



FFBL

Fauji Fertiliser Bin Qaim Limited

**3RD QUARTER
REPORT | 2021**

COMPANY INFORMATION

DIRECTORS

Mr Waqar Ahmed Malik

Chairman

Mr Arif-ur-Rehman

Chief Executive Officer

Mr Sarfaraz Ahmed Rehman

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/II/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

DIRECTORS' REVIEW

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

While global as well as local businesses are impacted by COVID-19 in one way or the other, the Company has shown remarkable resilience against the pandemic. The Company remained stuck to the strategy and rolled out a comprehensive operating plan to ensure security of its supply networks, marketing operations, comfortable work environment and minimal operational disruptions. This led the Company not only to continue contributing towards national food security and nutrition in a situation where it was most needed and apparent but also helped to achieve operational excellence and deliver exceptional financial performance resulting in increased value for its stakeholders.

During the period, domestic Urea market is estimated to have grown by 11% from 4,213 KT to 4,656 KT on the back drop of improved farm economies, farmer friendly government policies and favourable growing conditions. The Company was successful in achieving 8% (Sep 2020: 9%) Urea market share despite lower production as compared to corresponding period. Domestic DAP market is estimated to have declined by 13% from 1,373 KT to 1,198 KT primarily due to continuously rising international prices together with weakening of Pak Rupee against US dollar and availability of cheaper alternatives. However, irrespective of decline in DAP market, the Company continues to lead by further increasing its market share to 43% (Sep 2020: 41%). International DAP prices are currently hovering around USD 680 per ton (CFR Pakistan) as compared to USD 360 per ton (CFR Pakistan) at the close of comparative period.

Quarterly financial results improved significantly in comparison to quarter ended 30 September 2020. The Company achieved PKR 6.6B profit from operations in comparison to PKR 2B profit in comparative quarter backed by revenue increase of 53% from PKR 25B to PKR 39B and increase in gross profit margin from 16% to 22%. The Company successfully completed sale of equity investment in Foundation Wind Energy - I Limited and Foundation Wind Energy - II Limited (FWE-I & II) to Fauji Fertilizer Company Limited realising a gain of PKR 2.8B. The Company booked impairment loss of PKR 2B on investment in Fauji Meat Limited (FML). Albeit, quarter ended on a good note with overall profit after tax of PKR 2.3B.

Financial results for the period witnessed promising growth as the Company achieved PKR 10B profit from operations as compared to PKR 1B profit in comparative period as revenue increased by 37% from PKR 50B to PKR 68B fuelled primarily by rising international DAP prices. Moreover, efficient working capital management resulted a reduction in finance cost by PKR 1.7B. Other expense went up by PKR 6B due to increase in foreign exchange loss amid continuing surge of US dollar against Pak Rupee, impairment and expected credit loss on investment in FML and unwinding of GIDC liability. However, increase in other expenses was offset, to some extent, by gain of PKR 2.8B arising on sale of equity stakes in FWE- I & II and increased dividend income. In the meanwhile, long outstanding receivable from the Government of Pakistan surged to PKR 14B comprising PKR 11B on account of sales tax refunds and PKR 3B in relation to subsidy on sale of fertilizer. In a nutshell, the Company weathered the storm with brilliance and successfully returned to profit after tax of PKR 6B from loss after tax of PKR 1B in comparative period.

The plant successfully achieved 22.14 million safe-man-hours with 29KT excess production of fertilizer as compared to corresponding period. Improved performance was achieved by focusing on prevention of downtime, increasing awareness through leadership, and creating an open dialogue environment. The Company has been awarded with the "Health, Safety & Environment Performance Award 2021" by the Professional Network, for the 6th consecutive term. As a recognition of our commitment to contribute towards sustainable environment, the Company has also been awarded with the "Environment Excellence Award 2021" organized by National Forum for Environment & Health.

Our subsidiaries have also performed well and delivered better results for the period. Fauji Foods Limited delivered gross profit of PKR 813 million by achieving 26% growth in revenue as well as comparative reduction in cost of sales in comparison to period ended 30 September 2020. It also managed to reduce loss after tax by 50% from PKR 2.4B to PKR 1.2B. FFBL Power Company Limited delivered steady profit after tax of PKR 3B which at the same level as of the comparative period.

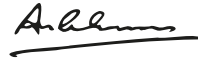
Looking ahead, we expect to build on this period's excellent results as the Company is uniquely positioned to capitalize on improving market fundamentals. However, a promising outlook shall also depend on continuing support by the Government to agricultural producers and fertilizer industry, favorable growing conditions and resilience of crop prices along with overall better farm economics. Apart from financial performance, the Company shall keep focused on value creation for the people the Company interacts with and the environment and communities it operates in.

Directors of the Company are thankful to the employees who worked in an organised and proactive manner to help continue to grow and strengthen the business together with continued trust and reliance placed in the Company by all other stakeholders.

For and on behalf of the Board



Waqar Ahmed Malik
Chairman



Arif-ur-Rehman
Chief Executive Officer

Place: Islamabad

Date: 25 Oct, 2021

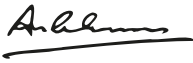
پلانٹ نے گزشتہ اسی مدت کے مقابلے میں کھاد کی 29KT زائد پیداوار کے ساتھ 22.14 ملین سیف میں آورز کامیابی سے حاصل کیے۔ ڈاؤن ٹائم کی روک تھام، قیادت کے ذریعے آگاہی بڑھانے، اور کھل کر اظہار کرنے کا ماحول بنا کر بہتر کارکردگی حاصل کی گئی۔ کمپنی کو پروفیشنل نیٹ ورک کی طرف سے مسلسل 6 ویں مدت کے لیے "صحت، حفاظت اور ماحولیات کی کارکردگی ایوارڈ 2021" سے نوازا گیا ہے۔ بائیدار ماحول میں شراکت کے لیے ہمارے عزم سے اعتراف کے طور پر، کمپنی کو نیشنل فورم فار انوائٹمنٹ اینڈ ہیلتھ کے زیر اہتمام "ماحولیات ایکسی لینس ایوارڈ 2021" سے بھی نوازا گیا ہے۔

ہماری ذیلی کمپنیوں نے بھی اچھی کارکردگی کا مظاہرہ کیا ہے اور اس مدت کے لیے بہتر نتائج فراہم کیے ہیں۔ فوجی فوڈز لمیٹڈ نے 30 ستمبر 2020 کو ختم ہونے والی مدت کے مقابلے میں ریونیو میں 26 فیصد اضافے کے ساتھ ساتھ فروخت کی لاگت میں تقابلی کمی کو حاصل کر کے 813 PKR ملین کا مجموعی منافع حاصل کیا اور بعد از ٹیکس نقصان کو 50 فیصد کمی کے ساتھ 2.4B PKR سے 1.2B PKR تک کم کرنے میں بھی کامیاب رہی۔ FFBL پاور کمپنی لمیٹڈ نے 3B PKR کا بعد از ٹیکس مستحکم منافع فراہم کیا۔

مستقبل میں، اس مدت کے بہترین نتائج کو دیکھتے ہوئے ہم اچھی توقع کرتے ہیں کہ کمپنی سٹیٹک ہولڈرز کی قدر میں اضافے کیلئے بہتر اور منفرد پوزیشن میں ہے۔ تاہم، ایک امید افزا مستقبل کا انحصار حکومت کی طرف سے کسانوں اور کھاد کی صنعت کے لیے جاری تعاون، زرعی سازگار حالات اور فصلوں کی قیمتوں کے استحکام کے ساتھ ساتھ مجموعی طور پر بہتر زرعی معاشیات پر بھی ہوگا۔ مالی کارکردگی کے علاوہ، کمپنی ان لوگوں کے لیے قدر پیدا کرنے پر توجہ مرکوز رکھے گی جن کے ساتھ کمپنی تعلق رکھتی ہے اور جس ماحول اور کمیونٹیز میں یہ کام کرتی ہے۔

کمپنی کے ڈائریکٹرز ملازمین کے شکر گزار ہیں جنہوں نے ایک منظم اور فعال انداز میں کام کیا تاکہ کاروبار کو بڑھنے اور مضبوط کرنے میں مدد فراہم کی جا سکے اور اسکے ساتھ ساتھ کمپنی کے دوسرے تمام اسٹیٹک ہولڈرز کے بھی مشکور ہیں جنہوں نے کمپنی پر مسلسل اعتماد اور بھروسہ کیا۔

منجانب بورڈ



عارف الرحمن
چیف ایگزیکٹو آفیسر



وقار احمد ملک
چیئرمین

اسلام آباد
25 اکتوبر 2021

آگرچہ عالمی اور مقامی کاروبار کسی نہ کسی طریقے سے COVID-19 سے متاثر ہوئے ہیں، کمپنی نے وبائی مرض کے خلاف قابل ذکر کامیابی دکھائی ہے۔ کمپنی اپنی حکمت عملی پر قائم رہی اور اپنے سپلائی نیٹ ورکس، مارکیٹنگ آپریشنز، کام کے آرام دہ ماحول اور کم سے کم آپریشنل رکاوٹوں کو یقینی بنانے کے لیے ایک جامع آپریشننگ پلان تیار کیا۔ اس کی وجہ سے کمپنی نے نہ صرف قومی غذائی تحفظ اور غذائیت کے لیے ایسے حالات میں اپنا حصہ ڈالا جہاں اس کی سب سے زیادہ ضرورت موجود تھی بلکہ اس نے آپریشنل ایکسیلنس کو حاصل کرنے اور غیر معمولی مالیاتی کارکردگی فراہم کرنے میں بھی مدد کی جس کے نتیجے میں اس کے اسٹیک ہولڈرز کی قدر میں اضافہ ہوا۔

اس مدت کے دوران، مقامی یوریا مارکیٹ میں 4,213KT سے 4,656 KT تک 11 فیصد اضافے کا تخمینہ لگایا گیا ہے جو کہ بہتر زرعی معیشتوں، کسان دوست حکومتی پالیسیوں اور زراعت کیلئے سازگار حالات کی وجہ سے ہے۔ کمپنی گزشتہ اسی مدت کے مقابلے میں کم پیداوار کے باوجود 8 فیصد (ستمبر 2020: 9 فیصد) یوریا مارکیٹ شیئر حاصل کرنے میں کامیاب رہی۔ مقامی ڈی اے پی مارکیٹ میں 1,373KT سے 1,198KT تک 13 فیصد کی کمی کا تخمینہ لگایا گیا ہے جس کی بنیادی وجہ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی اور سستے متبادل کی دستیابی کے ساتھ بین الاقوامی قیمتوں میں مسلسل اضافہ ہے۔ تاہم، ڈی اے پی مارکیٹ میں کمی سے قطع نظر، کمپنی نے اپنے مارکیٹ شیئر کو مزید بڑھا کر 43 فیصد (ستمبر 2020: 41 فیصد) تک کر دیا ہے۔ بین الاقوامی ڈی اے پی کی قیمتیں اس وقت 680 امریکی ڈالر فی ٹن (سی ایف آر پاکستان) کے قریب منڈلا رہی ہیں جب کہ تقابلی مدت کے اختتام پر 360 امریکی ڈالر فی ٹن (سی ایف آر پاکستان) تھی۔

موجودہ سہ ماہی کے مالیاتی نتائج 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کے مقابلے میں نمایاں طور پر بہتر ہوئے۔ کمپنی نے اس سہ ماہی میں 53 فیصد اضافے کے ساتھ 39B PKR کی آمدن حاصل کی جو کہ تقابلی سہ ماہی میں 25B PKR تھی۔ کمپنی نے اس سہ ماہی میں آپریشنز سے 2B PKR کے مقابلے میں 6.6B PKR منافع حاصل کیا اور کل منافع کا مارجن 16 فیصد سے بڑھ کر 22 فیصد ہوا۔ کمپنی نے فاؤنڈیشن ونڈ انرجی - I لمیٹڈ اور فاؤنڈیشن ونڈ انرجی - II لمیٹڈ (II اور FWE-I) میں فوجی فرٹیلائرز کمپنی لمیٹڈ کو 2.8B PKR کے نفع کے ساتھ ایکویٹی سرمایہ کاری کی کامیابی کے ساتھ فروخت مکمل کی۔ کمپنی نے فوجی میٹ لمیٹڈ (ایف ایمر ایل) میں سرمایہ کاری پر 2B PKR کا نقصان اٹھایا۔ تاہم، موجودہ سہ ماہی 2.3B PKR کے بعد از ٹیکس مجموعی منافع کے ساتھ اچھے نوٹ پر ختم ہوئی۔

اس مدت کے مالیاتی نتائج میں امید افزا نمو دیکھنے میں آئی کیونکہ کمپنی نے تقابلی مدت میں 1B PKR منافع کے مقابلے میں آپریشنز سے 10B PKR منافع حاصل کیا کیونکہ آمدنی میں 50B PKR سے 68B PKR تک 37 فیصد اضافہ ہوا جو بنیادی طور پر بین الاقوامی ڈی اے پی کی قیمتوں میں اضافے سے ہوا ہے۔ مزید برآں، موثر ورکنگ کپیبل مینجمنٹ کے نتیجے میں مالیاتی لاگت میں 1.7B PKR کی کمی واقع ہوئی۔ پاکستانی روپے کے مقابلے میں امریکی ڈالر کے مسلسل اضافے، FML میں سرمایہ کاری پر نقصان اور GIDC کی unwinding اور غیر ملکی کرنسی کے نقصان میں اضافے کی وجہ سے دیگر اخراجات 6B PKR تک بڑھ گئے۔ تاہم، دیگر اخراجات میں اضافہ، کچھ حد تک، 2.8B PKR سے 2.8B PKR سے فائدے سے اے FWE-I اور II میں ایکویٹی حصص کی فروخت اور ڈیویڈنڈ کی آمدنی میں اضافہ سے پورا ہوا۔ اس دوران، حکومت پاکستان کی جانب سے طویل مدتی بقایاجات 14B PKR کی حد عبور کر گئے، جس میں سیلز ٹیکس ریفرنڈز کی مدد میں 11B PKR اور کھاد کی فروخت پر سبسڈی کے سلسلے میں 3B PKR شامل ہیں۔ مختصراً، کمپنی نے کٹھن حالات کا شاندار مقابلہ کیا اور تقابلی مدت میں 1B PKR بعدازٹیکس نقصان سے کامیابی کے ساتھ 6B PKR بعدازٹیکس منافع میں واپس آگئی۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

		September 30, 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			
Share premium		1,632,729	228,350
Revenue reserve			
Accumulated profit / (loss)		5,678,685	(495,832)
		20,223,943	13,959,405
NON-CURRENT LIABILITIES			
Long-term loans	6	16,281,261	15,425,006
Deferred liabilities	7	9,813,195	14,530,380
		26,094,456	29,955,386
CURRENT LIABILITIES			
Trade and other payables	8	37,997,843	21,637,647
Advances from customers		3,361,919	2,204,000
Unpaid dividend		10,954	10,954
Unclaimed dividend		116,962	117,007
Accrued interest		342,203	445,326
Short-term borrowings		1,664,355	15,822,065
Current portion of long-term loans	6	4,608,328	6,816,662
		48,102,564	47,053,661
		94,420,963	90,968,452
CONTINGENCIES AND COMMITMENTS			
	9		

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

		September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
	Note	(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	10,743,354	11,252,052
Long-term investments	11	19,983,050	24,546,403
Long-term loans	12	7,520,914	6,990,318
Long-term advances		47,115	3,210
Long-term deposits		78,643	78,643
		38,373,076	42,870,626
CURRENT ASSETS			
Stores and spares		1,709,570	1,835,211
Stock-in-trade	13	14,534,004	2,861,568
Trade debts		2,346,658	1,656,387
Advances		432,419	772,702
Trade deposits and short-term prepayments		52,040	99,899
Interest accrued		701,863	473,503
Other receivables	14	5,622,641	5,170,133
Income tax refundable - net		441,443	1,744,650
Sales tax refundable - net		10,772,455	8,435,341
Cash and bank balances		19,434,794	25,048,432
		56,047,887	48,097,826
		94,420,963	90,968,452



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



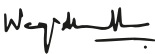
CHIEF FINANCIAL OFFICER

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
		(Rupees '000)		(Rupees '000)	
Sales - net	15	38,449,465	25,180,161	68,366,703	49,961,864
Cost of sales	16	(29,907,457)	(21,232,127)	(53,852,018)	(44,641,936)
Gross profit		8,542,008	3,948,034	14,514,685	5,319,928
Selling and distribution expenses		(1,657,398)	(1,572,337)	(3,897,815)	(3,533,850)
Administrative expenses		(263,005)	(319,098)	(884,338)	(905,063)
		6,621,605	2,056,599	9,732,532	881,015
Finance costs		(560,201)	(811,323)	(1,820,253)	(3,537,635)
Other expenses	17	(4,174,875)	133,526	(4,724,747)	(228,285)
Other income	18	4,167,262	2,544,363	8,205,425	4,230,339
		6,053,791	3,923,165	11,392,957	1,345,434
<i>Other losses</i>					
Unwinding of GIDC payable	7	(302,916)	-	(971,674)	-
Impairment of equity investment - FML	11	(2,102,788)	-	(2,102,788)	(1,222,257)
		(2,405,704)	-	(3,074,462)	(1,222,257)
Profit before taxation		3,648,087	3,923,165	8,318,495	123,177
Taxation - net	19	(1,373,472)	(616,727)	(2,168,082)	(1,024,627)
Profit / (loss) after taxation		2,274,615	3,306,438	6,150,413	(901,450)
			<i>Restated</i>		<i>Restated</i>
Earnings / (loss) per share - basic and diluted (Rupees)		1.77	3.19	4.78	(0.87)

The annexed notes, from 1 to 23, 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 SEPTEMBER 30, 2021

	Quarter ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(Rupees '000)		(Rupees '000)	
Profit / (loss) after taxation	2,274,615	3,306,438	6,150,413	(901,450)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of post employment benefits obligation	-	-	24,104	-
Total comprehensive income / (loss)	2,274,615	3,306,438	6,174,517	(901,450)

The annexed notes, from 1 to 23, 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 SEPTEMBER 30, 2021

	Share capital	Advance against issue of shares	Share premium (Rupees ' 000)	Accumulated (loss) / profit	Total
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	-	-	-	(901,450)	(901,450)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(901,450)	(901,450)
Balance as at September 30, 2020	9,341,100	-	228,350	(3,636,939)	5,932,511
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	-	-	-	6,150,413	6,150,413
Other comprehensive income for the period	-	-	-	24,104	24,104
Total comprehensive income for the period	-	-	-	6,174,517	6,174,517
Advance against issue of shares	-	114,213	-	-	114,213
Issue of share capital	3,571,429	(5,000,000)	1,428,571	-	-
Transaction costs	-	-	(24,192)	-	(24,192)
Balance as at September 30, 2021	12,912,529	-	1,632,729	5,678,685	20,223,943

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



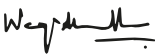
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Note	Nine months ended September 30,	
		2021	2020
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	20	7,017,966	12,636,362
Income tax paid		(2,273,956)	(649,550)
Finance costs paid		(1,921,342)	(3,928,693)
Payment to Gratuity Fund		-	(57,797)
Compensated absences paid		(120,293)	(33,718)
Payment to Workers' (Profit) Participation Fund		(261,665)	-
Net cash generated from operating activities		2,440,710	7,966,604
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures and advances		(265,559)	(549,392)
Sale proceeds from disposal of property, plant and equipment		22,147	69,469
Proceeds from disposal of investment		5,256,007	131,707
Dividend received		4,117,935	3,075,710
Short-term investments		-	9,212
Long-term loans disbursed		(2,480,636)	(2,059,372)
Profit received on bank balances and sub-ordinated loans		715,571	379,380
Net cash generated from investing activities		7,365,465	1,056,714
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance against issue of shares - net of transaction costs		90,021	-
Long-term financing receipt		4,000,000	2,450,000
Long-term financing payment		(5,352,079)	(3,450,001)
Short-term borrowings - net		(4,449,987)	(4,998,006)
Dividend paid for prior periods		(45)	(1,530)
Net cash used in financing activities		(5,712,090)	(5,999,537)
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,094,085	3,023,781
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		13,676,354	(8,982,750)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		17,770,439	(5,958,969)
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the condensed interim statement of cash flows comprise of the following condensed interim statement of financial position amounts:			
- Cash and bank balances		19,434,794	8,299,194
- Short-term running finance		(1,664,355)	(14,258,163)
		17,770,439	(5,958,969)

The annexed notes, from 1 to 23, 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 SEPTEMBER 30, 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.

- 1.1 The Company's Gas Supply Agreement (GSA) with Sui Southern Gas Company Limited (SSGCL) expired on December 31, 2020. The Economic Coordination Committee (ECC) in its meeting dated February 03, 2021, as ratified by Federal Cabinet on February 09, 2021, approved renewal of GSA between FFBL and SSGCL for next five years on "as and when available basis" at existing gas prices till December 31, 2021. The Company's gas supply was resumed effective February 11, 2021 and a side letter was signed between FFBL and SSGCL to formalize arrangement till the signing of renewal of GSA. The total quantity / volume of gas and the related indigenous natural gas rates are currently on terms and conditions agreed under the expired GSA. Management remains confident that the formal addendum to GSA will be signed within due course.
- 1.2 One of the Company's subsidiary, namely FFBL Foods Limited has not commenced its business and is dormant since its incorporation. Accordingly, the Board of Directors, in their meeting held on April 26, 2021, has decided to amalgamate FFBL Foods Limited with the Company. The scheme of amalgamation was prepared under the provisions of Section 284 of the Companies Act, 2017 and approved by the Board of Directors of the Company in their meeting held on July 29, 2021. Hence, effective October 01, 2021, FFBL Foods Limited will cease to exist as legal entity. Pursuant to above-mentioned scheme of arrangement, the entire business of the subsidiary company including its properties, other assets, liabilities and other rights and obligations will vest into Fauji Fertilizer Bin Qasim Limited.

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 September 30, 2020.

These condensed interim 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. 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, the WHO classified the COVID-19 outbreak as a pandemic.

The Government of Pakistan has from time to time imposed temporary restrictions on movement. 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.

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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 have been 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 issued the respective shares upon fulfilling all regulatory requirements.

5.2 The status of significant shareholdings, as at September 30, 2021, are given below:

	No. of Shares	Percentage (%)
Fauji Fertilizer Company Limited	644,018,629	49.88
Fauji Foundation	236,161,393	18.29
	September 30, 2021	December 31, 2020
	(Un - audited)	(Audited)
Note	(Rupees '000)	

6 LONG-TERM LOANS

Loans from banking companies-secured	20,889,589	22,241,668
Less: Current portion shown under current liabilities	4,608,328	6,816,662
	16,281,261	15,425,006

6.1 During the period, the Company availed long-term loan from Allied Bank Limited amounting to Rs. 4,000 million for balance sheet re-profiling and working capital requirements of the Company. The loan is secured against ranking hypothecation charge over all present and future fixed assets (excluding land and building).

	September 30, 2021	December 31, 2020
	(Un - audited)	(Audited)
Note	(Rupees '000)	

7 DEFERRED LIABILITIES

Compensated leave absences	385,003	477,186
Deferred taxation	7.1 495,739	1,904,820
Payable against Gas Infrastructure Development Cess (GIDC)	7.2 8,932,453	12,148,374
	9,813,195	14,530,380

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

Accelerated tax depreciation	1,500,179	1,500,102
Unwinding / remeasurement gain on GIDC	513,063	794,848
Provision for inventory obsolescence	(74,465)	(58,805)
Allowance for expected credit loss against other receivables and long-term loan	(1,033,109)	(124,396)
Provision against allowance	(409,929)	(206,929)
	495,739	1,904,820

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

		September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
		(Rupees '000)	
7.2	Payable against GIDC		
	Opening balance	19,592,989	-
	Gas Infrastructure Development Cess (transfer from trade and other payables)	-	22,333,844
	Remeasurement gain on GIDC	-	(3,300,548)
	Unwinding of GIDC	971,674	559,693
		20,564,663	19,592,989
	Current portion of GIDC	(11,632,210)	(7,444,615)
	Closing balance	8,932,453	12,148,374

On September 22, 2020, the Company obtained stay from the Honorable Sindh High Court against payment of GIDC.

		September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
		(Rupees '000)	
8	TRADE AND OTHER PAYABLES		
	Creditors	19,681,936	9,425,016
	Payable against GIDC	11,632,210	7,444,615
	Accrued liabilities	4,029,015	3,287,426
	Workers' (Profit) Participation Fund	452,015	259,631
	Workers' Welfare Fund	871,591	601,799
	Payable to Gratuity Fund	206,951	188,615
	Payable to Provident Fund	754	56
	Security deposits	89,917	13,419
	Other payables	1,033,454	417,070
		37,997,843	21,637,647

8.1 Creditors include payables to related parties amounting to Rs. 18,497,812 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 SEPTEMBER 30, 2021

9 CONTINGENCIES AND COMMITMENTS

Contingencies

	September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
	(Rupees '000)	
i) Guarantees issued by banks on behalf of the Company	66,828	89,706

ii) In addition, the Company has provided financial guarantees, obtained from commercial banks, in the name of Excise and Taxation Department, Government of Sindh, amounting to Rs. 2,535 million (December 31, 2020: Rs. 2,275 million), representing unpaid levy due under the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (Sindh Cess Act); deposited pursuant to instructions of the Honorable Sindh High Court (SHC) under a petition filed by the Company (along with various other importers of goods) challenging the constitutionality of the power exercised by the provincial legislature to levy the Cess. The Company has also deposited the 50% levy, in cash, on monthly basis since June 2011. During the period, on June 04, 2021, SHC has upheld the Sindh Cess Act as valid legislation, retrospectively with effect from July, 01, 1994. On the advice of its legal counsel, the Company filed an appeal against the decision, with the Honorable Supreme Court of Pakistan (SCP) and obtained stay order from the SCP against the decision, on September 01, 2021.

As a matter of prudence, the Company is recognizing the provision at the time of the activity that triggers the payment of the levy in accordance with the Sindh Cess Act; amounting to Rs. 2,535 million as of September 30, 2021 (December 31, 2020: Rs. 2,275 million). During the period, the Company has recognized the levy amounting to Rs. 519 million (September 30, 2020: Rs. 298 million) along with payment of Rs. 259 million (September 30, 2020: Rs. 149 million).

iii) During the period, Federal Board of Revenue has issued orders for Tax Years 2015 to 2020, creating accumulated demand of Rs. 13.49 billion, by disallowing expenses relating to GIDC, finance cost and offering subsidy income to tax with consequential tax impact. The Company has filed appeals with Commissioner Inland Revenue (Appeals) in respect of Tax Years 2015 to 2020 and also obtained stay order against recovery proceedings. Management of the Company is confident of eventual favorable outcome in these cases as adequate provision for income tax, in accordance with income tax law, has been recognized in the condensed interim financial statements.

	September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
	(Rupees '000)	

Commitments

i) Capital expenditure - contracted	215,590	227,111
ii) Letters of credit for purchase of stores, spares and raw materials	1,253,224	797,643

For further commitments refer note 21.

10 PROPERTY, PLANT AND EQUIPMENT

Opening written down value	11,252,052	11,441,805
Additions during the period / year	221,654	756,692
Cost of disposals during the period / year	(59,976)	(506,824)
Depreciation charged during the period / year	(711,905)	(926,336)
Accumulated depreciation on disposals during the period / year	41,529	486,715
	10,743,354	11,252,052

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

		September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
	Note	(Rupees '000)	
11	LONG-TERM INVESTMENTS		
Joint venture	11.1	1,411,150	1,411,150
Associated companies	11.2	5,230,991	7,691,556
Subsidiary companies	11.3	13,340,909	15,443,697
		19,983,050	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	11.5	-	1,225,873
Foundation Wind Energy - II Limited	11.5	-	1,234,692
		-	2,460,565
		5,230,991	7,691,556
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	11.6	(6,885,000)	(4,782,212)
		-	2,102,788
FFBL Foods Limited	1.2	298,518	298,518
FFBL Power Company Limited		6,440,625	6,440,625
		13,340,909	15,443,697
11.4	Investment - available for sale - unquoted		
Arabian Sea Country Club Limited (ASCCL)			
300,000 ordinary shares of Rs.10 each		3,000	3,000
Less: Impairment in value of investment		3,000	3,000
		-	-

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

11.5 Pursuant to the approval of the Board of Directors and shareholders in their respective meetings held on June 29, 2021 and July 27, 2021, respectively, the Company disposed-off all of its shareholding in associated companies - Foundation Wind Energy - I Limited and Foundation Wind Energy - II Limited, effective September 29, 2021, to one of the Company's shareholders, Fauji Fertilizer Company Limited, a related party. The consideration is Rs. 2,622 million (@ Rs. 21.39 / share) and Rs. 2,634 million (@ Rs. 21.33 / share), respectively, including adjustment for dividends paid, post December 31, 2020. This resulted in recognition of a gain of Rs. 1,396 million and Rs. 1,399 million, respectively in the condensed interim statement of profit or loss (refer to note 18).

11.6 As at the reporting date, the Company performed an impairment test for investment in FML. The Company has determined recoverable amount of FML, based on expected cashflows for the future years, which was lower than the carrying amount of the investment in the Company's interim financial statements, accordingly, an additional impairment charge of Rs. 2,103 million has been recognized in the condensed interim statement of profit or loss.

	Note	September 30,	December 31,
		2021 (Un - audited)	2020 (Audited)
		(Rupees '000)	
12	LONG-TERM LOANS		
	Related parties - unsecured		
	Fauji Meat Limited (FML)	12.1	3,545,954
	Allowance for expected credit loss		(1,950,040)
			1,595,914
	Fauji Foods Limited (FFL)	12.2	5,925,000
			7,520,914
			1,065,318
			-
			6,990,318

12.1 The outstanding amount of Subordinated loan consists of:

- Rs. 2,000 million, out of which Rs. 1,435 million (December 31, 2020: Rs. 565 million), were disbursed during the period, is 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;
- Rs. 1,046 million disbursed during the period, is payable within 1 year from date of disbursement of each respective tranche, commencing from May 27, 2022. The total limit of loan to FML, approved in the Company's Annual General Meeting, on March 29, 2021, is Rs. 3,500 million (unless otherwise utilized). 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%, 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 these outstanding loans (including markup 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. The Company expects to either renew the sub-ordinated loans or convert them into equity. Accordingly, all loans due within 12 months have been classified as non-current.

Based on the results of impairment assessment of the Company's equity investment in FML, as disclosed in note 11.6, management has recognized an allowance for expected credit loss amounting to Rs. 1,950 million (2020: Nil) on the long-term loan to FML, as of reporting date.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 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%, 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 markup 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. The Company expects to either renew the sub-ordinated loans or convert them into equity. Accordingly, all loans due within 12 months have been classified as non-current.

13 STOCK-IN-TRADE

This includes finished goods stock amounting to Rs. 5,034,125 thousands (December 31, 2020: Rs. 221,132 thousands) and raw material in transit amounting to Rs. 6,434,604 thousands (December 31, 2020: Rs. 1,348,173 thousands).

14 OTHER RECEIVABLES

14.1 This includes an amount of Rs. 3,490,486 thousands (December 31, 2020: Rs. 1,827,496 thousands) receivable from Fauji Fertilizer Company Limited (FFCL), a related party, on account of amounts received from customers against sales of the Company's products by FFCL under an inter-company services agreement.

14.2 In view of the continued delay in settlement of subsidy on sale of Urea and DAP, receivable from the Government of Pakistan, the Company has made an additional allowance for expected credit loss amounting to Rs. 782,000 thousands during the period.

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
		(Rupees '000)		(Rupees '000)	
15 SALES - NET					
Gross sales		39,214,057	25,698,709	69,731,752	51,120,126
Less:					
Sales tax		755,652	509,786	1,347,117	1,018,593
Trade discount		-	-	-	120,573
Commission	15.1	8,940	8,762	17,932	19,096
		764,592	518,548	1,365,049	1,158,262
		38,449,465	25,180,161	68,366,703	49,961,864

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Quarter ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(Rupees '000)		(Rupees '000)	
16 COST OF SALES				
Raw materials consumed	20,703,199	12,909,794	45,463,783	29,481,103
Packing materials consumed	590,858	210,541	1,045,205	550,179
Fuel and power	3,127,155	2,366,113	8,381,814	7,933,042
Chemicals and supplies consumed	49,615	63,362	138,425	173,065
Salaries, wages and benefits	609,764	413,179	1,720,655	1,255,814
Rent, rates and taxes	12,645	15,000	103,451	94,459
Insurance	49,999	37,044	116,660	144,127
Travel and conveyance	33,742	25,182	90,740	76,358
Repairs and maintenance	172,242	204,536	712,209	805,737
Communication, establishment and other expenses	58,537	35,962	180,518	155,161
Provision for obsolete stores and spares	18,000	21,000	54,000	56,000
Depreciation	204,668	193,540	607,232	581,006
Opening stock - work in process	85,466	61,730	100,364	194,733
Closing stock - work in process	(50,045)	(29,931)	(50,045)	(29,931)
Cost of goods manufactured	25,665,845	16,527,052	58,665,011	41,470,853
Opening stock - finished goods	9,275,737	13,246,355	221,132	11,712,363
Closing stock - finished goods	(5,034,125)	(8,541,280)	(5,034,125)	(8,541,280)
Cost of sales	29,907,457	21,232,127	53,852,018	44,641,936
17 OTHER EXPENSES				
Expected credit loss on receivables - FML	2,351,491	-	2,351,491	-
Workers' (Profit) Participation Fund	199,932	-	452,015	-
Workers' Welfare Fund	150,624	-	269,792	-
Expected credit loss against other receivables	650,000	-	782,000	-
Exchange loss	804,353	(134,702)	849,962	225,868
Others	18,475	1,176	19,487	2,417
	4,174,875	(133,526)	4,724,747	228,285
18 OTHER INCOME				
Dividend from FPCL	708,469	1,996,594	2,058,469	1,996,594
Dividend from AKBK	-	-	815,652	407,826
Dividend from PMP	30,123	21,494	577,634	671,290
Dividend from FWEL-I and FWEL-II	-	-	218,750	-
Gain on disposal of investment - FWEL-I and FWEL-II	2,795,442	-	2,795,442	-
Gain on disposal of investment - FCCL	-	30,619	-	30,619
Profit on bank balances and term deposits	232,238	90,999	716,917	354,391
Mark-up on sub-ordinated loans - FFL	133,829	31,837	396,213	214,840
Mark-up on sub-ordinated loans - FML	76,874	17,383	148,299	51,672
Income from subsidiaries	140,444	203,199	339,930	244,672
Guarantee Fee - FML	3,781	3,781	11,219	7,603
Guarantee Fee - FFL	3,781	9,271	11,219	18,723
Scrap sale and other receipts	41,499	79,231	111,981	174,102
Gain on disposal of property, plant and equipment	782	59,955	3,700	58,007
	4,167,262	2,544,363	8,205,425	4,230,339

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Quarter ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(Rupees '000)		(Rupees '000)	
19 TAXATION - NET				
Current tax	2,443,320	680,416	3,577,163	1,210,812
Deferred tax	(1,069,848)	(63,689)	(1,409,081)	(186,185)
	<u>1,373,472</u>	<u>616,727</u>	<u>2,168,082</u>	<u>1,024,627</u>
			Nine months ended September 30,	
			2021	2020
			(Rupees '000)	
20 CASH GENERATED FROM OPERATIONS				
Profit before taxation			8,318,495	123,177
Adjustment for non-cash charges and other items:				
Provision for gratuity			42,440	50,421
Exchange loss			849,962	225,868
Provision for compensated absences			28,111	55,257
Allowance for input tax			700,000	604,684
Allowance for other receivables and long-term loan			3,133,491	-
Provision for obsolete stores and spares			54,000	56,000
Impairment of equity investment - FML			2,102,788	1,222,257
Provision for Workers' (Profit) Participation Fund			452,015	-
Provision for Workers Welfare Fund			269,792	-
Unwinding of GIDC		7.2	971,674	-
Depreciation			711,905	694,273
Finance costs			1,820,253	3,537,635
Dividend income			(3,670,505)	(3,075,710)
Gain on disposal of investment			(2,795,442)	(30,619)
Profit on bank balances and term deposits			(716,917)	(354,771)
Gain on disposal of property, plant and equipment			(3,700)	(58,007)
Mark-up on sub-ordinated loans			(544,512)	(266,512)
Guarantee fee			(22,438)	(26,326)
Operating profit before working capital changes			<u>11,701,412</u>	<u>2,757,627</u>
Changes in working capital				
Stores and spares			71,641	230,529
Stock-in-trade			(11,672,436)	1,077,862
Trade debts			(690,271)	2,805,966
Advances			340,283	184,020
Trade deposits and short-term prepayments			47,859	(4,332)
Other receivables			(1,743,455)	(1,958,357)
Sales tax refundable			(3,037,114)	491,562
Trade and other payables			10,842,128	6,034,070
Advances from customers			1,157,919	1,017,415
			<u>(4,683,446)</u>	<u>9,878,735</u>
Cash generated from operations			<u>7,017,966</u>	<u>12,636,362</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

21 RELATED PARTY TRANSACTIONS

The Company has related parties which comprise of subsidiaries, a joint venture, entities under common directorship, directors, key management personnel, shareholders 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 and subordinated loans from related parties are disclosed in note 11 and 12 to these condensed interim financial statements.

	Nine months ended September 30,	
	2021	2020
	(Rupees '000)	
Transactions with Fauji Foundation:		
Services received	85,945	-
Services provided	2,738	119
Payments against services	82,080	-
Donation	12,400	-
Receipts against services	119	-
Balance payable	22,478	33,632 *
Transactions with subsidiary companies:		
Fauji Meat Limited		
Balance receivable	61,515	33,682 *
Expenses incurred	22,433	16,423
Material / services provided	5,400	5,400
Receipts against material / services	-	911
Guarantee fee	11,219	7,603
Mark-up on sub-ordinated loan	148,299	51,672
Guarantee fee and mark-up receivables on sub-ordinated loan	339,935	180,417 *
FFBL Power Company Limited		
Expenses incurred	214,160	323,028
Material / services provided	330,030	234,772
Material / services received	9,322,519	7,279,649
Balance payable	971,672	1,185,407 *
Balance receivable	156,021	102,722 *
Receipts against material / services	490,891	481,795
Payments against material / services	9,536,254	5,182,487
Dividend received	2,058,469	1,996,594
Fauji Foods Limited		
Expenses incurred	3,645	12,074
Material / services provided	4,500	4,500
Material / services received	98	4,177
Receipts against material / services	9,084	3,353
Receivable against material / services	490	1,527 *
Guarantee fee	11,219	18,723
Mark-up on sub-ordinated loan	396,213	214,840
Guarantee fee and mark-up receivables on sub-ordinated loan	700,505	293,073 *

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Nine months ended September 30,	
	2021	2020
	(Rupees '000)	
FFBL Foods Limited		
Expenses incurred	3,415	772
Receipts during period	5,157	772
Receivables against material / services	149	1,891 *
Transactions with associates:		
Fauji Fertilizer Company Limited		
Material / services received	902,649	1,095,860
Material / services provided	1,017	1,022
Receipts under consignment account	67,374,677	52,290,398
Commission charged	17,932	19,096
Balance receivable	3,490,486	1,827,495 *
Proceeds against disposal of investments	5,256,007	-
Askari Bank Limited		
Balances at bank	5,512,464	1,014,123 *
Profit on bank balances	283,625	145,051
Long-term loans	250,000	416,667 *
Mark-up on long-term loan	21,570	46,917
Mark-up payable on long-term loan	170	8,448 *
Dividend received	815,652	407,826
Foundation Wind Energy - I Limited & Foundation Wind Energy - II Limited		
Dividend received	218,750	-
Transactions with joint venture:		
Pakistan Maroc Phosphore S.A, Morocco		
Purchase of raw materials	42,067,806	23,592,490
Expenses incurred on behalf of joint venture	4,548	3,647
Balance payable at the period end - secured	17,526,141	5,890,871 *
Balance receivable at the period end - unsecured	8,185	5,622 *
Dividend received	1,025,064	671,290
Dividend receivable at the period end	-	447,430 *
Other related parties:		
Contribution to Provident Fund	49,166	55,142
Payment to Gratuity Fund	-	57,797
Payment to Workers' (Profit) Participation Fund	261,665	-
Meeting fee to directors	22,350	6,225
Balance payable at the period end - unsecured (WPPF & WWF)	1,323,606	861,430 *
Payable to Gratuity Fund	206,951	188,615 *
Remuneration of key management personnel		
Short-term benefits	92,342	101,385
Post employment benefits	19,683	28,093

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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 (FWEL-I).
- 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 (FWEL-II).

The above mentioned security charge will be vacated after receipt of regulatory approvals and no objection certificate from the respective financial institutions.

- 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 issued standby letter of credit amounting to Rs. 1,000 million in favor of the FFL under the Master Facility Agreement.
- the Company has also provided a revolving guarantee amounting to Rs. 6,067 million in favor of the FFL under the Master Facility Agreement.

22 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

22.1 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.

23 GENERAL

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

23.2 Corresponding figures have been re-arranged / reclassified, wherever necessary, for the purpose of comparison. Significant reclassification consists of following:

From	To	(Rupees '000)
Stores and spares	Property, plant and equipment	1,059,271

The impact of above reclassification on the comparative amounts in the condensed interim statement of profit or loss is not significant; accordingly, the related amounts have not been restated.

23.3 Subsequent to the reporting date, the Board of Directors of the Company in their meeting held on October 25, 2021 has approved and authorized the Company to:

- (i) (a) subscribe to 527,015,064 shares of Fauji Foods Limited ("FFL") for the total price of Rs. 5,270,150,640 (calculated at the rate of Rs. 10 (Pakistani Rupees Ten) per share), as part of the Company's entitlement to FFL's rights issue; and
- (b) subscribe to Fauji Foundation's renounced portion of FFL's rights issue, i.e., 65,484,936 shares for a total price of Rs. 654,849,360,

in each case, by utilising the total subordinated debt of Rs. 5.925 Billion, granted by the Company to FFL, which utilisation of the Principal Amount of Debt for acquiring shares has also been previously approved by the shareholders of the Company.

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

(ii) subject to approval by special resolution of the shareholders at an Extraordinary General Meeting of the Company and compliance with the requirements of law, in each case below, to extend, until the next Annual General Meeting of the Company to be held in 2022, the repayment of the total mark-up of up to Rs. 850 Million that accrues on the Principal Amount of Debt until the date on which the Principal Amount of Debt is utilized for subscribing to the FFBL Rights Shares and the FF Right Shares, provided that the Company shall at all times have the right to convert such mark-up into fully paid-up ordinary shares of FFL at a price to be determined by the Board of Directors at the time the Company decides to exercise its right to convert.

23.4 These condensed interim financial statements were authorized for issue on October 25, 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 SEPTEMBER 30, 2021

		September 30, 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			
Share premium		1,632,729	228,350
Statutory reserve		2,251,930	1,880,710
Revenue reserves			
Translation reserve		3,474,189	3,575,458
Revaluation reserve on available for sale investments, net of tax		(279,013)	(32,845)
Accumulated profit		5,539,634	208,226
		25,531,998	20,086,786
Non-Controlling Interest			
		1,952,723	2,361,285
		27,484,721	22,448,071
NON-CURRENT LIABILITIES			
Long-term loans	6	34,182,148	35,085,279
Lease liabilities		335,714	379,289
Deferred liabilities	7	13,278,266	17,395,369
		47,796,128	52,859,937
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	8	41,110,199	23,797,774
Advances from customers		3,588,823	2,419,855
Unpaid dividend		10,954	10,954
Unclaimed dividend		117,927	117,973
Accrued interest		1,060,926	759,305
Short-term borrowings		7,916,006	22,682,389
Current portion of long-term loans	6	7,069,119	9,949,340
Current portion of lease liabilities		71,869	76,490
		60,945,823	59,814,080
		136,226,672	135,122,088
CONTINGENCIES AND COMMITMENTS			
	9		

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

		September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
	Note	(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	48,546,602	50,286,924
Intangible assets		419,244	443,202
Long-term investments	11	18,337,123	24,287,166
Investment property	12	270,242	-
Long-term advances		47,115	3,210
Long-term deposits		85,249	85,249
		67,705,575	75,105,751
CURRENT ASSETS			
Stores and spares		2,500,298	2,624,802
Stock-in-trade	13	19,395,201	4,334,005
Trade debts		4,873,115	3,161,372
Advances		746,188	1,265,010
Trade deposits and short-term prepayments		178,487	273,873
Interest accrued		1,642	851
Other receivables	14	5,508,405	5,069,025
Income tax refundable - net		2,357,680	3,548,830
Sales tax refundable - net		12,417,218	9,561,645
Short-term investments	15	21,794	1,560,936
Cash and bank balances		20,521,069	28,345,266
		68,521,097	59,745,615
Non-current assets held for sale	16	-	270,722
		136,226,672	135,122,088



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
		(Rupees '000)		(Rupees '000)	
Sales - net	17	43,029,802	29,431,687	81,637,097	60,915,183
Cost of sales	18	(32,730,734)	(23,689,784)	(61,714,177)	(50,330,916)
Gross profit		10,299,068	5,741,903	19,922,920	10,584,267
Selling and distribution expenses		(1,967,794)	(1,845,473)	(4,803,228)	(4,344,961)
Administrative expenses		(458,648)	(483,323)	(1,439,419)	(1,401,747)
		7,872,626	3,413,107	13,680,273	4,837,559
Finance costs		(1,155,406)	(1,638,715)	(3,690,902)	(6,782,870)
Unwinding of GIDC payable	7	(302,916)	-	(971,674)	-
Other operating expenses	19	(2,718,903)	45,428	(5,065,436)	(406,946)
		3,695,401	1,819,820	3,952,261	(2,352,257)
<i>Other income</i>	20				
Share of profit of associates and joint venture - net		1,805,835	1,838,514	3,695,720	2,887,798
Others		402,746	311,499	1,189,144	794,094
		2,208,581	2,150,013	4,884,864	3,681,892
Profit before taxation		5,903,982	3,969,833	8,837,125	1,329,635
Taxation - net	21	(1,822,401)	(723,248)	(2,876,717)	(1,305,222)
Profit after taxation		4,081,581	3,246,585	5,960,408	24,413
Attributable to:					
- Owners of the Holding Company		4,022,141	3,225,943	5,678,524	346,694
- Non-controlling interest		59,440	20,642	281,884	(322,281)
		4,081,581	3,246,585	5,960,408	24,413
Earnings per share - basic and diluted (Rupees)		3.11	<i>Restated</i> 3.12	4.41	<i>Restated</i> 0.33

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

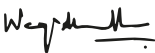


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Quarter ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(Rupees '000)		(Rupees '000)	
Profit after taxation	4,081,581	3,246,585	5,960,408	24,413
Other comprehensive income				
Exchange difference on translating a joint venture	244,508	319,069	(75,568)	475,529
Effect of translation - share of associate	15,832	4,540	(25,701)	26,008
Revaluation reserve on available for sale investments	268,967	682,851	(289,609)	1,477,467
Related deferred tax	(40,345)	(102,428)	43,441	(221,620)
	228,622	580,423	(246,168)	1,255,847
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	-	-	24,104	-
Total comprehensive income	4,570,543	4,150,617	5,637,075	1,781,797
Attributable to:				
- Owners of the Holding Company	4,511,103	4,129,975	5,355,191	2,104,078
- Non-controlling interest	59,440	20,642	281,884	(322,281)
	4,570,543	4,150,617	5,637,075	1,781,797

The annexed notes, from 1 to 26, 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 SEPTEMBER 30, 2021

	Share capital	Advance against issue of shares	Reserves				Non-controlling interest	Total	
			Share Premium	Revaluation reserve on available for sale investments	Statutory reserve	Translation reserve			Accumulated (loss)/ Profit
	(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									
Profit for the period after taxation	-	-	-	-	-	-	346,694	(322,281)	24,413
Other comprehensive income for the period	-	-	-	1,255,847	-	501,537	-	-	1,757,384
Total comprehensive income for the period	-	-	-	1,255,847	-	501,537	346,694	(322,281)	1,781,797
Transfer to statutory reserve	-	-	-	-	406,626	-	(406,626)	-	-
Transactions with owners, recorded directly in equity									
Distributions to owners									
FPCL Interim dividend - quarter ended June 30, 2020	-	-	-	-	-	-	-	(665,531)	(665,531)
Acquisition of NCI share	-	-	-	-	-	-	(1,869,156)	1,866,132	(3,024)
Balance as at September 30, 2020	<u>9,341,100</u>	<u>-</u>	<u>228,350</u>	<u>511,537</u>	<u>1,735,925</u>	<u>3,368,322</u>	<u>(5,804,154)</u>	<u>2,461,303</u>	<u>11,842,383</u>
Balance as at January 01, 2021 - audited	<u>9,341,100</u>	<u>4,885,787</u>	<u>228,350</u>	<u>(32,845)</u>	<u>1,880,710</u>	<u>3,575,458</u>	<u>208,226</u>	<u>2,361,285</u>	<u>22,448,071</u>
Total comprehensive income									
Profit for the period after taxation	-	-	-	-	-	-	5,678,524	281,884	5,960,408
Other comprehensive loss for the period	-	-	-	(246,168)	-	(101,269)	24,104	-	(323,333)
Total comprehensive income for the period	-	-	-	(246,168)	-	(101,269)	5,702,628	281,884	5,637,075
Transfer to statutory reserve	-	-	-	-	371,220	-	(371,220)	-	-
Advance against issue of shares	-	114,213	-	-	-	-	-	-	114,213
Issue of share capital	3,571,429	(5,000,000)	1,428,571	-	-	-	-	-	-
Transaction costs	-	-	(24,192)	-	-	-	-	-	(24,192)
Transaction costs of NCI	-	-	-	-	-	-	-	(4,290)	(4,290)
Transactions with owners recorded directly in equity									
FPCL First interim dividend - quarter ended March 31, 2021	-	-	-	-	-	-	-	(450,000)	(450,000)
FPCL Second interim dividend - quarter ended June 30, 2021	-	-	-	-	-	-	-	(236,156)	(236,156)
Balance as at September 30, 2021	<u>12,912,529</u>	<u>-</u>	<u>1,632,729</u>	<u>(279,013)</u>	<u>2,251,930</u>	<u>3,474,189</u>	<u>5,539,634</u>	<u>1,952,723</u>	<u>27,484,721</u>

The annexed notes, from 1 to 26, 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 SEPTEMBER 30, 2021

	Note	Nine months ended September 30,	
		2021	2020
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	22	8,386,629	14,869,096
Income tax paid		(2,462,172)	(848,011)
Payment to Gratuity Fund		(28,988)	(55,189)
Finance cost paid		(3,299,020)	(7,296,870)
Compensated absences paid		(136,007)	(37,731)
Payment to Workers Welfare Fund		(10,515)	(5,626)
Payment to Workers' (Profit) Participation Fund		(280,400)	(19,421)
Net cash generated from operating activities		2,169,527	6,606,248
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures and advances		(471,189)	(1,317,972)
Intangibles		(1,133)	(7,431)
Dividend received		2,059,466	1,079,116
Proceeds from disposal of investment		5,256,007	131,707
Sale proceeds of property, plant and equipment		143,236	130,258
Investment at fair value through profit or loss - net		-	9,212
Profit received on bank balances and term deposits		736,019	485,015
Net cash generated from investing activities		7,722,406	509,905
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings - net		(4,220,586)	(6,548,004)
Long-term loans		(3,812,030)	(2,324,052)
Transaction cost		(8,911)	-
Advance against issue of shares - net of transaction costs		90,021	-
Finance lease liability		(71,767)	(111,676)
Dividend paid		(686,202)	(667,061)
Net cash used in financing activities		(8,709,475)	(9,650,793)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,182,458	(2,534,640)
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		12,856,258	(18,438,439)
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		20,521,069	8,913,247
- Short-term highly liquid investments	15	21,794	20,604
- Short-term running finance		(7,686,605)	(27,372,290)
		12,856,258	(18,438,439)

The annexed notes, from 1 to 26, 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 SEPTEMBER 30, 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.

- 1.1 The Holding Company's Gas Supply Agreement (GSA) with Sui Southern Gas Company Limited (SSGCL) expired on December 31, 2020. The Economic Coordination Committee (ECC) in its meeting dated February 03, 2021, as ratified by Federal Cabinet on February 09, 2021, approved renewal of GSA between FFBL and SSGCL for next five years on "as and when available basis" at existing gas prices till December 31, 2021. The Holding Company's gas supply was resumed effective February 11, 2021 and a side letter was signed between FFBL and SSGCL to formalize arrangement till the signing of renewal of GSA. The total quantity / volume of gas and the related indigenous natural gas rates are currently on terms and conditions agreed under the expired GSA. Management remains confident that the formal addendum to GSA will be signed within due course.

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 Foods Limited has not commenced its business and is dormant since its incorporation. Accordingly, the Board of Directors, in their meeting held on April 26, 2021, has decided to amalgamate FFBL Foods Limited with the Holding Company. The scheme of amalgamation was prepared under the provisions of Section 284 of the Companies Act, 2017 and approved by the Board of Directors of the Holding Company in their meeting held on July 29, 2021. Hence, effective October 01, 2021, FFBL Foods Limited will cease to exist as legal entity. Pursuant to above-mentioned scheme of arrangement, the entire business of the subsidiary company including its properties, other assets, liabilities and other rights and obligations will vest into Fauji Fertilizer Bin Qasim Limited.

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 and 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 September 30, 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.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

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, the WHO classified the COVID-19 outbreak as a pandemic.

The Government of Pakistan has from time to time imposed temporary restrictions on movement. 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 its effect till the date of authorization of these condensed interim consolidated 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, 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, the Holding 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 have been 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 issued the respective shares upon fulfilling all regulatory requirements.

5.2 Group consists of following subsidiary companies:

	Ownership in 2021	Ownership in 2020
Fauji Meat Limited (FML)	90.18%	90.18%
FFBL Power Company Limited (FPCL)	75.00%	75.00%
FFBL Foods Limited	100.00%	100.00%
Fauji Foods Limited (FFL)	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.

6 LONG-TERM LOANS

	September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
(Rupees '000)		
Loans from banking companies-secured	41,251,267	45,034,619
Less: Current portion shown under current liabilities	7,069,119	9,949,340
	34,182,148	35,085,279

6.1 During the period, the Holding Company availed long-term loan from Allied Bank Limited amounting to Rs. 4,000 million for balance sheet re-profiling and working capital requirements of the Holding Company. The loan is secured against ranking hypothecation charge over all present and future fixed assets (excluding land and building).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

		September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
	Note	(Rupees '000)	
7	DEFERRED LIABILITIES		
Compensated leave absences		566,381	642,377
Deferred taxation	7.1	3,779,432	4,604,618
Payable against Gas Infrastructure Development Cess (GIDC)	7.2	8,932,453	12,148,374
		13,278,266	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		3,001,129	2,968,050
Share of profit of joint venture and associates - net		1,347,034	1,468,072
Share of profit of subsidiary		937,118	909,640
Unwinding / remeasurement gain on GIDC		513,063	794,848
Provision for inventory obsolescence		(115,832)	(158,012)
Allowance for expected credit loss against other receivables		(351,177)	(124,396)
Deferred tax on revaluation of available for sale investments		(60,218)	(16,777)
Provision against allowance		(409,929)	(206,929)
Unabsorbed losses, tax credits and others		(1,081,756)	(1,029,878)
		3,779,432	4,604,618
7.2	Payable against GIDC		
Opening balance		19,592,989	-
Gas Infrastructure Development Cess (transfer from trade and other payables)		-	22,333,844
Remeasurement gain on GIDC		-	(3,300,548)
Unwinding of GIDC		971,674	559,693
		20,564,663	19,592,989
Current portion of GIDC	8	(11,632,210)	(7,444,615)
Closing balance		8,932,453	12,148,374

On September 22, 2020, the Holding Company obtained stay from the Honorable Sindh High Court against payment of GIDC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

		September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
	Note	(Rupees '000)	
8	TRADE AND OTHER PAYABLES		
Creditors	8.1	21,532,325	10,278,020
Payable against GIDC	7.2	11,632,210	7,444,615
Accrued liabilities		4,810,449	4,035,824
Workers' (Profit) Participation Fund		607,770	280,830
Workers' Welfare Fund		872,112	607,675
Payable to Gratuity Fund		281,426	263,360
Payable to Provident Fund		12,674	8,446
Security deposits		123,730	55,546
Withholding tax payable		83,761	67,526
Sales tax payable		9,572	240,488
Other payables		1,144,170	515,444
		41,110,199	23,797,774

8.1 Creditors include payables to a related party amounting to Rs. 17,526,141 thousands (December 31, 2020: Rs. 5,890,871 thousands) against purchase of raw material.

		September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
	Note	(Rupees '000)	
9	CONTINGENCIES AND COMMITMENTS		
	Contingencies		
i)	Guarantees issued by banks on behalf of FFBL	66,828	89,706
ii)	Group's share of contingent liabilities of Foundation Wind Energy - I Limited as at September 30, 2021 (September 30, 2020)	-	64,690
iii)	Group's share of contingent liabilities of Foundation Wind Energy - II Limited as at September 30, 2021 (September 30, 2020)	-	257,950
iv)	Group's share of contingent liabilities of Askari Bank Limited as at June 30, 2021 (September 30, 2020)	55,446,426	47,084,838
v)	Contingent liabilities of FML	308,223	308,223
vi)	Contingent liabilities of FFL	1,793,203	1,793,203

9.1 Fauji Fertilizer Bin Qasim Limited - contingencies

9.1.1 In addition, the Holding Company has provided financial guarantees, obtained from commercial banks, in the name of Excise and Taxation Department, Government of Sindh, amounting to Rs. 2,535 million (December 31, 2020: Rs. 2,275 million), representing unpaid levy due under the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (Sindh Cess Act); deposited pursuant to instructions of the Honorable Sindh High Court (SHC) under a petition filed by the Holding Company (along with various other importers of goods) challenging the constitutionality of the power exercised by the provincial legislature to levy the Cess. The Holding Company has also deposited the 50% levy, in cash, on monthly basis since June 2011. During the period, on June 04, 2021, SHC has upheld the Sindh Cess Act as valid legislation, retrospectively with effect from July, 01, 1994. On the advice of its legal counsel, the Holding Company has filed an appeal against the decision, with the Honorable Supreme Court of Pakistan (SCP) and obtained stay order from the SCP against the decision, on September 01, 2021.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

As a matter of prudence, the Holding Company is recognizing the provision at the time of the activity that triggers the payment of the levy in accordance with the Sindh Cess Act; amounting to Rs. 2,535 million as of September 30, 2021 (December 31, 2020: Rs. 2,275 million). During the period, the Holding Company has recognized the levy amounting to Rs. 519 million (September 30, 2020: Rs. 298 million) along with payment of Rs. 259 million (September 30, 2020: Rs. 149 million).

- 9.1.2** During the period, Federal Board of Revenue has issued orders for Tax Years 2015 to 2020, creating accumulated demand of Rs. 13.49 billion, by disallowing expenses relating to GIDC, finance cost and offering subsidy income to tax with consequential tax impact. The Holding Company has filed appeals with Commissioner Inland Revenue (Appeals) in respect of Tax Years 2015 to 2020 and also obtained stay order against recovery proceedings. Management of the Holding Company is confident of eventual favorable outcome in these cases as adequate provision for income tax, in accordance with income tax law, has been recognized in the condensed interim consolidated financial statements.

	September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
	(Rupees '000)	
Commitments		
i) Capital expenditures - FFBL	215,590	227,111
ii) Letters of credit - FFBL	1,253,224	797,643
iii) Group's share of commitments of FWEL- I & FWEL- II as at September 30, 2021 (September 30, 2020)	-	1,112,318
iv) Group's share of commitments of PMP as at June 30, 2021 (September 30, 2020)	71,349	12,463
v) Group's share of commitments of Askari Bank Limited as at June 30, 2021 (September 30, 2020)	88,206,329	93,056,938
vi) Commitments of FPCL	2,772,436	2,626,630
vii) Commitments of FFL	820	-
<i>For further commitments refer note 23.</i>		
10 PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	50,286,924	51,974,032
Additions during the period / year	461,094	1,538,014
Assets held for sale	480	(270,752)
Disposals during the period / year	(239,983)	(763,249)
Depreciation during the period / year	(2,070,840)	(2,719,162)
Depreciation charged on disposals during the period / year	143,217	564,350
Adjustments during the period / year	(34,290)	(36,309)
Closing written down value	48,546,602	50,286,924

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
Note	(Rupees '000)	
11	LONG-TERM INVESTMENTS	
	Investment in joint venture - equity method	
	Pakistan Maroc Phosphore S.A, Morocco	
	6,400,564	5,991,039
	1,417,779	839,491
	(577,635)	(1,118,720)
	(75,568)	688,754
	7,165,140	6,400,564
	Investment in associates - equity method	
	Fauji Cement Company Limited	
	-	422,373
	-	3,357
	-	(425,730)
	-	-
	Foundation Wind Energy - I Limited	
	3,557,413	2,899,002
	415,367	658,411
	(105,000)	-
	(3,867,780)	-
	-	3,557,413
	Foundation Wind Energy - II Limited	
	3,486,480	2,874,539
	402,339	611,941
	(113,750)	-
	(3,775,069)	-
	-	3,486,480
	Askari Bank Limited	
	10,842,709	8,051,916
	1,460,235	2,341,681
	(815,652)	(407,825)
	(289,608)	837,018
	(25,701)	19,919
	11,171,983	10,842,709
	Investment - available for sale - unquoted	
	Arabian Sea Country Club Limited (ASCLL)	
	3,000	3,000
	3,000	3,000
	-	-
	18,337,123	24,287,166

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

- 11.1** Pursuant to the approval of the Board of Directors and shareholders in their respective meetings held on June 29, 2021 and July 27, 2021, respectively, the Holding Company disposed-off all of its shareholding in associated companies - Foundation Wind Energy - I Limited and Foundation Wind Energy - II Limited, effective September 29, 2021, to one of the Holding Company's shareholders, Fauji Fertilizer Company Limited, a related party. The consideration is Rs. 2,622 million (@ Rs. 21.39 / share) and Rs. 2,634 million (@ Rs. 21.33 / share), respectively, including adjustment for dividends paid, post December 31, 2020. This resulted in recognition of a loss of Rs. 1,245 million and Rs. 1,142 million, respectively in the condensed interim consolidated statement of profit or loss (refer to note 19).

	September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
Note	(Rupees '000)	
12 INVESTMENT PROPERTY		
Investment property - at cost		
Carrying amount as at January 01, 2021	-	-
Transfer from non-current assets held for sale	270,242	-
Carrying amount as at September 30, 2021	12.1 270,242	-

- 12.1** This represents freehold land located at Pindi Bhattian owned by FFBL Foods Limited. This land is not occupied by FFBL Foods Limited and is held for capital appreciation and earning rental income. The rental income in respect of this property amounting to Rs. 5,426 thousands has been recognized in the condensed interim consolidated statement of profit or loss and included in other income. The Holding Company carries this investment property under cost model. During the period, this land is transferred to investment property and measured at cost.

- 12.2** The fair value of the land approximates to Rs. 500,000 thousand. The latest valuation was made by an independent valuer during the current period.

13 STOCK-IN-TRADE

This includes finished goods stock amounting to Rs. 5,536,133 thousands (December 31, 2020: Rs. 369,644 thousands) and raw material in transit amounting to Rs. 6,443,687 thousands (December 31, 2020: Rs. 1,348,173 thousands).

14 OTHER RECEIVABLES

- 14.1** This includes an amount of Rs. 3,490,486 thousands (December 31, 2020: Rs. 1,827,496 thousands) receivable from Fauji Fertilizer Company Limited (FFCL), a related party, on account of amounts received from customers, against sales of the Holding Company's products under an inter-company services agreement.

- 14.2** In view of the continued delay in settlement of subsidy on sale of Urea and DAP, receivable from the Government of Pakistan, the Holding Company has made an additional allowance for expected credit loss amounting to Rs. 782,000 thousands during the period.

	September 30, 2021 (Un - audited)	December 31, 2020 (Audited)
	(Rupees '000)	

15 SHORT-TERM INVESTMENTS

Amortized cost

Term deposits with banks and financial institutions	21,794	1,560,936
---	---------------	-----------

- 15.1** The balance at the period end includes investment in term deposits receipt, having maturity periods up to 1 month, and carrying mark-up at 6.85% per annum (December 31, 2020: 6.75% to 7.20% per annum).

16 NON-CURRENT ASSETS HELD FOR SALE

- 16.1** 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 were presented as held for sale, stated at lower of carrying amount and fair value less cost to sell.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

The 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, FFBL Foods Limited has postponed the decision to sell. Accordingly, the Holding Company has reclassified the building and other equipment to property, plant and equipment (Refer note 10), with effect from the date of this decision and the land has been transferred to investment property (Refer note 12).

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
		(Rupees '000)		(Rupees '000)	
17	SALES - NET				
	Gross sales	44,881,332	30,827,841	86,115,014	64,986,368
	Less:				
	Sales tax	1,627,029	1,194,750	3,822,161	3,314,016
	Trade discount	170,900	148,953	460,755	514,275
	Advance tax u/s 235	44,661	43,689	177,069	223,798
	Commission	8,940	8,762	17,932	19,096
		17.1			
		1,851,530	1,396,154	4,477,917	4,071,185
		43,029,802	29,431,687	81,637,097	60,915,183

17.1 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.

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
		(Rupees '000)		(Rupees '000)	
18	COST OF SALES				
	Raw materials consumed	24,528,504	15,681,312	56,655,670	37,865,712
	Packing materials consumed	1,021,638	744,046	2,448,270	1,905,607
	Fuel and power	403,380	409,607	969,271	920,315
	Ash dumping	7,796	14,623	16,015	24,702
	Stores and supplies consumed	131,319	150,152	373,222	461,435
	Salaries, wages and benefits	851,950	607,976	2,456,829	1,974,027
	Repairs and maintenance	266,916	322,235	1,016,238	1,086,721
	Travel and conveyance	49,641	36,603	131,834	116,682
	Rent, rates and taxes	13,011	15,611	104,108	96,589
	Insurance	87,494	83,047	239,487	280,554
	Utilities	51,204	9,287	166,571	61,686
	Provision for obsolete stores & spares	18,000	21,000	54,000	56,000
	Provision for stock in trade	-	25,751	-	25,751
	Communication, establishment and other expenses	75,265	51,479	248,840	189,218
	Depreciation and amortization	633,519	621,585	1,888,458	1,843,868
	Opening stock - work in process	242,257	259,143	273,371	341,189
	Closing stock - work in process	(159,202)	(219,468)	(159,202)	(219,468)
	Cost of goods manufactured	28,222,692	18,833,989	66,882,982	47,030,588
	Opening stock - finished goods	10,011,543	13,577,762	334,696	12,022,295
	Closing stock - finished goods	(5,503,501)	(8,721,967)	(5,503,501)	(8,721,967)
	Cost of sales	32,730,734	23,689,784	61,714,177	50,330,916

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Quarter ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(Rupees '000)		(Rupees '000)	
19 OTHER OPERATING EXPENSES				
Workers' (Profit) Participation Fund	246,916	53,949	607,340	161,455
Workers' Welfare Fund	152,033	1,289	274,952	4,060
Expected credit loss against other receivables	650,000	-	782,000	-
Loss on sale of investment	721,352	47,099	2,386,841	47,099
Exchange loss	920,866	(149,521)	985,106	190,957
Others	27,736	1,756	29,197	3,375
	2,718,903	(45,428)	5,065,436	406,946
20 OTHER INCOME				
<i>Share of profit from joint venture and associates</i>				
Pakistan Maroc Phosphore S.A	793,399	173,443	1,417,779	241,648
Foundation Wind Energy - I Limited	364,495	509,398	415,367	511,094
Foundation Wind Energy - II Limited	356,857	481,166	402,339	487,445
Fauji Cement Company Limited	-	4,553	-	3,581
Askari Bank Limited	291,084	669,954	1,460,235	1,644,030
	1,805,835	1,838,514	3,695,720	2,887,798
Profit on bank balances & term deposits	250,698	110,356	797,423	449,177
Scrap sale and other receipts	46,630	91,326	144,521	206,017
Gain on disposal of property, plant and equipment	1,808	74,960	46,470	72,832
Miscellaneous income	103,610	34,857	200,730	66,068
	402,746	311,499	1,189,144	794,094
	2,208,581	2,150,013	4,884,864	3,681,892
21 TAXATION - NET				
Current tax	2,390,728	754,795	3,658,466	1,354,810
Deferred tax	(568,327)	(31,547)	(781,749)	(49,588)
	1,822,401	723,248	2,876,717	1,305,222

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Nine months ended September 30,	
	2021	2020
	(Rupees '000)	
22 CASH GENERATED FROM OPERATIONS		
Profit before taxation	8,837,125	1,329,635
Adjustment for non-cash charges and other items:		
Provision for gratuity	71,157	66,788
Exchange loss	985,106	190,957
Provision for compensated absences	60,012	63,577
Provision for Workers' (Profit) Participation Fund	607,340	161,455
Provision for Workers' Welfare Fund	274,952	4,060
Unwinding of GIDC	971,674	-
Allowance for input tax	700,000	604,684
Allowance for other receivables	782,000	-
Amortization of transaction cost of long-term finance	28,678	32,292
Depreciation	2,070,840	2,020,791
Amortization	25,089	17,027
Loss on sale of investment	2,386,841	47,099
Provision for obsolete stores & spares	54,000	56,000
Provision for stock in trade	-	25,751
Lease charges	23,573	-
Finance cost	3,638,651	6,750,578
Profit on bank balances and term deposits	(797,423)	(449,177)
Income on mutual funds	-	(380)
Profit from joint venture and associates - net	(3,695,720)	(2,887,798)
Gain on disposal of property, plant and equipment	(46,470)	(72,832)
Operating profit before working capital changes	16,977,425	7,960,507
Changes in working capital		
Stores and spares	70,504	211,317
Stock-in-trade	(15,061,196)	1,439,405
Trade debts	(1,711,742)	2,415,696
Advances	518,822	22,516
Trade deposits and short term prepayments	95,387	(44,109)
Other receivables	(1,668,811)	(1,785,946)
Sales tax receivable	(3,555,573)	296,820
Trade and other payables	11,552,845	3,349,587
Advances from customers	1,168,968	1,003,303
	(8,590,796)	6,908,589
Cash generated from operations	8,386,629	14,869,096

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

23 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.

	Nine months ended September 30,	
	2021	2020
	(Rupees '000)	
Transactions with Fauji Foundation (FF)		
Services received	96,934	309
Services provided	2,738	119
Payment against services	82,080	-
Donation paid	39,620	-
Receipts against services	119	-
Balance payable	22,478	33,632 *
Dividend paid	686,156	665,531
Transactions with associated undertakings due to common directorship		
Fauji Fertilizer Company Limited		
Services and material acquired	902,649	1,095,860
Services and material provided	1,017	1,022
Receipts under consignment account	67,374,677	52,290,398
Commission charged	17,932	19,096
Balance receivable	3,490,486	1,827,495 *
Proceeds against disposal of investment	5,256,007	-
Askari Bank Limited		
Balances at bank	5,546,836	1,818,823 *
Profit on bank balances	290,519	148,130
Long-term loans	250,000	813,211 *
Mark-up on long-term loans	21,570	46,917
Mark-up payable on long-term loans	170	24,148 *
Finance cost charged	16,580	76,672
Running finance	275,483	830,830 *
Lease liability	3,216	15,700 *
Dividend received	815,652	407,826
Foundation Wind Energy - I Limited & Foundation Wind Energy - II Limited		
Dividend received	218,750	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Nine months ended September 30,	
	2021	2020
	(Rupees '000)	
Transactions with joint venture		
Purchase of raw materials	42,067,806	23,592,490
Expenses incurred on behalf of joint venture	4,548	3,647
Balance payable	17,256,141	5,890,871 *
Balance receivable - unsecured	8,185	5,622 *
Dividend received	1,025,064	-
Dividend receivable	-	447,430 *
Other related parties		
Contribution to Provident Fund	67,424	90,547
Payment to Gratuity Fund	28,988	55,189
Payment to WPPF and WWF	290,915	25,047
Meeting fee to directors	33,120	13,855
Balance payable- unsecured (WPPF and WWF)	1,479,882	888,505 *
Payable to Gratuity Fund	281,426	263,360 *
Payable to Provident Fund	12,674	8,446 *
Expenses on behalf of Fauji Cereals	5,381	-
Payment to Fauji Security Services (Private) Limited	232	1,532
Noon Sugar Mills for purchase of sugar	35,007	36,116
Remuneration of key management personnel		
Short-term benefits	236,279	197,321
Post employment benefits	32,253	36,964

In addition to 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 assets of FFBL in respect of project financing arranged by Foundation Wind Energy-I Limited (FWEL-I).

- 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 assets of FFBL in respect of project financing arranged by Foundation Wind Energy-II Limited (FWEL-II).

The above mentioned security charge will be vacated after receipt of regulatory approvals and no objection certificate from the respective financial institutions.

* 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 SEPTEMBER 30, 2021

24 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)					
September 30, 2021						
Revenue	68,366,703	6,682,325	85,854	14,261,483	(7,759,268)	81,637,097
Profit / (loss) after tax	6,150,413	(1,130,496)	(839,548)	2,927,810	(1,147,771)	5,960,408
September 30, 2020						
Revenue	49,961,864	5,319,065	389,819	12,486,280	(7,241,845)	60,915,183
(Loss) / profit after tax	(901,450)	(2,177,989)	(913,221)	3,062,566	954,507	24,413
September 30, 2021						
Assets	94,420,963	11,501,138	6,624,905	34,757,373	(11,077,707)	136,226,672
Liabilities	74,197,019	16,501,472	6,903,587	19,922,422	(8,782,549)	108,741,951
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

25 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

25.1 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.

26 GENERAL

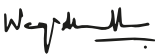
26.1 Figures have been rounded off to the nearest thousand rupees.

26.2 Corresponding figures have been re-arranged / reclassified, wherever necessary, for the purpose of comparison. Significant reclassification consists of following:

From	To	(Rupees '000)
Stores and spares	Property, plant and equipment	1,059,271

The impact of above reclassification on the comparative amounts in the condensed interim consolidated statement of profit or loss is not significant; accordingly, the related amounts have not been restated.

26.3 These condensed interim consolidated financial statements were authorized for issue on October 25, 2021 by the Board of Directors of the Holding Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



Fauji Fertilizer Bin Qasim Limited

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

Tel: +92 51 8763325
Fax: +92 51 8763304-05
Web: www.ffbl.com