FFBL
Fauji Fertilizer Bin Qasim Limited

Ref. 13.1/Sectt/S

Dated 20 Nov 2020

The General Manager
Pakistan Stock Exchange
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

Subject: **<u>RIGHT ISSUE</u>**

We would like to inform you that the right shares offered to the Directors & Sponsors of the company have been subscribed in full, before the last the date of payment as per the requirement of the Pakistan Stock Exchange.

We enclose herewith an Auditors certificate confirming the same.

Regards

Brig Aamir Hussain Mirza (Retd)
Company Secretary

cc: The Director Enforcement
Securities & Exchange Commission of Pakistan
Government of Pakistan
NIC Building, Jinnah Avenue
Islamabad.

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EY Ford Rhodes
Chartered Accountants
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IA/134/2020
20 November 2020

Company Secretary
Fauji Fertilizer Bin Qasim Limited (the Company)
FFBL Tower, C1/C2, Sector-B
Jinnah Boulevard, DHA II
Islamabad

Dear Sir

AUDITOR CERTIFICATE ON STATEMENT OF RECEIPT OF FUNDS FROM THE DIRECTORS/SPONSORS

The Company is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 (replaced by the Companies Act, 2017 ("the Act") with effect from 31 May 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The principal objective of the Company is manufacturing, purchasing and marketing of fertilizers.

Pursuant to the decision of the Board of Directors (the Board) of the Company, in their meeting held on 6 October 2020, the Company has decided to issue further capital by offering 357,142,857 ordinary right shares of PKR 10/- each, in the proportion of 38.2335 right shares for every 100 ordinary shares held [i.e. 38.2335% (rounded)], at a price of PKR 14/- per share.

The Company is therefore, required to communicate, to Pakistan Stock Exchange (PSX, reference letter: PSX/C-1030-1985 dated 9 October 2020 ("the Letter")), the Statement of Receipt of Funds from the Directors/Sponsors of the Company; sponsors consist of Fauji Fertilizer Company Limited and Fauji Foundation, in proportion of shares held by them at the close of business on 12 November 2020.

Scope of Certificate

EY Ford Rhodes, being the statutory auditors of the Company, were requested to provide a certificate on the Statement of Receipt of Funds from the Directors/Sponsors (the Statement) of the Company, as approved by the company secretary of the Company and attached with this certificate, enabling the Company to fulfill one of the requirements of the above-mentioned Letter.

Management Responsibility

The management is responsible to fulfil all requirements of Listing of Companies & Securities Regulations, the Companies Act, 2017, the Companies (Further Issue of Shares) Regulations, 2020, Central Depository Company of Pakistan Limited Regulations (CDCPL Regulations) and ensure compliance with the requirements of PSX as listed in the Letter. It is also the management's responsibility to prepare the Statement; consisting of following detail:

a) Names of directors and sponsors;
b) Number of right shares entitlement of the above-mentioned parties;
c) Number of right shares subscribed by the above-mentioned parties
d) Amount of receipt (in MCB Bank Limited's bank account # 1224231041020306 bearing account title: Fauji Fertilizer Bin Qasim Limited - Right Share Subscription Account, established by the Company for this purpose); and
e) Date of receipt in bank account.

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Auditor's Responsibility

Our responsibility is to certify the Statement as per the requirements of the Letter, in accordance with "Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms" (the Guidelines), issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

1. Obtained following documents, from management of the Company:
   i. the signed Statement;
   ii. approved copy of the Board's resolution approving the 38.2335% right issue (rounded);
   iii. Securities and Exchange Commission of Pakistan (SECP)'s approval of relaxation of Regulation 3(3) of the Companies (Further Issue of Shares) Regulations, 2020 for extension in book closure, to identify book closure date;
   iv. extracts from Shareholder Register to identify number of shares held by the directors and sponsors of the Company, as of book closure date; and
   v. copy of the bank statement(s) of MCB Bank Limited in bank account [number: 1224231041020306 bearing account title: Fauji Fertilizer Bin Qasim Limited - Right Share Subscription Account], from management of the Company.
2. Calculated number of right shares (and related proceeds) entitlement of the above-mentioned parties, in light of information obtained in 1 (i to iv) above and trace to the Statement; and
3. Traced subscribed shares, amount of receipt and date of receipt from the bank statement(s) obtained in 1(v) above.

Certificate

Based on the procedures mentioned above, we certify that an aggregate amount of Rs. 3,408,355,426 has been deposited by the directors and sponsors of the Company, on respective dates, with MCB Bank Limited in bank account [number: 1224231041020306 bearing account title: Fauji Fertilizer Bin Qasim Limited - Right Share Subscription Account], in accordance with their entitlement/ subscription, in respect of 38.2335% (rounded) right issue approved by the Board of the Company on 6 October 2020, as listed in the annexed Statement.

Note:

a) Fraction of shares in respect of certain directors, have not been offered, as required by Regulation 3(1ii) of the Companies (Further Issue of Shares) Regulations, 2020;

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Restriction on use and distribution

This certificate is being issued solely on the request of the management of the Company for onward submission to PSX, as required under the Letter, and is not to be used or distributed for any purpose. This certificate is restricted to the facts stated herein and the Statement.

Yours faithfully,

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants
Place: Islamabad

FFBL
Fauji Fertilizer Bin Qasim Limited

FAUJI FERTILIZER BIN QASIM LTD
ISSUE OF RIGHT SHARES
STATEMENT OF RECEIPT OF FUNDS FROM THE DIRECTORS/SPONSORS

Name of Sponsor/Director	Date of receipt of funds	Number of right shares entitled	Number of right shares subscribed	Amount PKR
Fauji Foundation	17-Nov-20	65,319,007	65,319,007	914,466,098
Fauji Fertilizer Company Ltd	18-Nov-20	178,126,733	178,126,733	2,493,774,262
Ms. Saira Nasir	13-Nov-20	382	382	5,348
Mr. Khalid Siraj Subhani	13-Nov-20	7,646	7,646	107,044
Mr. Moeez ur Rehman	13-Nov-20	191	191	2,674
Mr. Waqar Ahmed Malik	-	-	-	-
Mr. Sarfaraz Ahmed Rehman	-	-	-	-
Lt. Gen Tariq Khan (Retd)	-	-	-	-
Dr. Nadeem Inayat	-	-	-	-
Ms. Pouruchisty Sidhwa	-	-	-	-
Mr. Qamar Haris Manzoor	-	-	-	-
Mr. Rehan Ahmed	-	-	-	-
Mr. Mohammad Munir Malik	-	-	-	-
Total		**243,453,959**	**243,453,959**	**3,408,355,426**

Company Secretary

Fauji Fertilizer Bin Qasim Ltd.

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