

Defying
CHALLENGES

Achieving
GROWTH



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COMPANY INFORMATION

Board of Directors

Mr. Arif Habib
Chairman

Mr. Fawad Ahmed Mukhtar
Chief Executive Officer

Mr. Fazal Ahmed Sheikh
Director

Mr. Faisal Ahmed Mukhtar
Director

Mr. Muhammad Kashif Habib
Director

Ms. Anja E. Nielsen
Independent Director

Mr. Tariq Jamali
Independent Director

Chief Operating Officer

Mr. Asad Murad

Chief Financial Officer

Mr. Rizwan Qamar

General Counsel and Company Secretary

Mr. Omair Ahmad Mohsin
(communications@fatima-group.com)

Key Management

Mr. M. Abad Khan
Advisor to the CEO

Mr. Arif-ur-Rehman
Chief Manufacturing Officer

Mr. Khurram Javed Maqbool
Director Sales & Marketing

Ms. Sadia Irfan
Director Human Resources

Mr. Iftikhar Mahmood Baig
Director Business Development

Mr. Ahsen-ud-Din
Director Technology Division

Mr. Ausaf Ali Qureshi
Director Special Projects

Mr. Hassan Altaf
Director Strategy

Mr. Atif Zaidi
Chief Information Officer

Mr. Salman Ahmad
Head of Internal Audit

Mr. Pervez Fateh
G.M. Manufacturing

Mr. Faisal Jamal
Corporate HSE & Technical Support Manager

Legal Advisors

M/s. Chima & Ibrahim Advocates
1-A/245, Tufail Road, Lahore Cantt

Auditors

M/s. Yousuf Adil
Chartered Accountants, Lahore
134-A, Abu Bakar Block,
New Garden Town, Lahore
Tel: +92 42 3591 3595-7, +92 42 3544 0520
Fax: +92 42 3544 0521

Registrar and Share Transfer Agent

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

Bankers

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

Registered Office / Head Office

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

Plant Sites

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

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

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

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Fatima Fertilizer Company Limited, we are pleased to present the un audited interim financial statements of the Company for the first three months ended March 31, 2021.

The Company operations continued without any disruption during the third wave of COVID-19 pandemic through reshaping our strategy for business continuity with upmost priority of maintaining highest standards of people safety and continuous engagement. These measures are laying a vital role in providing required fertilizers to the farmers and safeguarding the interest of its stakeholders.

International Fertilizer Market Overview

Global fertilizer market in 2020 was around 300 million MT valued at US\$ 83.5 billion. The demand is expected to grow at CAGR of 1.69% during next seven years. The need for fertilization is increasing globally due to the rising population. This demand consists of 56% nitrogen, 25% phosphate, and 19% potassium. Further growth in fertilizer market is expected to mainly stem from Central and South Asia whereas East Asia is expected to experience negative growth. International market has witnessed increasing prices of fertilizers in particular phosphates, since Q3 2020 which have now relatively stabilized at the end of Q1 2021.

National Fertilizer Market Overview

Domestically during first quarter of 2021, industry Urea offtake increased by 37% on year on year basis, going up from 1,025k MT to 1,400k MT. This increase is mainly attributable to increase in wheat support prices which led to increase of application of fertilizers. DAP offtake has also increased by 50% on year on year basis, going up from 211k MT to 317k MT.

Operational and Financial Performance

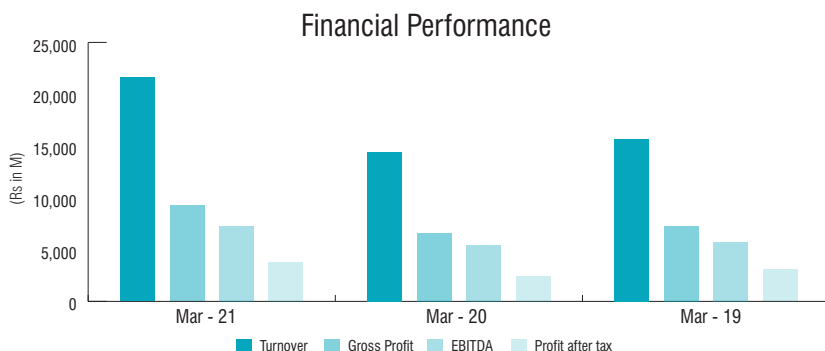
The operational and financial performance of the Company remained solid. Overall production volumes were higher by 63% as compared to last year mainly due to production volumes from Multan plant which was acquired in second half of 2020 and efficient production from Sadiqabad plant. Further, Sheikhpura plant produced 20k MT during this period whereas, it was not operational during comparative period due to unavailability of gas. However, we are pleased to inform that Federal Government has ratified the decision of the ECC for operationalization of Sheikhpura plant during FY 2021, hence gas supply has been restored, and the plant is fully operational since mid March 2021.

Further, the Company despite COVID-19 pandemic, safely completed its planned Annual Turnaround (TA) activity for its Multan plant during March to ensure reliable and efficient operations. More than 3,600 jobs were executed during TA with peak daily involvement of nearly 3,000 workers. This was achieved by adequately implementing strict compliance to SOPs and highest standards of occupational health and safety measures.

Products	Volume (M. Tons)			
	Production/Purchase		Sales	
	Jan to Mar 2021	Jan to Mar 2020	Jan to Mar 2021	Jan to Mar 2020
Urea	158,053	108,058	145,836	176,514
CAN	186,252	111,005	248,266	107,405
NP	206,112	119,327	164,435	82,604
DAP	–	31,960	4,942	16,014
Total	550,417	370,350	563,479	382,537

Sales volume increased by 47% over comparative period primarily due to increase in sales of CAN and NP by 131% and 99% respectively. This increase predominantly relates to the production from Multan plant as mentioned above.

Aggregate revenue of Rs 21.6 billion was achieved which is higher by 50% as compared to Rs 14.4 billion during the corresponding period of 2020, whereas Gross Profit of the Company was recorded at Rs 9.3 billion for Q1 2021, compared to Rs 6.6 billion in the same period last year. Finance cost was lower by Rs 0.7 billion mainly from lower policy rates along with decrease in borrowings. Hence, Profit After Tax for the first three months of 2021 stood at Rs 3.8 billion compared to Rs 2.5 billion in the same period last year, resulting in an EPS of Rs 1.8 vs. Rs 1.2 in corresponding period last year.



Health, Safety, Environment and CSR initiatives

The Company continued to add 2.9 Million Safe Man Hours during first quarter of 2021 accumulating to 80.3 Million Safe Man Hours. Our efforts towards Process Safety, Environment and Community Development Initiatives have been recognized at reputed forums leading to achievement of several awards and recognitions. Fatima CSR committee also remained fully committed to uplift the deserving surrounding communities to fulfill their basic needs during difficult times.

Future Outlook

The demand and prices of fertilizers are expected to remain stable for the remainder of the year. Your Company is working relentlessly to further strengthen its association with farmers, to guide them on the modern agriculture methods and the application of value added fertilizers. Sheikhpura Plant has already restarted its operations and Sadiqabad and Multan plants are operating efficiently. The year 2021 looks very promising with the increase in production capacity of the Company and robust strategies have been put in place to ensure sustainable growth. We hope necessary fiscal support in the shape of farmer friendly Government policies will continue, providing further strength to the farmers and industry.

With the strong and effective execution of business continuity plan, the Company has thus far been able to avoid negative impact of COVID-19 and has also achieved its manufacturing and sales targets while maintaining highest standards of employee health and safety. The COVID-19 cases are on the rise again however, the Company is fully geared to tackle the situation and is taking proactive measures to continue to achieve its operational and financial targets.

With its strong asset base, financial and liquidity position, the Company will continue to explore further opportunities both inside and outside the fertilizer sector. The Board is focused towards offering value addition for the stakeholders and will continue to provide leadership and strategic guidance to the Company.

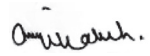
Acknowledgements

The Board is grateful to valuable shareholders for their trust and continued support to the Company. Further, the Board places on record its gratitude for the hard work and dedication of every employee of the Company. The Board also appreciates and acknowledges the assistance, guidance and cooperation of all stakeholders including customers putting trust in our products, the Government of Pakistan, financial institutions, commercial banks, business associates, and all others whose efforts and contributions strengthened the Company.

For and on behalf of the Board



Fawad Ahmed Mukhtar
Chief Executive Officer



Arif Habib
Chairman

Lahore
April 28, 2021

**CONDENSED INTERIM
FINANCIAL STATEMENTS**
**For the three months ended
March 31, 2021**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

	Note	Un audited March 31, 2021	Audited December 31, 2020
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital 2,700,010,000 (December 31, 2020: 2,700,010,000) shares of Rs 10 each		27,000,100	27,000,100
Issued, subscribed and paid up share capital 2,100,000,000 (December 31, 2020: 2,100,000,000) ordinary shares of Rs 10 each		21,000,000	21,000,000
Reserves	4	69,875,546	66,102,656
		90,875,546	87,102,656
NON CURRENT LIABILITIES			
Long term finances	5	2,535,678	3,114,067
Lease liabilities		1,786,807	1,901,472
Deferred liabilities	6	24,068,373	24,115,708
Deferred government grant		46,270	61,440
Long term deposits		120,626	110,370
		28,557,754	29,303,057
CURRENT LIABILITIES			
Trade and other payables		27,738,370	22,871,117
Accrued finance cost		375,998	450,579
Short term finances - secured	7	5,283,546	11,443,557
Unclaimed dividend		39,021	40,853
Current portion of:			
- Long term finances	5	4,897,055	5,803,222
- Lease liabilities		488,874	480,323
- Deferred government grant		61,526	61,526
		38,884,390	41,151,177
CONTINGENCIES & COMMITMENTS			
	8		
		158,317,690	157,556,890

The annexed explanatory notes from 1 to 22 form an integral part of these condensed interim financial statements.

	Note	Un audited March 31, 2021	Audited December 31, 2020
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	9	104,754,469	104,937,733
Intangible assets	10	5,981,886	5,991,019
Investment property		826,076	756,189
		111,562,431	111,684,941
Long term investments		208,376	201,641
Long term loan to an associated company		2,999,000	2,999,000
Long term deposits		117,088	113,679
		114,886,895	114,999,261
CURRENT ASSETS			
Stores and spares	11	10,117,289	8,273,834
Stock in trade	12	13,970,836	13,530,945
Trade debts		3,251,774	4,450,476
Short term loans		3,241,723	3,241,723
Advances, deposits, prepayments and other receivables		10,204,379	8,675,690
Advance income tax		85,411	1,305,337
Short term investments		2,410,545	2,523,862
Cash and bank balances		148,838	555,762
		43,430,795	42,557,629
		158,317,690	157,556,890



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN AUDITED)

For the three months ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
		(Rupees in thousand)	
Sales	13	21,603,567	14,432,960
Cost of sales	14	(12,339,013)	(7,851,904)
Gross profit		9,264,554	6,581,056
Distribution cost		(1,554,714)	(928,047)
Administrative expenses		(856,744)	(753,920)
		6,853,096	4,899,089
Finance cost	15	(542,548)	(1,248,498)
Other operating expenses		(498,624)	(332,116)
		5,811,924	3,318,475
Other income		98,494	201,365
Share of profit from Associates		6,735	5,847
Profit before tax		5,917,153	3,525,687
Taxation		(2,144,263)	(1,066,436)
Profit for the period		3,772,890	2,459,251
Earnings per share - basic and diluted (Rupees)	17	1.80	1.17

The annexed explanatory notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)

For the three months ended March 31, 2021

	March 31, 2021	March 31, 2020
	(Rupees in thousand)	
Profit for the period	3,772,890	2,459,251
Other comprehensive income	–	–
Total comprehensive income for the period	3,772,890	2,459,251

The annexed explanatory notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director




Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN AUDITED)

For the three months ended March 31, 2021

	Ordinary share capital	Capital Reserve	Revenue Reserve	Post retirement benefit obligation reserve	Deficit on remeasurement of investment -available for sale / FVTOCI	Total
	Share premium	Unappropriated profit				
(Rupees in thousand)						
Balance at December 31, 2019 (Audited)	21,000,000	1,790,000	55,299,651	(76,300)	(5,053)	78,008,298
Profit for the period	-	-	2,459,251	-	-	2,459,251
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	2,459,251	-	-	2,459,251
Balance at March 31, 2020 (Un audited)	21,000,000	1,790,000	57,758,902	(76,300)	(5,053)	80,467,549
Balance at December 31, 2020 (Audited)	21,000,000	1,790,000	64,374,342	(61,686)	-	87,102,656
Profit for the period	-	-	3,772,890	-	-	3,772,890
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	3,772,890	-	-	3,772,890
Balance at March 31, 2021 (Un audited)	21,000,000	1,790,000	68,147,232	(61,686)	-	90,875,546

The annexed explanatory notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN AUDITED)

For the three months ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	18	8,978,914	2,669,574
Net increase in long term deposits		10,256	2,124
Finance cost paid		(566,755)	(961,784)
Taxes paid		(450,202)	(966,045)
Employee retirement benefits paid		(28,316)	(37,910)
Net cash generated from operating activities		7,943,897	705,959
Cash flows from investing activities			
Additions in property, plant and equipment		(625,467)	(578,953)
Additions in intangible assets		(985)	(187)
Additions in investment property		(70,114)	-
Proceeds from disposal of property, plant and equipment		926	117
Short term investment-net		113,317	(391,535)
Profit received on loans and saving accounts		12,342	71,786
Dividend received		37,482	4,385
Net increase in long term loans and deposits		(3,409)	(3,644)
Net cash used in investing activities		(535,908)	(898,031)
Cash flows from financing activities			
Repayment of long term finances		(1,567,947)	(541,414)
Proceeds from long term finances		63,434	-
Repayment of lease liabilities		(148,557)	(33,357)
Dividend paid		(1,832)	(155,713)
(Decrease) / increase in short term finances-net		(6,160,011)	1,091,647
Net cash (used in) / generated from financing activities		(7,814,913)	361,163
Net (decrease) / increase in cash and cash equivalents		(406,924)	169,091
Cash and cash equivalents at the beginning of the period		555,762	514,739
Cash and cash equivalents at the end of the period		148,838	683,830

The annexed explanatory notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

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

For the three months ended March 31, 2021

1 Legal status and nature of business

Fatima Fertilizer Company Limited ('the Company'), was incorporated in Pakistan on December 24, 2003 as a public company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is listed on Pakistan Stock Exchange.

The principal activity of the Company is manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals. Registered office of the Company is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt. The manufacturing facilities of the Company are located at Mukhtargarh-Sadiqabad, Khanewal Road-Multan and at 28-km Sheikhpura Road-Chichoki Mallian, Pakistan.

2 Basis of preparation

- 2.1 These condensed interim financial statements of the Company for the three months ended March 31, 2021 have been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions and directives issued under the Companies Act, 2017 have been followed.
- 2.2 These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2020. Comparative condensed interim statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2020 and comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are stated from un audited condensed interim financial information for the three months ended March 31, 2020.
- 2.3 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3 Accounting policies and estimates

The accounting policies, related judgments, estimates and related assumptions adopted for the preparation of this condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended December 31, 2020.

	Note	Un audited March 31, 2021	Audited December 31, 2020
(Rupees in thousand)			
4 Reserves			
Capital reserve:			
Share premium		1,790,000	1,790,000
Revenue reserve:			
Unappropriated profit		68,147,232	64,374,342
Post retirement benefit obligation reserve		(61,686)	(61,686)
		69,875,546	66,102,656
5 Long term finances			
Rated, listed and secured Ijarah Sukuk Certificates		2,100,000	2,100,000
Secured loans from banking companies / financial institutions		5,332,733	6,817,289
		7,432,733	8,917,289
Less: Current portion		4,897,055	5,803,222
		2,535,678	3,114,067
5.1 Movement of long term finances			
Opening balance		8,917,289	12,478,721
Disbursements		63,434	1,462,438
Repayments		(1,567,947)	(4,966,641)
Classified as deferred government grant		–	(150,433)
Accreditation of loan under SBP Islamic Refinance Scheme		23,269	44,521
Exchange (gain) / loss on translation of foreign currency loan		(3,312)	48,683
Closing balance		7,432,733	8,917,289
6 Deferred liabilities			
Deferred taxation		19,481,956	19,541,661
Employee retirement benefits	6.1	999,200	986,830
Provision for Gas Infrastructure Development Cess (GIDC)		3,587,217	3,587,217
		24,068,373	24,115,708
6.1 Employee retirement benefits			
Gratuity		701,714	681,870
Accumulating compensated absences		297,486	304,960
		999,200	986,830

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

For the three months ended March 31, 2021

7 Short term finances

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

The facilities are secured by Pari Passu charge on present and future current assets of the Company, with 25% margin over financed amount, pledge of raw material and finished goods and personal guarantees of sponsoring directors.

These facilities carry markup ranging from 7.65% to 8.95% (December 31, 2020: 7.13% to 15.16%) per annum for Running Finance and Cash Finance, and 7.74% to 8.33% (December 31, 2020: 7.76% to 14.56%) per annum for Finance against Imported Merchandise.

8 Contingencies and commitments

8.1 Contingencies

As at March 31, 2021, there is no material change in the status of contingencies as reported in the notes to the financial statements of the Company for the year ended December 31, 2020.

	Note	Un audited March 31, 2021	Audited December 31, 2020
(Rupees in thousand)			
8.2 Commitments in respect of:			
(i) Contracts for capital expenditure		2,671,113	840,709
(ii) Contracts for other than capital expenditure		318,907	374,600
(iii) The amount of future payments under ijarah rentals and short term / low value leases:			
Not later than one year		194,302	247,331
Later than one year but not later than five years		273,035	303,398
		467,337	550,729
9 Property, plant and equipment			
Operating fixed assets	9.1	100,046,511	100,724,565
Capital work in progress	9.2	4,707,958	4,213,168
		104,754,469	104,937,733

	Un audited March 31, 2021	Audited December 31, 2020
Note	(Rupees in thousand)	
9.1 Movement of operating fixed assets		
Opening book value	100,724,565	87,108,526
Additions during the period	130,677	16,842,054
	100,855,242	103,950,580
Less: Depreciation charged during the period	808,593	2,932,670
Book value of disposals during the period	138	293,345
Closing book value	100,046,511	100,724,565
9.1.1 Additions during the period		
Freehold land	–	67,501
Building on freehold land	5,497	47,720
Plant and machinery	31,240	14,487,185
Catalysts	17,136	132,062
Furniture and fixtures	5,331	7,079
Office equipment	4,773	4,265
Electric installations and appliances	44,288	112,062
Computers	22,412	123,474
Vehicles	–	72,480
Right of use assets	–	1,788,226
	130,677	16,842,054
9.2 Capital work in progress		
Civil works	400,409	369,297
Plant and machinery	2,213,758	1,605,107
Capital stores	1,725,796	1,662,334
Advances:		
- Freehold land	13,887	17,887
- Civil works	22,704	–
- Plant and machinery	331,404	558,543
	367,995	576,430
	4,707,958	4,213,168
9.2.1 Movement of capital work in progress		
Opening balance	4,213,168	13,612,134
Additions during the period	711,964	1,457,760
	4,925,132	15,069,894
Less: Capitalization / adjustments during the period	217,174	10,850,929
Provision for obsolescence for capital stores	–	5,797
Closing balance	4,707,958	4,213,168

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

For the three months ended March 31, 2021

	Un audited March 31, 2021	Audited December 31, 2020
(Rupees in thousand)		
10 Intangible assets		
Opening book value	5,991,019	5,973,548
Additions during the period	985	51,911
	5,992,004	6,025,459
Less: Amortization charged during the period	10,118	34,440
Closing book value	5,981,886	5,991,019
11 Stores and spares		
Stores	432,523	354,267
Spares	6,319,391	5,243,101
Catalyst and chemicals	3,398,622	2,709,713
	10,150,536	8,307,081
Less: Provision for slow moving stores and spares	33,247	33,247
	10,117,289	8,273,834
12 Stock in trade		
Raw material {including in transit Rs 1,248.03 million (December 31, 2020: Rs 1,412.14 million)}	3,391,993	2,634,574
Packing material	75,770	123,572
Mid products		
Ammonia	225,016	290,865
Nitric Acid	29,207	19,489
Others	7,469	699
	261,692	311,053
Finished goods		
– own manufactured		
Urea	1,147,498	805,240
NP	7,302,873	5,906,647
CAN	673,026	1,639,528
Certified Emission Reductions	26,656	21,785
	9,150,053	8,373,200
– purchased for resale	1,091,328	2,088,546
	13,970,836	13,530,945

	Note	For the quarter ended	
		March 31, 2021	March 31, 2020
		(Rupees in thousand)	
13 Sales			
Revenue from contracts with customers	13.1	21,603,567	14,432,960
		21,603,567	14,432,960
13.1 Revenue from contracts with customers			
Fertilizer products:			
- own manufactured		20,953,053	13,644,072
- purchased for resale		1,167,396	1,048,139
Mid products		305,799	203,308
		22,426,248	14,895,519
Less: Sales tax		477,540	321,458
Discounts		345,141	141,101
		21,603,567	14,432,960
14 Cost of sales			
Raw material consumed		6,256,685	2,596,134
Packing material consumed		527,622	239,489
Salaries, wages and other benefits		1,335,056	795,168
Fuel and power		1,552,936	954,284
Chemicals and catalyst consumed		436,005	166,826
Stores and spares consumed		648,564	465,681
Technical assistance		14,325	10,099
Repair and maintenance		211,865	164,684
Insurance		200,383	138,370
Travelling and conveyance		32,909	33,137
Rent, rates and taxes		67,463	22,943
Vehicle running and maintenance		29,934	20,769
Depreciation		751,353	614,385
Others		41,572	18,607
Manufacturing cost		12,106,672	6,240,576
Opening stock of mid products		311,053	203,837
Closing stock of mid products		(261,692)	(150,830)
Cost of goods manufactured		12,156,033	6,293,583
Opening stock of finished goods		8,373,200	2,851,480
Closing stock of finished goods		(9,150,053)	(2,227,497)
Cost of sales - own manufactured		11,379,180	6,917,566
Cost of sales - purchased for resale		959,833	934,338
		12,339,013	7,851,904

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

For the three months ended March 31, 2021

	For the quarter ended	
	March 31, 2021	March 31, 2020
	(Rupees in thousand)	
15 Finance cost		
Markup on:		
– long term finances	208,704	425,389
– short term finances	182,662	570,646
Interest on lease liabilities	42,443	16,883
Bank charges and others	108,739	235,580
	542,548	1,248,498

16 Transactions with related parties

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

		For the quarter ended	
		March 31, 2021	March 31, 2020
		(Rupees in thousand)	
Relationship with the Company	Nature of transaction		
Associated companies	Purchase of packing material	417,711	333,818
	Purchase of raw material	2,232,550	–
	Purchase of catalysts	70,648	–
	Purchase of stores and spares	185,734	–
	Sale of mid products	20,635	12,847
	Lease rental and license fee	36,000	–
	Fee for services	672,263	181,364
	Miscellaneous expenses	9,559	2,081
	Markup income	145,541	242,659
	Markup expense	47,922	–
Directors and key management personnel	Remuneration including benefits and perquisites	78,343	54,390
Retirement benefit plans	Retirement benefits	72,137	73,886

		For the quarter ended	
		March 31, 2021	March 31, 2020
		(Rupees in thousand)	
17	Earnings per share - basic and diluted		
	Profit attributable to ordinary shareholders (Rupees in thousand)	3,772,890	2,459,251
	Weighted average number of shares (Number of shares)	2,100,000,000	2,100,000,000
	Basic and diluted earnings per share (Rupees)	1.80	1.17
		For the quarter ended	
		March 31, 2021	March 31, 2020
		(Rupees in thousand)	
18	Cash generated from operations		
	Profit before tax	5,917,153	3,525,687
	Adjustments for :		
	Depreciation on property, plant and equipment	808,593	666,411
	Amortization of intangible assets	10,118	7,340
	Depreciation on investment property at cost	227	227
	Finance cost	542,548	1,248,498
	Provision for staff retirement benefits	40,686	50,434
	Exchange (gain) / loss on translation of foreign currency loan	(3,312)	63,380
	Profit on loans to related parties	(145,541)	(242,659)
	Dividend Income	(37,482)	(4,385)
	Share of profit from associates	(6,735)	(5,847)
	Profit on saving accounts	(6,614)	(15,349)
	Gain on disposal of property, plant and equipment	(788)	(52)
		1,201,700	1,767,998
	Operating cash flows before working capital changes	7,118,853	5,293,685
	Effect on cash flow due to working capital changes: (Increase) / decrease in current assets:		
	Stores and spares	(1,843,455)	245,499
	Stock in trade	(439,891)	256,510
	Trade debts	1,198,702	(3,245,606)
	Loans, advances, deposits, prepayments and other receivables	(1,922,718)	(958,789)
	Increase in creditors, accrued and other liabilities	4,867,423	1,078,275
		1,860,061	(2,624,111)
		8,978,914	2,669,574

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

For the three months ended March 31, 2021

19 Financial instruments

The carrying amount of financial assets and financial liabilities as at March 31, 2021 and as at December 31, 2020 approximate their fair values.

20 COVID-19 impact assessment

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020. Third wave of the strain is on peak during 2021 impacting countries globally. Measures taken to contain the further spread of the virus, including lock downs, travel bans, quarantines, social distancing, and closures of nonessential services.

Manufacturing, transportation, distribution and selling of seeds, fertilizers and pesticides, being essential commodities, was permitted by the Government even during the lock down period. Consequently, the Company's plants have continued uninterrupted operations during this pandemic.

The management is of the view that COVID-19 pandemic has not materially affected the financial performance of the Company as the activities of the Company remained continued during the lock down period. Keeping in view the latest updates regarding the pandemic, future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

21 Date of Authorization of Issue

These financial statements have been authorized for issue on April 28, 2021 by the Board of Directors of the Company.

22 General

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



Chief Executive Officer



Director



Chief Financial Officer



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