16.774 - 17.722382 - 17.72382 - 17.7499 - 17.7499 - 17.72382 - 17.7499 - 17.7499 - 17.72382 - 17.7499 - 17.7499 - 17.7499 - 17.72382 - 17.7499 - 17.72382 - 17.7499 - 17.72382 - 17.7499 - 17.72382 - 17.7499 - 17.7499 - 17.72382 - 17.7499 - 17.72382 - 17.7499 - 17.7499 - 17.7499 - 17.7499 - 17.7499 - 17.7499 - 17.7499 - 17.7499 - 17.7499 - 17.7499 - 17.7499 - 17.7499 - 17.7499 - 17.7499 - 17.74982 -	Balance at January 1, 2020 (Audited)	12,722,382	40,000	120,000	2,158,938	2,631,780	8,802,360	34,247,091	(1,256,521)	59,466,030
-net of tax -net o	Total comprehensive income									17.000
per share	Pront for the period Other comprehensive income - net of tax				15,764			4,286,447 16,321	871,114	4,286,447 903,199
per share 284,226 - (284,226) (4,134,774) (4	Transactions with owners of the Company				15,764			4,302,768	871,114	5,189,646
per share 284,226 - (284,226) - (284,226) 284,226 - (284,226)	Distributions:									
20	Final dividend 2019: Rs 3.25 per share	,	,	,				(4,134,774)	•	(4,134,774)
Company Comp	Other changes in equity Transfer to statutory reserve					284 226		(284.226)	,	
T2,722,382 40,000 120,000 2,174,702 2,916,006 8,802,360 448,814,236 653,884 7 12,722,382 40,000 120,000 2,785,992 3,790,641 8,802,360 448,814,236 653,884 7 T4,722,382 40,000 120,000 2,786,992 3,790,641 8,802,360 448,814,236 653,862 7 T4,722,382 40,000 120,000 2,786,993 2,520,380 51,635,668 7 T4,772,382 40,000 2,786,493 2,520,582 8,802,380 51,635,668 7									ļ	
te of tax T2,722,382 40,000 120,000 2,785,992 3,790,641 8,802,360 448,814,236 663,884 7 T41,722,382 40,000 120,000 2,786,992 3,790,641 8,802,360 448,814,236 663,884 7 T41,705,882 71,705,882 71,705,882 71,705,882 71,722,382 71,722,382 71,722,382 725,862 71,722,382 725,862 725	Balance as at March 31, 2020	12,722,382	40,000	120,000	2,174,702	2,916,006	8,802,360	34,130,859	(385,407)	60,520,902
e (loss) - net of tax	Balance at January 1, 2021 (Audited)	12,722,382	40,000	120,000	2,785,992	3,790,641	8,802,360	48,814,236	663,884	77,739,495
/ (loss) - net of tax	Total comprehensive income									
of the Company per share	Profit for the period Other comprehensive income / (loss) - net of tax				(17,499)			6,008,290	(368,022)	6,008,290 (399,351)
per share					(17,499)			5,994,460	(368,022)	5,608,939
per share	Transactions with owners of the Company Distributions:									
21 12,722,382 40,000 120,000 2,768,493 2,620,059 8,802,360 51,623,668 295,862	Final dividend 2020: Rs 3.40 per share							(4,325,610)		(4,325,610)
24 12,722,382 40,000 120,000 2,766,493 2,620,059 8,802,360 51,653,668 295,862	Other changes in equity Transfer to statuthor reserve					(1.170.582)		1 170 582		
	Balance as at March 31, 2021	12,722,382	40,000	120,000	2,768,493	2,620,059	8,802,360	51,653,668	295,862	79,022,824

The annexed notes 1 to 20 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 three month period ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
		(Rupee	s '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	16	(6,291,117)	8,632,882
Finance cost paid		(300,604)	(771,543)
Income tax paid		(1,656,008)	(1,261,712)
Other comprehensive income - net of tax		(1,956,612)	(2,033,255)
Net cash generated from operating activities		(8,247,729)	6,599,627
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,501,615)	(679,619)
Proceeds from sale of property, plant and equipment		4,554	5,259
Advance against issue of shares - Thar Energy Limited		(376,707)	
Other investments - net		(864,538)	(1,051,638)
Interest and profit received		271,693	340,785
Dividend received		223,715	
Net cash used in investing activities		(2,242,898)	(1,385,213)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - repayments		(876,342)	(972,875)
Repayment of lease liabilities		(7,506)	(13,768)
Dividend paid		(4,322,296)	(4,219,311)
Net cash used in financing activities		(5,206,144)	(5,205,954)
Net (decrease) / increase in cash and cash equivalents		(15,696,771)	8,460
Cash and cash equivalents at beginning of the period		57,974,712	32,683,531
Effect of exchange rate changes		(106,557)	170,315
Cash and cash equivalents at end of the period		42,171,384	32,862,306
CASH AND CASH EQUIVALENTS			
Cash and bank balances		611,499	1,481,432
Short term borrowings - secured		(28,226,976)	(10,187,400)
Short term highly liquid investments		69,786,861	41,568,274
•		42,171,384	32,862,306

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

Chief Executive

Director Chief Financial Officer

For the three month period ended March 31, 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 Fauji Fertilizer Company Limited (the Group) comprises of Fauji Fertilizer Company Limited (FFC / parent company) and its subsidiaries, FFC Energy Limited (FFCEL), Fauji Fresh n Freeze Limited (FFF), incorporated in Pakistan as public limited companies, 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 fertilizer, chemical, cement and banking operations. FFCEL has setup a 49.5 MW wind energy power project. FFF is principally engaged in the business of processing fresh, frozen fruit, vegetables, fresh meat, frozen cooked and semi cooked food. OLIVE Technical Services (Private) Limited is enagaged in provision of technical, operations, maintenance, inspection and IT services.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

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

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

- 2.2 The disclosures in these condensed interim consolidated financial statements do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2020. Comparative figures of condensed interim statement of financial position is extracted from audited consolidated financial statements as at December 31, 2020 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, 2020.
- 2.3 These condensed interim consolidated financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

3. Significant accounting policies

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim consolidated financial statements and financial risk management policy are the same as those applied in preparation of financial statements of the Group for the year ended December 31, 2020.

For the three month period ended March 31, 2021

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2020: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2020: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	Un-audited March 31, 2021	Audited December 31, 2020	Note	Un-audited March 31, 2021	Audited December 31, 2020
	(Number	of shares)		(Rupe	es '000)
			Ordinary shares of Rs.10 each		
	256,495,902	256,495,902	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 share		10,157,423
	1,272,238,247	1,272,238,247		12,722,382	12,722,382
5.	REVENUE RESE	RVES			
	General reserve			8,802,360	8,802,360
	Unappropriated p	rofit		51,653,668	48,814,236
				60,456,028	57,616,596
6.	LONG TERM BO	RROWINGS - SE	CIIDED		
0.	From conventions		CORED		
		Company Limited	6.1	12,099,599	12,962,097
	FFC Energy Li		6.2	2,904,256	2,900,856
	0,	Freeze Limited	6.3	104,482	118,326
	From Islamic ban			, .	.,
	Fauji Fertilizer	Company Limited	6.4	2,000,000	2,000,000
				17,108,337	17,981,279
	Less: Current por	tion shown under	current liabilities		
	From conventi	onal banks		5,514,879	5,531,827
	From Islamic b	oanks		250,000	250,000
				5,764,879	5,781,827
				11,343,458	12,199,452
6.1	Movement durin	g the period / yea	ar is as follows:		
	Opening balance			12,962,097	10,833,750
	Draw-downs duri	ng the period / yea	ar	-	2,128,347
	Repayments duri	ng the period / yea	ar	(862,498)	-
	Closing balance			12,099,599	12,962,097
6.2	Movement durin	g the period / yea	ar is as follows:		
	Opening balance			2,900,856	4,115,230
	Repayments duri	ng the period / yea	ar	-	(1,231,879)
				2,900,856	2,883,351
	Transaction cost:				
		ig the period / yea	r	3,400	17,505
	Closing balance			2,904,256	2,900,856

For the three month period ended March 31, 2021

		Un-audited March 31, 2021	Audited December 31, 2020
		(Rupee	es '000)
6.3	Movement during the period / year is as follows:		
	Opening balance	118,326	141,625
	Draw-downs during the period / year	-	118,326
	Repayments during the period / year	(13,844)	(141,625)
	Closing balance	104,482	118,326
6.4	Movement during the period / year is as follows:		
	Opening balance	2,000,000	350,000
	Draw-downs during the period / year		2,000,000
	Repayments during the period / year	-	(350,000)
	Closing balance	2,000,000	2,000,000

7. TRADE AND OTHER PAYABLES

These include Rs 27,389,102 thousand (December 31, 2020: Rs 23,945,221 thousand) on account of current portion of Gas Infrastructure Development Cess (GIDC) payable. A review petition for factual determination has been filed before the Supreme Court of Pakistan. Additionally, FFC has also been granted with a stay from Sindh High Court against the subject settlement.

Un-audited

hatihuΔ

			March 31, 2021	December 31, 2020
			(Rupe	es '000)
8.	5	SHORT TERM BORROWINGS - secured		
	F	From conventional banks	23,269,725	20,584,240
	F	From Islamic banks	4,957,251	4,693,046
			28,226,976	25,277,286
9.	(CONTINGENCIES AND COMMITMENTS		
9.1	(Contingencies:		
	(i)	Guarantees issued by banks on behalf of the Group companies	5,145,859	5,140,917
	(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	25,035,203	23,691,595
	(iv)	Group's share of contingencies in Fauji Cement Company Limited as at December 31, 2020 (2020: September 30, 2020)	117,874	117,936
	(v)	Group's share of contingencies in Askari Bank Limited as at December 31, 2020 (2020: September 30, 2020)	95,338,766	94,191,496
	<i>(</i> '\	D # (D 5500,000 # 1: 11 # 0 #: 0	(D.)	(OOD): 0040

(vi) Penalty of Rs 5,500,000 thousand imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices, which was set aside by the Competition Appellate Tribunal, in appeal filed by FFC, who also remanded the case back to CCP to decide the case afresh under guidelines provided by the Tribunal. CCP did not challenge this order before the Supreme Court of Pakistan in appeal within the stipulated time, thus making the appeal time barred. However CCP, under the said Tribunal guidelines, has started proceedings but the date of hearing is yet to be communicated. FFC remains confident of successfully defending these unreasonable claims in future as well.

For the three month period ended March 31, 2021

		Note	Un-audited March 31, 2021	Audited December 31, 2020
			(Rupe	es '000)
9.2	Commitments in respect of:			
	(i) Capital expenditure		3,789,906	1,613,024
	(ii) Purchase of fertilizer, stores, spares and other opera	tional items	856,253	2,060,554
	(iii) Investment in Thar Energy Limited		1,845,824	2,307,192
	(iv) Group's share of commitments of PMP as at Decem (2020: September 30, 2020)	ber 31, 2020	43,560	6,232
	(v) Contracted out services		566,415	102,546
10.	PROPERTY PLANT AND EQUIPMENT			
	Operating fixed assets	10.1	31,066,231	31,573,294
	Capital work in progress	10.2	2,120,789	935,638
	Right of use assets	10.3	79,602	87,005
			33,266,622	32,595,937
10.1	Operating fixed assets			
	Opening written down value		31,573,294	30,375,178
	Additions during the period / year		312,893	4,355,293
	Written down value of disposals / adjustments		-	(5,948)
	Transfers / adjustments		(156)	93
	Depreciation during the period / year		(819,800)	(3,151,322)
			31,066,231	31,573,294

^{10.1.1} Additions in and depreciation on operating fixed assets during the three month period ended March 31, 2020 were Rs 2,110,092 thousand and Rs 781,501 thousand respectively.

		Un-Audited March 31, 2021	Audited December 31, 2020
		(Rupe	es '000)
10.2	Capital work in progress		
	Opening value	935,638	2,258,030
	Additions during the period / year	1,280,485	166,181
	Transfers during the period / year	(95,334)	(1,488,573)
		2,120,789	935,638
10.3	Right of use assets		
	Opening balance	87,005	124,950
	Additions during the period / year		8,050
	Depreciation during the period / year	(7,403)	(45,995)
		79,602	87,005

For the three month period ended March 31, 2021

		Note	Un-audited March 31, 2021	Audited December 31, 2020
	-		(Rupee	s '000)
10.4	Depreciation charge has been allocated as follows:			
	Cost of sales		792,568	3,066,038
	Administrative and distribution expenses		32,706	121,907
	Other expenses		568	1,852
	Charged to FFBL under the Company Services Agreement		1,361	7,520
			827,203	3,197,317
11.	LONG TERM INVESTMENTS			
	Equity accounted investments	11.1	59,164,894	57,538,122
	Other long term investments	11.2	4,910,497	4,974,076
			64,075,391	62,512,198
11.1	Equity accounted investments			
	Investment in associated companies - under equity method			
	Fauji Cement Company Limited			
	Balance at the beginning		2,160,790	2,137,474
	Share of profit for the period / year		61,466	23,316
			2,222,256	2,160,790
	Fauji Fertilizer Bin Qasim Limited			
	Balance at the beginning		24,051,779	17,561,761
	Advance against issue of shares		-	2,493,774
	Share of profit for the period / year		559,648	3,219,922
	Share of OCI for the period / year		(67,233)	776,322
			24,544,194	24,051,779
	Askari Bank Limited			
	Balance at the beginning		24,721,018	18,998,792
	Share of profit for the period / year		1,184,409	4,637,970
	Share of OCI for the period / year		(390,202)	1,899,908
	Dividend received		25 545 225	(815,652)
	Thar Energy Limited		25,515,225	24,721,018
	Balance at the beginning		3,186,377	3,189,926
	Advance against issue of shares		376,707	-
	Share of loss for the period / year		(10,038)	(4,263)
	Share of OCI for the period / year		-	714
			3,553,046	3,186,377

For the three month period ended March 31, 2021

		Note	Un-audited March 31, 2021	Audited December 31, 2020
			(Rupee	es '000)
	Investment in joint venture - under equity method			
	Pakistan Maroc Phosphore S.A., Morocco			
	Balance at the beginning		3,418,158	2,989,560
	Share of profit for the period / year		119,983	419,746
	Gain on translation of net assets		15,747	344,377
	Dividend received		(223,715)	(335,525)
			3,330,173	3,418,158
			59,164,894	57,538,122
11.2	Other long term investments			
	Investment measured at fair value through other comprehensive income			
	Term Deposit Receipts - from conventional bank		118,267	125,548
	Bank Alfalah Term Finance Certificate		200,000	200,000
	Pakistan Investment Bonds		4,668,437	4,736,896
			4,986,704	5,062,444
	Less: Current portion shown under short term investments Investment at fair value through other comprehensive income			
	Term Deposit Receipts - from conventional bank		10,200	21,516
	Pakistan Investment Bonds		66,007	66,852
		13	76,207	88,368
		,	4,910,497	4,974,076
12.	OTHER RECEIVABLES			
	These include Rs 6,961,878 thousand (2020: Rs 6,961, and Rs 15,250,831 thousand (2020: Rs 14,196,402 thous Government.			
		Note	Un-audited March 31, 2021	Audited December 31, 2020
			(Rupee	es '000)
13.	SHORT TERM INVESTMENTS			
	Amortized cost - conventional instruments			
	Term deposits with banks and financial institutions			
	Local currency (net of provision for doubtful recovery of Rs 2,600 thousand)		1,350,000	1,286,000
	Foreign currency		2,326,022	2,426,874
			3,676,022	3,712,874
	Investments at fair value through profit or loss			
	Conventional investments		68,216,642	74,767,100
	Shariah compliant investments		220,219	4,619,771
			68,436,861	79,386,871
	Current maturity of long term investments			
	Investments measured at fair value through			
	other comprehensive income	11	76,207	88,368

83,188,113

72,189,090

For the three month period ended March 31, 2021

Power 497,807 4 Food 568,290 4 23,106,117 21,9 Sales tax (566,208) (53 Trade discount (21,160) (3		March 31, March 31, 2021 2020
Fertilizers 22,040,020 21,0 Power 497,807 4 Food 568,290 4 23,106,117 21,9 Sales tax (566,208) (53 Trade discount (21,160) (3		(Rupees '000)
Power 497,807 4 Food 568,290 4 23,106,117 21,9 Sales tax (566,208) (53 Trade discount (21,160) (3	TURNOVER - NET	
Food 568,290 4 23,106,117 21,9 Sales tax (566,208) (53 Trade discount (21,160) (3	Fertilizers	22,040,020 21,046,117
Sales tax (566,208) (53 Trade discount (21,160) (3	Power	497,807 474,828
Sales tax (566,208) (53 Trade discount (21,160) (3	Food	568,290 452,106
Trade discount (21,160) (3		23,106,117 21,973,051
	Sales tax	(566,208) (539,736)
(587,368) (56	Trade discount	(21,160) (30,176)
		(569,912
22,518,749 21,40		22,518,749 21,403,139

15. SEGMENT INFORMATION

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

	Reportable segments					
	Fertilizers*	Power	Food	Total		
	(Rupees '000)					
March 31, 2021 (Un-audited)						
Assets						
Segment assets (Total)	137,739,196	13,190,411	3,130,719	154,060,326		
Equity accounted investees	59,164,894		-	59,164,894		
Liabilities						
Segment liabilities (Total)	128,611,602	3,371,441	851,449	132,834,492		
Capital expenditure	1,462,141	7,887	27,668	1,497,696		
Depreciation	600,844	152,222	74,137	827,203		
December 31, 2020 (Audited)						
Assets						
Segment assets (Total)	143,014,409	12,964,298	2,693,523	158,672,230		
Equity accounted investees	57,538,122	-	-	57,538,122		
Liabilities						
Segment liabilities (Total)	133,321,346	3,312,619	444,299	137,078,264		
Capital expenditure	2,934,333	68,813	29,755	3,032,901		
Depreciation	2,312,604	585,982	298,731	3,197,317		
* net of consolidated adjustments / eliminations						

For the three month period ended March 31, 2021

March 31, March 31, 2021 2020 (Rupees '000)

16. CASH GENERATED FROM OPERATIONS

Profit before tax	8,496,007	5,944,361
Adjustments for:		
Depreciation	825,842	789,428
Amortization	1,157	1,952
Amortization of transaction cost	3,400	4,826
Finance cost	485,615	858,702
Gain on sale of property, plant and equipment	(4,554)	(5,259)
Income on loans, deposits and investments	(165,726)	(234,782)
Share of (profit) / loss of associated companies and joint venture	(1,915,468)	(2,037)
Exchange gain - net	112,473	(171,875)
Gain on remeasurement of investments at fair value through profit or loss	(148,350)	(140,653)
	(805,611)	1,100,302
	7,690,396	7,044,663
Changes in:		
Stores and spares	(143,239)	(450,836)
Stock in trade	(5,340,997)	(352,432)
Trade debts	73,403	3,265,406
Loans and advances	(95,171)	(310,072)
Deposits and prepayments	(292,764)	(69,651)
Other receivables	(818,135)	(370,491)
Trade and other payables	(7,270,765)	(85,155)
	(13,887,668)	1,626,769
Changes in long term loans and advances	(91,724)	(36,065)
Changes in long term deposits and prepayments	(176)	(2,485)
Changes in deferred liabilities	(1,945)	
	(6,291,117)	8,632,882

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Groups's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended December 31, 2020. 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, 2020.

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



For the three month period ended March 31, 2021

		March 31, 2021	March 31, 2020	
		(Rupees '000)		
18.	TRANSACTIONS AND BALANCES WITH RELATED PARTIES	•		
	Significant transactions and balances with the related parties are as follows:			
	HOLDING COMPANY			
	Transactions			
	Dividend paid	1,918,408	1,833,772	
	Services received	62,500	-	
	Sale of fertilizer	-	630	
	Others	30	27	
	Balances			
	Balance payable - unsecured *	62,500	52,500	
	ASSOCIATED UNDERTAKINGS / COMPANIES DUE TO COMMON DIRECTORSHIP			
	Transactions			
	Expenses charged on account of marketing of fertilizer on behalf of associated company	196,749	210,132	
	Commission on sale of products	3,730	3,664	
	Payment under consignment account - net	14,871,390	17,321,467	
	Purchase of gas as feed and fuel stock	8,127,032	8,255,655	
	Equity investment	376,707	-	
	Services and materials provided	4,057	6,311	
	Donation	194,000	164,473	
	Interest expense	32,256	92,748	
	Interest income	4,825	9,827	
	Dividend income	1,631,304	-	
	Balances			
	Dividend receivable *	1,631,304	223,715	
	Long term investments*	118,267	125,548	
	Short term borrowing *	2,058,914	2,303,598	
	Long term borrowing *	250,194	244,793	
	Bank balance *	161,692	141,265	
	Running finance *	8,877	153,285	
	Balance receivable - unsecured *	364,560	362,345	
	Balance payable - unsecured *	64,599,939	66,368,028	
	KEY MANAGEMENT PERSONNEL Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2021: 1 and 423 (2020: 1 and 396) respectively.			
	CONTRIBUTION AND BALANCES WITH STAFF RETIREMENT FUNDS	1,257,454	1,136,957	
	Employees' Provident Fund Trust	116,810	116,820	
	Employees' Gratuity Fund Trust	229,632	253,724	
	Employees' Pension Fund Trust	217,967	159,720	
	Employees' Funds as Dividend on equity holding	211,001	100,120	
	of 0.15% (2020: 0.15%)	7,721	6,065	
	Balance payable to Gratuity Fund Trust *	585,940	734,965	
	Balance payable to Pension Fund Trust *	328,722	439,697	

^{*} Comparative figures of receivable / payable balances are as of December 31, 2020.

For the three month period ended March 31, 2021

19. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of FFC in its meeting held on April 28, 2021 proposed first interim dividend of Rs 3.50 per share.

20. GENERAL

- 20.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 20.2 Late in 2019 news emerged from China about the COVID-19 (Coronavirus). In the first few months of 2020 the virus had spread globally, and its negative impact had gained momentum. The management considers presently this outbreak does not have any impact on the amounts being reported in the Group's statement of financial position as at March 31, 2021. While this is still an evolving situation as at the time of issuing these condensed interim consolidated financial statements yet, to date the operations of the Group have continued uninterrupted during this pandemic, future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.
- 20.3 These condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of FFC on April 28, 2021.

Chairman

Chief Executive

Director

Chief Financial Officer



SAY NO TO CORRUPTION



