



Third Quarter | 2019 Accounts

COMPANY INFORMATION

DIRECTORS

- Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd)
Chairman
- Lt Gen Javed Iqbal, HI(M), (Retd)
Chief Executive & Managing Director
- Lt Gen Tariq Khan, HI(M), (Retd)
- Dr Nadeem Inayat
- Maj Gen Tahir Ashraf Khan, HI(M), (Retd)
- Mr Rehan Laiq
- Syed Iqtidar Saeed
- Brig Hamad Qadir, SI(M), (Retd)
- Mr Moez Ur Rehman
- Ms Pouruchisty Sidhwa
- Syed Khalid Siraj Subhani
- Ms Naz Khan

COMPANY SECRETARY

Brig Syed Mujtaba Tirmizi, 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//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	The First Micro Finance Bank Limited
MCB Bank Limited	Soneri Bank Limited
United Bank Limited	Summit Bank Limited
National Bank of Pakistan	JS Bank Limited
Allied Bank Limited	Samba Bank Limited
Askari Bank Limited	Zarai Taraqati Bank Limited
Faysal Bank Limited	Industrial & Commercial Bank of China
Standard Chartered Bank (Pakistan) Limited	The Bank of Khyber
Habib Metropolitan Bank Limited	Al-Baraka Bank (Pakistan) Limited
Bank Al-Falah Limited	Dubai Islamic Bank Pakistan Limited
Bank Al-Habib Limited	Bank Islami Pakistan Limited
Silk Bank Limited	Meezan Bank Limited
The Bank of Punjab	MCB Islamic Bank Limited

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, 35887262
Fax: (042) 35869037

Directors' Review

For the period ended September 30, 2019

The Board of Directors are pleased to present a brief overview of the operational and financial performance of the Company for the period ended September 30, 2019.

Monetary policy of State Bank and covenants under international financing have led to higher discount rate and rupee devaluation. These factors have weighed on the financial performance of FFBL in the form of increased financial charges and cost of imported raw material, resulting in higher-than-expected loss.

Production & Gas Supply

By the grace of Almighty, overall performance of the plants remain satisfactory with 19 million safe-man-hours achieved as of September 30, 2019.

Supply of gas to the Company was 4% below the allocated quota, which is consistent with the corresponding period. Production of Ammonia 350 thousand tonnes (kt) and Urea 370 kt is lower by 3% and 11% respectively whereas production of DAP 610 kt is higher by 12% compared with the corresponding period of last year. Ammonia and Urea production was lower due to lower energy content of natural gas.

During the third quarter, the Company achieved the highest ever monthly and quarterly production of DAP at 77 kt and 224 kt, respectively.

DAP Market and Sales

Highest ever DAP opening inventory and declining international prices created negative sentiments in the market which restricted forward buying. Fertilizer marketing companies pushed DAP sales by offering incentive schemes, which caused further uncertainty in the market. The prices were increased during third quarter but heavy line up of imports in October and November 2019 is making the competition intense.

Domestic DAP market during the period is estimated at 1,145 kt, 10% lower as compared to 1,265 kt during the same period of last year, however, FFBL's DAP sales of 455 kt is 8% higher than the corresponding period. Sona DAP market share, which had dropped to 20% in the first quarter, was recovered to 40% for the period of Jan-Sep 2019. The market share of Sona DAP during third quarter is estimated at 51%.

Urea Market and Sales

During the period, industry domestic sales are estimated at 4,385 kt, 6% higher than 4,140 kt sales for the corresponding period of last year. Estimated industry production of 4,590 kt during the period is 12% higher than 4,090 kt of last year. During the third quarter, Government of Pakistan also imported 100 kt of urea. Estimated industry inventory at September 30, 2019 is 470 kt, which is three times higher, than the inventory of last year.

Urea sales of FFBL during the period were 326 kt as compared to 410 kt of corresponding period of last year, showing a decrease of 20% owing to lower production in the first quarter and slow off take during the third quarter of 2019.

Financial Results

FFBL's operational results for the period ended September 30, 2019 show gross profit of Rs. 3,570 million as compared to gross profit of Rs. 4,763 million in the corresponding period. The main reasons include decline in sales volume of urea and increase in the cost of production due to increase in gas prices coupled with significant increase in price of phosphoric acid due to currency devaluation, the impact of which could not be completely passed on to the customers.

Implementation of axle weight regime during second quarter drastically reduced the consignment weight on trucks resultantly the freight cost increased by 35% - 45%.

The Company incurred finance cost amounting to Rs 3,558 million as against 1,522 million in the corresponding period owing to increased mark-up rates along with increased utilization of short term borrowings. Other income mainly includes dividends amounting to Rs 2,832 million and Rs. 559 million income from investment with financial institutions as against 562 million and 449 million respectively for the corresponding period. The Company also suffered increased taxation expense of 1,113 million as compared to 74 million due to application of minimum tax along with significant increase in taxation on dividends. Net loss after tax stood at Rs 2,417 million (LPS Rs. 2.59) at September 30, 2019 against loss of Rs. 203 million (LPS Re. 0.22) in the corresponding period.

Future Prospects

Going forward, liquidation of inventory of DAP coupled with resolution of GIDC are likely to have a positive impact on the Company.

The Company remains committed to provide quality products to its customers and expects better results for its stakeholders through improved sales for the remainder of the year.

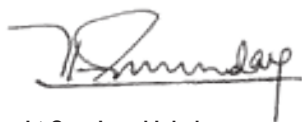
For and on behalf of the Board



Lt Gen Syed Tariq Nadeem Gilani
HI(M), (Retd)
Chairman

Islamabad

October 25, 2019



Lt Gen Javed Iqbal,
HI(M), (Retd)
Chief Executive & Managing Director

30 ستمبر 2019 تک اختتام پذیر ہونے والی مدت کے لیے ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کو 30 ستمبر 2019 کو اختتام پذیر ہونے والی مدت کے لیے کمپنی کی پیداواری اور مالیاتی کارکردگی کا مختصر جائزہ پیش کرتے ہوئے خوش محسوس ہو رہی ہے۔

مرکزی بینک کی مالیاتی پالیسی اور مالیاتی فنڈز کے بین الاقوامی معاہدوں کی وجہ سے شرح سود میں اضافہ اور روپے کی قدر میں کمی واقع ہوئی ہے۔ ان عوامل کا فوجی فریلائز رہن قاسم لپیڈ کی مالیاتی کارکردگی پر مالیاتی اخراجات اور درآمد شدہ خام مال کی قیمت میں اضافے کی صورت میں اثر ہوا ہے، جس کے نتیجے میں توقعات سے زیادہ نقصان ہوا ہے۔

پیداوار اور گیس کی فراہمی

اللہ تعالیٰ کے فضل و کرم سے پلانٹس کی مجموعی کارکردگی اطمینان بخش رہی جہاں 30 ستمبر 2019 تک خوش اسلوبی کے ساتھ 19 ملین سیف مین آؤٹ مکمل کیے گئے۔ کمپنی کو گیس کی فراہمی مختل کردہ کوئٹہ 4 فی صد کم رہی جو گذشتہ سال کی اسی مدت کے ساتھ مطابقت رکھتی ہے۔

گذشتہ سال کی اسی مدت کے مقابلے میں امونیا کی 350 ہزار ٹن پیداوار اور یوریا کی 370 ہزار ٹن پیداوار بالترتیب 3 فی صد اور 11 فی صد کم رہی جب کہ ڈی اے پی کی 610 ہزار ٹن پیداوار 12 فی صد زیادہ رہی۔ امونیا اور یوریا کی پیداوار میں کمی کی وجہ قدرتی گیس کی توانائی کی مقدار میں کمی تھی۔ تیسری سہ ماہی کے دوران کمپنی نے ماہانہ اور سہ ماہی بنیادوں پر بالترتیب 77 ہزار ٹن اور 224 ہزار ٹن کی پیداوار کے ساتھ اپنی تاریخ کی سب سے زیادہ پیداوار حاصل کی۔

ڈی اے پی مارکیٹ اور سیلز

سال کے آغاز کے ساتھ ڈی اے پی کے بلند ترین ذخیرے اور بین الاقوامی سطح پر کم ہوتی ہوئی قیمتوں کی وجہ سے مارکیٹ میں منفی رجحان پیدا ہوا جس کے نتیجے میں مستقبل کے لیے خریداری محدود ہو کر رہ گئی۔ فریلائزرز کا کاروبار کرنے والی کمپنیوں نے ڈی اے پی کی سیلز میں اضافے کے لیے مراعات کی سکیمیں پیش کیں جس کے باعث مارکیٹ میں مزید غیر یقینی صورت حال پیدا ہو گئی۔ تیسری سہ ماہی میں قیمتوں میں اضافہ کر دیا گیا لیکن اکتوبر اور نومبر 2019 کے لیے بڑے پیمانے پر درآمدات کی طلب سے مقابلہ سخت ہو گیا ہے۔

اس مدت کے دوران ڈی اے پی کی ملکی مارکیٹ کا تخمینہ 1145 ہزار ٹن ہے جو گذشتہ سال کی اس مدت کے دوران 1265 ہزار ٹن کے تخمینے کے مقابلے میں 10 فی صد کم ہے۔ تاہم فوجی فریلائز رہن قاسم کی ڈی اے پی کی 455 ہزار ٹن سیلز گذشتہ سال کی اسی مدت کے مقابلے میں 8 فی صد زیادہ ہے۔ سونا ڈی اے پی کا مارکیٹ شیئر جو پہلی سہ ماہی میں 20 فی صد تک گر گیا تھا جنوری تا ستمبر 2019 کی مدت کے لیے اس کو 40 فی صد تک بحال کر لیا گیا ہے۔ تیسری سہ ماہی کے دوران سونا ڈی اے پی کے مارکیٹ شیئر کا تخمینہ 51 فی صد ہے۔

یوریا مارکیٹ اور سیلز

اس مدت کے دوران صنعت کی ملکی سیلز کا تخمینہ 4385 ہزار ٹن ہے جو گذشتہ سال کی اسی مدت کے دوران 4140 ہزار ٹن سیلز کے مقابلے میں 6 فی صد زیادہ ہے۔ اس مدت کے دوران صنعت کی پیداوار کا 4590 ہزار ٹن کا تخمینہ گذشتہ سال کی 4090 ہزار ٹن کی پیداوار کے مقابلے میں 12 فی صد زیادہ ہے۔ تیسری سہ ماہی کے دوران حکومت پاکستان نے 100 ہزار ٹن یوریا درآمد بھی کیا ہے۔ 30 ستمبر 2019 کو صنعتی ذخیرے کا تخمینہ 470 ہزار ٹن ہے جو گذشتہ سال کے ذخیرے کے مقابلے میں تین گنا زیادہ ہے۔

اس مدت کے دوران فوجی فریلائز رہن قاسم کی یوریا کی سیلز گذشتہ سال کی اسی مدت کے دوران 410 ہزار ٹن سیلز کے مقابلے میں 326 ہزار ٹن رہیں۔ 2019 کی پہلی سہ ماہی میں کم پیداوار اور تیسری سہ ماہی کے دوران خریداری میں سست روی کی وجہ سے اس میں 20 فی صد کمی دیکھی گئی۔

30 ستمبر 2019 کو ختم ہونے والی مدت کے لیے بیو جی فرٹیلائزر بن قاسم کے آپریشنل نتائج گزشتہ سال کی اسی مدت کے دوران ہونے والے 4763 ملین روپے کے مجموعی منافع کے مقابلے میں 3570 ملین روپے کا مجموعی منافع دکھایا گیا ہے۔

اہم وجوہات میں پوری کی فروخت کے حجم میں کمی، گیس کی قیمتوں میں اضافے کے ساتھ ساتھ کرنسی کی قدر میں کمی کے باعث فاسفورک ایسڈ کی قیمت میں خاطر خواہ اضافہ شامل ہیں، جن کا اثر مکمل طور پر صارفین کو منتقل نہیں کیا جاسکا۔

دوسری سہ ماہی کے دوران ایکسل لوڈ نظام پر عمل درآمد کی وجہ سے ٹرکوں پر مصنوعات کے وزن میں بہت زیادہ کمی واقع ہو گئی جس کے باعث کرایہ بار برداری میں 35 فی صد سے 45 فی صد اضافہ ہوا۔

کمپنی کو اس سال مارک اپ کی شرح میں اضافے کے ساتھ مختصر مدت کے قرضے کے استعمال میں اضافے کی وجہ سے گزشتہ سال کی اسی مدت کے دوران 1522 ملین روپے کے مالی اخراجات کے مقابلے میں 3558 ملین روپے کے مالی اخراجات اٹھانا پڑے۔

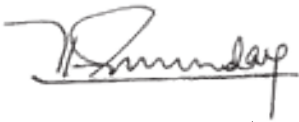
دیگر آمدنی میں زیادہ تر گزشتہ سال کی اس مدت کے دوران بالترتیب 562 ملین روپے اور 449 ملین روپے کی آمدن کے مقابلے میں 2832 ملین روپے مالیت کے ڈیویڈنڈ اور مالیاتی اداروں کی طرف سے ہونے والی سرمایہ کاری سے 559 ملین روپے کی آمدن شامل ہیں۔ کمپنی کو گزشتہ سال کی اسی مدت کے دوران 74 ملین روپے کے ٹیکسوں کے مقابلے میں کم سے کم ٹیکس کے نفاذ کے ساتھ ڈیویڈنڈ پر ٹیکسوں میں خاطر خواہ اضافے کے باعث 1113 ملین روپے کے اضافی ٹیکسوں کے اخراجات برداشت کرنا پڑے۔ 30 ستمبر 2019 کو گزشتہ سال کی اسی مدت کے دوران 203 ملین روپے نقصان (نقصان فی حصص 22 پیسے) کے مقابلے میں خالص نقصان 2417 ملین روپے (نقصان فی حصص 2.59 روپے) رہا۔

مستقبل کے امکانات

مستقبل میں اپنے ڈی اے پی کے ذخائر کی فروخت کے ساتھ ساتھ گیس کے بنیادی ڈھانچے کی ترقی کے ٹیکس کا معاملہ حل ہونے پر کمپنی پر مثبت اثرات پڑنے کے امکانات ہیں۔

کمپنی سال کی بقیہ مدت کے لیے سیکڑ میں بہتری کے ذریعے اپنے صارفین کو معیاری مصنوعات کی فراہمی اور اپنے شراکت داروں کے لیے بہتر نتائج کے حصول کے لیے پرعزم ہے۔

منجانب بورڈ



لیفٹیننٹ جنرل جاوید اقبال (ریٹائرڈ)

ہلال اتیاوالتی

چیف ایگزیکٹو آفیسر




لیفٹیننٹ جنرل سید طارق ندیم گیلانی (ریٹائرڈ)

ہلال اتیاوالتی

چیئر مین

اسلام آباد

25 اکتوبر 2019

A black and white photograph of a steep, terraced hillside. The hillside is covered in dense, diagonal lines, likely representing terracing or a specific type of vegetation. In the middle ground, there is a small, flat patch of land where four small, dark trees are growing in a row. The trees are of varying heights and are positioned at regular intervals. The overall scene is a landscape view, possibly of a vineyard or a similar agricultural area.

Condensed Interim Financial Statements

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees '000)	
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Share capital		9,341,100	9,341,100
Capital reserve		228,350	228,350
Revenue reserve			
Accumulated profit		976,013	4,328,006
		10,545,463	13,897,456
NON-CURRENT LIABILITIES			
Long-term loans	5	14,941,667	16,083,333
Deferred liabilities	6	1,031,947	948,917
		15,973,614	17,032,250
CURRENT LIABILITIES			
Trade and other payables		35,820,637	29,825,284
Unpaid dividend		10,956	10,784
Unclaimed dividend		118,981	117,530
Accrued interest		1,135,531	442,183
Short-term borrowings		25,010,357	13,913,497
Current portion of long-term loans	5	6,041,667	5,125,000
		68,138,129	49,434,278
		94,657,206	80,363,984

CONTINGENCIES AND COMMITMENTS

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

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	10,282,473	9,747,537
Long-term investments	9	24,564,751	24,564,751
Long-term loans to subsidiary	10	3,500,000	2,400,000
Long-term advances		14,503	102,055
Long-term deposits		78,643	78,643
		38,440,370	36,892,986
CURRENT ASSETS			
Stores and spares		2,770,255	2,721,558
Stock-in-trade		17,310,476	5,654,660
Trade debts		6,064,423	5,719,424
Advances		1,639,365	1,458,474
Loans to subsidiary	10	1,750,000	-
Trade deposits and short-term prepayments		209,674	48,492
Interest accrued		360,597	55,153
Other receivables	11	7,358,250	5,696,734
Income tax refundable - net		2,839,474	2,953,868
Sales tax refundable		7,661,145	4,537,400
Short-term investments	12	1,603,356	10,935,646
Cash and bank balances		6,649,821	3,689,589
		56,216,836	43,470,998
		94,657,206	80,363,984



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2019	2018	2019	2018
		(Rupees '000)		(Rupees '000)	
Sales - net	13	22,145,957	18,644,590	43,643,456	37,572,991
Cost of sales	14	(19,870,129)	(15,297,136)	(40,073,366)	(32,809,542)
Gross profit		2,275,828	3,347,454	3,570,090	4,763,449
Selling and distribution expenses		(1,806,332)	(1,305,809)	(3,696,466)	(3,228,406)
Administrative expenses		(385,031)	(337,415)	(1,007,641)	(941,081)
		84,465	1,704,230	(1,134,017)	593,962
Finance costs		(1,433,177)	(605,635)	(3,558,628)	(1,522,763)
Other operating expenses		423,202	(208,644)	(597,321)	(664,066)
		(925,510)	889,951	(5,289,966)	(1,592,867)
Other income	15	2,054,500	242,787	3,985,281	1,463,263
Profit / (loss) before taxation		1,128,990	1,132,738	(1,304,685)	(129,604)
Taxation - net	16	(1,595,752)	(342,326)	(1,113,198)	(73,670)
(Loss) / profit after taxation		(466,762)	790,412	(2,417,883)	(203,274)
(Loss) / earnings per share - basic and diluted (Rupees)		(0.50)	0.85	(2.59)	(0.22)

The annexed notes, from 1 to 20, 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, 2019**

	Quarter ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	(Rupees '000)		(Rupees '000)	
(Loss) / profit after taxation	(466,762)	790,412	(2,417,883)	(203,274)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income	(466,762)	790,412	(2,417,883)	(203,274)

The annexed notes, from 1 to 20, 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, 2019**

	Share capital	Capital reserve	Accumulated profit	Total
	(Rupees '000)			
Balance as at January 01, 2018 - audited	9,341,100	228,350	3,581,188	13,150,638
Total comprehensive income				
Loss after taxation for the period	-	-	(203,274)	(203,274)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(203,274)	(203,274)
Transactions with owners, recorded directly in equity				
Distributions to owners				
Final dividend 2017 (Re. 0.75 per ordinary share)	-	-	(700,595)	(700,595)
Total transactions with owners	-	-	(700,595)	(700,595)
Balance as at September 30, 2018	9,341,100	228,350	2,677,319	12,246,769
Balance as at January 01, 2019 - audited	9,341,100	228,350	4,328,006	13,897,456
Total comprehensive income				
Loss after taxation for the period	-	-	(2,417,883)	(2,417,883)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(2,417,883)	(2,417,883)
Transactions with owners, recorded directly in equity				
Distributions to owners				
Final dividend 2018 (Re. 1 per ordinary share)	-	-	(934,110)	(934,110)
Total transactions with owners	-	-	(934,110)	(934,110)
Balance as at September 30, 2019	9,341,100	228,350	976,013	10,545,463

The annexed notes, from 1 to 20, 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, 2019

		2019	2018
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	17	(11,599,568)	(6,289,507)
Income tax paid		(961,616)	(1,588,876)
Finance costs paid		(2,865,280)	(1,254,079)
Compensated absences paid		(26,224)	(45,303)
Payment to Gratuity Fund		(77,059)	-
Payment to Workers' (Profit) Participation Fund		(10,954)	(43,328)
Net cash used in operating activities		(15,540,701)	(9,221,093)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(1,782,834)	(629,664)
Long-term advances		87,552	-
Long-term investments		-	(1,500,000)
Sale proceeds from disposal of property, plant and equipment		45,756	19,492
Dividend received		3,120,071	543,451
Short-term investments - net		5,406,893	(168,271)
Long-term loans disbursed		(2,850,000)	(966,137)
Profit received on bank balances, term deposits and sub-ordinated loans		544,122	462,093
Net cash generated from / (used in) investing activities		4,571,560	(2,239,036)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing receipt		4,275,000	4,400,000
Long-term financing payment		(4,500,000)	(2,208,333)
Short-term borrowings - net		4,500,000	(450,000)
Dividend paid		(932,487)	(699,732)
Net cash generated from financing activities		3,342,513	1,041,935
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(7,626,628)	(10,418,194)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
		366,092	9,347,911
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
		(7,260,536)	(1,070,283)
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the condensed interim statement of cash flows comprise the following condensed interim statement of financial position amounts:			
- Cash and bank balances		6,649,821	3,573,034
- Short-term highly liquid investments	12	1,600,000	3,000,000
- Short-term running finance		(15,510,357)	(7,643,317)
		(7,260,536)	(1,070,283)

The annexed notes, from 1 to 20, 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, 2019

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

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

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

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

The disclosures in these condensed interim financial statements do not include the information reported for complete annual financial statements and should therefore be read in conjunction with the financial statements for the year ended December 31, 2018. The comparative Statement of Financial Position is extracted from the annual financial statements, as of December 31, 2018, 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, 2018.

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, 2017. 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, 2018 except for the adoption of new standards applicable as of 1 January 2019.

IFRS 15 Revenue from contract with customers

IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The impact of the afore-mentioned has been determined to be immaterial to these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases and other previous guidance on lease accounting within IFRS. IFRS 16 sets out the principles for recognition, measurement, presentation and disclosures of leases. It defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For each contract that meets this definition, IFRS 16 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' in the statement of financial position with certain exemptions for short term and low value leases. Lease payments are to be reflected as interest expense and a reduction of lease liabilities, while the right-of-use assets are to be depreciated over the lease term and the assets' useful life, whichever is shorter.

The major impact of adoption of IFRS 16 on the Company's financial statements would be in relation to the Power Purchase Agreement and Steam Purchase Agreement with FFBL Power Company Limited (FPCL), a subsidiary company for the provision of 48,000 kWh electricity and 211.3 MTPH steam. Further details of the contract with FPCL are disclosed in note 4.3 to the 2018 annual financial statements. The Company, being a lessee under the provisions of IFRS 16, would have to account for right-of-use asset and lease liability.

The Securities and Exchange Commission of Pakistan through S.R.O. 986 (I)/2019 dated September 02, 2019, has granted exemption from the requirement of IFRS 16. The Company has accordingly not incorporated the impact of IFRS 16 in these condensed interim financial statements.

IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 sets out new requirements for the accounting of financial instruments including classification, measurement, impairment and hedge accounting.

Under IFRS 9 the Company classifies financial assets, based on the business model in which they are managed, and their contractual cash flows. The principal categories of financial assets under IFRS 9 are amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). In accordance with the expected loss impairment model introduced by IFRS 9, the Company assesses lifetime expected credit losses on assets carried at amortised cost which include trade debts, advances to employees, balances with banks, interest accrued, long-term loans, long-term deposits, long-term investments, other receivables, term deposits with financial institutions. While fair value changes for assets carried at fair value through profit or loss, which include short-term investment through mutual funds, are recognised in the statement of profit or loss. The Company does not have any assets carried at fair value through other comprehensive income.

The impact of the afore-mentioned has been determined to be immaterial to these condensed interim financial statements.

4. The status of significant shareholdings, as at September 30, 2019, are given below:

	No. of Shares	Percentage (%)
Fauji Fertilizer Company Limited	465,891,896	49.88
Fauji Foundation	170,842,386	18.29

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Note	(Rupees '000)	
5. LONG-TERM LOANS		
Loans from banking companies - secured	20,983,334	21,208,333
Less: Current portion shown under current liabilities	6,041,667	5,125,000
	14,941,667	16,083,333
6. DEFERRED LIABILITIES		
Compensated leave absences	600,812	554,969
Deferred taxation	431,135	393,948
	1,031,947	948,917
6.1 The balance of deferred tax is in respect of the following taxable / (deductible) temporary differences:		
Accelerated tax depreciation	1,500,295	1,475,550
Provision for inventory obsolescence	(28,290)	(44,671)
Provision against doubtful other receivables	(57,116)	(53,177)
Minimum tax	(983,754)	(983,754)
	431,135	393,948

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees '000)	
7. CONTINGENCIES AND COMMITMENTS			
Contingencies			
i) Guarantees issued by banks on behalf of the Company		62,619	59,188
Commitments			
ii) Capital expenditure - contracted		937,283	1,727,516
iii) Letters of credit for purchase of stores, spares and raw material		763,244	812,323
8. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		9,747,537	10,405,171
Additions during the period / year		1,782,834	994,327
Cost of disposals during the period / year		(95,949)	(74,069)
Depreciation charged during the period / year		(1,239,882)	(1,633,725)
Accumulated depreciation on disposals during the period / year		87,933	55,833
		<u>10,282,473</u>	<u>9,747,537</u>
9. LONG-TERM INVESTMENTS			
Joint venture	9.1	1,411,150	1,411,150
Associated companies	9.2	7,991,556	7,991,556
Subsidiary companies	9.3	15,162,045	15,162,045
Other long-term investments	9.4	-	-
		<u>24,564,751</u>	<u>24,564,751</u>
9.1 Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A, Morocco (PMP)		1,411,150	1,411,150
9.2 Investments in associates - at cost			
Quoted			
Fauji Cement Company Limited (FCCL)		300,000	300,000
Askari Bank Limited (AKBL)		5,230,991	5,230,991
Un-quoted			
Foundation Wind Energy - I Limited (FWEL-I)		1,225,873	1,225,873
Foundation Wind Energy - II (Private) Limited (FWEL-II)		1,234,692	1,234,692
		<u>7,991,556</u>	<u>7,991,556</u>
9.3 Investments in subsidiaries - at cost			
Quoted			
Fauji Foods Limited (FFL)		4,672,902	4,672,902
Un-quoted			
Fauji Meat Limited (FML)		3,750,000	3,750,000
FFBL Foods Limited		298,518	298,518
FFBL Power Company Limited (FPCL)		6,440,625	6,440,625
		<u>15,162,045</u>	<u>15,162,045</u>
9.4 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
		<u>-</u>	<u>-</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees '000)	
10. LONG-TERM LOANS			
Fauji Meat Limited	10.1	3,500,000	2,400,000
Fauji Foods Limited	10.2	1,750,000	-
		5,250,000	2,400,000
Less: Current portion shown under current assets		1,750,000	-
		3,500,000	2,400,000

10.1 During the period, the Company disbursed Rs. 1,100 million as sub-ordinated loan to Fauji Meat Limited, a subsidiary company, out of total approved limit of 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 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.

10.2 During the period, the Company disbursed Rs. 1,750 million as sub-ordinated loan to Fauji Foods Limited, a subsidiary company, out of total approved limit of Rs. 3,000 million. The loan carries mark-up at the rate which is higher of the Company's borrowing cost or KIBOR for the relevant period plus 1.5%, per annum, on the terms set out in the agreement and in compliance with the requirements of section 199 of Companies Act, 2017.

11. OTHER RECEIVABLES

This includes an amount of Rs. 4,229 million (December 31, 2018: Rs. 2,293 million) receivable from Fauji Fertilizer Company Limited (FFCL), an associated company, on account of amounts received from customers against sales of the Company's products by FFCL under an inter-company services agreement.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees '000)	
12. SHORT-TERM INVESTMENTS			
Loans and receivables			
Term deposits with banks and financial institutions	12.1	1,600,000	5,590,000
Investments at fair value through profit or loss			
Mutual funds		3,356	5,345,646
		1,603,356	10,935,646

12.1 The balance at the period end includes investment in term deposits, having maturity periods up to 3 months and carrying mark-up between 10.75% to 14.10% per annum (December 31, 2018: 10.75% to 12.25% per annum).

		Quarter ended September 30,		Nine months ended September 30,	
		2019	2018	2019	2018
	Note	(Rupees '000)		(Rupees '000)	
13. SALES - NET					
Gross sales		22,607,185	19,044,016	44,751,310	38,630,688
Less:					
Sales tax		453,923	392,092	877,182	1,028,903
Trade discount		-	-	215,045	12,188
Commission	13.1	7,305	7,334	15,627	16,606
		461,228	399,426	1,107,854	1,057,697
		22,145,957	18,644,590	43,643,456	37,572,991

13.1 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, 2019

	Quarter ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	(Rupees '000)		(Rupees '000)	
14. COST OF SALES				
Raw materials consumed	15,096,106	11,856,311	38,833,523	27,873,485
Packing materials consumed	230,886	234,256	602,710	558,547
Fuel and power	3,156,939	2,742,618	8,414,970	7,435,847
Chemicals and supplies consumed	60,517	49,911	159,387	150,546
Salaries, wages and benefits	407,284	398,577	1,038,090	987,750
Rent, rates and taxes	22,894	17,923	64,238	60,313
Insurance	53,623	18,474	86,685	53,724
Travel and conveyance	33,749	29,298	102,183	90,854
Repairs and maintenance	170,185	201,308	961,491	1,097,045
Communication, establishment and other expenses	32,452	20,869	75,688	79,759
Depreciation	372,719	358,658	1,096,788	1,065,323
Opening stock - work in process	45,665	56,192	95,760	103,813
Closing stock - work in process	(67,137)	(64,618)	(67,137)	(64,618)
Cost of goods manufactured	19,615,882	15,919,777	51,464,376	39,492,388
Opening stock - finished goods	14,461,432	6,243,207	2,816,175	183,002
Closing stock - finished goods	(14,207,185)	(6,865,848)	(14,207,185)	(6,865,848)
Cost of sales	19,870,129	15,297,136	40,073,366	32,809,542
15. OTHER INCOME				
Profit on bank balances and term deposits	183,601	90,871	428,082	294,627
Gain / Dividend from mutual funds	807	55,263	130,921	154,699
Dividend from FCCL	14,062	18,750	28,125	37,500
Dividend from PMP	(17,238)	17,617	746,784	524,701
Dividend from - FWEL-I & FWEL-II	-	-	175,000	-
Dividend from AKBL	-	-	271,884	-
Dividend from FPCL	1,610,156	-	1,610,156	-
Subsidy income on Urea	-	-	-	314,619
Mark-up on sub-ordinated loan - FFL	44,397	-	60,669	-
Mark-up on sub-ordinated loan - FML	118,789	19,302	294,497	21,741
Scrap sale and other receipts	68,655	22,875	151,968	64,070
Gain on sale of property, plant & equipment	14,783	2,912	37,740	3,518
Others	16,488	15,197	49,455	47,788
	2,054,500	242,787	3,985,281	1,463,263
16. TAXATION - NET				
Current tax	573,357	888,506	1,076,010	1,625,469
Deferred tax	1,022,395	(546,180)	37,188	(1,551,799)
	1,595,752	342,326	1,113,198	73,670

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	(Un-audited)	
	Nine months ended September 30,	
	2019	2018
	(Rupees '000)	
17. CASH USED IN OPERATIONS		
Loss before taxation	(1,304,685)	(129,604)
Adjustment for non-cash charges and other items:		
Provision for gratuity	48,881	54,183
Exchange losses	595,786	572,768
Provision for compensated absences	72,067	75,786
Provision for Workers' Welfare Fund	-	87,363
Depreciation	1,239,882	1,221,974
Finance costs	3,558,628	1,522,763
Dividend from joint venture	(746,784)	(524,701)
Dividend from associates	(475,009)	(37,500)
Dividend from subsidiary	(1,610,156)	-
Profit on bank balances and term deposits	(559,003)	(449,326)
Gain on disposal of property, plant and equipment	(37,740)	(3,518)
Mark-up on sub-ordinated loans	(355,166)	(22,248)
Guarantee fee	-	(10,168)
Operating profit before working capital changes	426,701	2,357,772
Changes in working capital:		
Stores and spares	(48,697)	58,900
Stock-in-trade	(11,655,816)	(7,208,783)
Trade debts	(344,999)	(1,059,894)
Advances	(180,891)	(374,471)
Trade deposits and short-term prepayments	(161,182)	(4,182)
Other receivables	(1,949,638)	(1,981,481)
Sales tax refundable	(3,123,745)	(2,259,658)
Trade and other payables	5,438,699	4,182,290
	(12,026,269)	(8,647,279)
Cash used in operations	(11,599,568)	(6,289,507)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

18. RELATED PARTY TRANSACTIONS

The Company has related parties which comprise of subsidiaries, a joint venture, entities under common directorship, directors, key management personnel, share holders and employees funds. Fauji Fertilizer Company Limited (FFCL) has a 49.88% share holding in the Company (2018: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2018: 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, balance receivable and loans to related parties are disclosed in note 9, 10 and 11 to these condensed interim financial statements.

	Nine months ended September 30,	
	2019	2018
	(Rupees '000)	
Transactions with Fauji Foundation:		
Dividend paid	178,842	128,132
Contribution paid for Youm-e-Shohada and Defence Day	6,000	2,000
Services provided	3,738	4,193
Balance receivable at the period end	-	555*
Transactions with subsidiary companies:		
Fauji Meat Limited		
Investments made	-	1,500,000
Material / services provided	7,178	3,606
Receipts against material / services	7,178	2,607
Mark-up on sub-ordinated loan	294,497	27,808
Mark-up receivables on sub-ordinated loan at the period end	256,526	24,158*
Receipts against mark-up on sub-ordinated loan	62,129	-
FFBL Power Company Limited		
Material / services provided	408,056	356,289
Material / services received	7,595,123	6,757,116
Balance payable at the period end	845,830	972,075*
Balance receivable at the period end	115,730	87,307*
Receipts against material / services	399,340	323,089
Payments against material / services	9,259,104	4,171,659
Dividend received	1,610,156	-
Fauji Foods Limited		
Material / services provided	2,173	36,789
Mark-up on sub-ordinated loan	60,669	-
Mark-up receivables on sub-ordinated loan at the period end	34,471	-*
Payments / receipts against material / services	2,173	36,789
FFBL Foods Limited		
Material / services provided	556	-
Non-Capex assets purchased	77	-
Receipts against material / services	500	430
Payments against material / services	21	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Nine months ended September 30,	
	2019	2018
	(Rupees '000)	
Transactions with associates:		
Fauji Fertilizer Company Limited		
Services and material acquired	843,332	877,875
Services and material provided	1,605	3,085
Receipts under consignment account	41,800,136	32,731,926
Commission charged	15,627	16,606
Dividend paid	465,892	349,419
Askari Bank Limited		
Balances at bank	3,026,065	398,998*
Profit on bank balances	102,313	75,855
Long-term loans	500,000	500,000*
Mark-up on long-term loans	40,361	18,166
Mark-up payable on long-term loans	592	-*
Dividend received	271,884	-
Fauji Cement Company Limited		
Dividend received	28,125	-
Foundation Wind Energy - I Limited & Foundation Wind Energy - II (Private) Limited		
Mark-up and guarantee fee	-	4,607
Dividend received	175,000	-
Others		
Transactions with Fauji Foundation Hospital	711	175
Transactions with Foundation Gas	549	482
Transactions with joint venture:		
Pakistan Maroc Phosphore S.A, Morocco		
Purchase of raw materials	29,789,585	20,118,881
Expenses incurred on behalf of joint venture	17,801	9,690
Balance payable at the period end - secured	8,168,550	7,091,973*
Balance receivable at the period end - unsecured	21,300	302,355*
Dividend received	746,784	524,701
Other related parties:		
Contribution to Provident Fund	55,048	55,972
Payment to Workers' (Profit) Participation Fund & Workers Welfare Fund	10,954	43,327
Remuneration of key management personnel	188,221	293,374
Balance payable at the period end - unsecured (WWF and WPPF)	561,622	572,576*
Payable to Gratuity Fund	54,429	82,607*

*These balance of accounts, appearing as comparatives, are as at December 31, 2018 (audited).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

In addition to the above:

- a ranking charge amounting to US\$ 91,456,667 and Rs. 4,000 million (2018: 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 ranking charge amounting to US\$ 89,146,667 and Rs. 4,000 million (2018: 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 (Private) Limited (FWEL-II).
- the Company has issued standby letter of credit amounting to Rs. 934 million in favour of the FML under the Diminishing Musharaka Agreement.
- 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 (2018: 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.

19. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

19.1 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.

19.2 Fair value estimation

The table below analyzes financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (level 3)

	Level 1	Level 2	Level 3
	(Rupees '000)		
September 2019 - un-audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	3,356	-	-
December 2018 - audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	5,345,646	-	-

20. GENERAL

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

20.2 These condensed interim financial statements were authorized for issue on October 25, 2019 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

A black and white photograph of a rolling landscape. In the middle ground, a row of four tall, dark, conical trees stands on a gentle ridge. The foreground and background consist of sloping hills with visible horizontal lines, possibly from plowing or erosion. The overall tone is somber and minimalist.

Condensed Interim Consolidated Financial Statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)	
Note		(Rupees '000)		
<u>EQUITY AND LIABILITIES</u>				
SHARE CAPITAL AND RESERVES				
	Share capital	9,341,100	9,341,100	
	Capital reserve	228,350	228,350	
	Statutory reserve	1,275,269	1,050,097	
Revenue reserves				
	Translation reserve	3,204,986	1,688,216	
	Revaluation reserve on available for sale investments, net of tax	(987,038)	(481,495)	
	Accumulated profit	(844,493)	4,383,873	
		12,218,174	16,210,141	
Non-Controlling Interest				
		2,224,123	3,826,318	
		14,442,297	20,036,459	
NON-CURRENT LIABILITIES				
	Long-term loans	5	34,301,181	38,404,111
	Finance lease liability		282,582	289,272
	Deferred liabilities	6	2,415,102	2,223,113
			36,998,865	40,916,496
CURRENT LIABILITIES AND PROVISIONS				
	Trade and other payables		37,210,730	31,584,173
	Unpaid dividend		10,956	10,784
	Unclaimed dividend		119,947	118,496
	Accrued interest		1,658,487	723,872
	Short-term borrowings		35,094,088	22,501,589
	Current portion of long-term loans	5	10,448,707	8,603,242
	Current portion of finance lease liability		146,909	145,299
			84,689,824	63,687,455
			136,130,986	124,640,410

CONTINGENCIES AND COMMITMENTS

7

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

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Note	(Rupees '000)	

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	8	50,466,133	50,077,055
Intangible assets		460,982	382,990
Long-term investments	9	19,035,916	17,508,318
Long-term advances		14,503	102,055
Long-term deposits		78,643	79,587
Deferred tax asset - net	6	1,352,153	1,613,571
		71,408,330	69,763,576

CURRENT ASSETS

Stores and spares		3,445,831	3,187,689
Stock-in-trade		19,856,156	8,547,165
Trade debts		7,914,256	6,510,563
Advances		1,789,294	2,000,829
Trade deposits and short-term prepayments		471,282	235,661
Interest accrued		74,874	43,936
Other receivables	10	7,414,821	6,279,769
Income tax refundable - net		4,454,872	4,525,602
Sales tax refundable		8,684,832	5,613,037
Short-term investments	11	2,273,356	11,235,646
Cash and bank balances		8,343,082	6,696,937
		64,722,656	54,876,834
		136,130,986	124,640,410



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CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2019	2018	2019	2018
		(Rupees '000)		(Rupees '000)	
Sales - net		25,899,710	22,282,796	54,380,377	49,398,602
Cost of sales	12	(21,938,224)	(17,697,783)	(46,194,967)	(40,269,254)
Gross profit		3,961,486	4,585,013	8,185,410	9,129,348
Selling and distribution expenses		(2,251,721)	(2,064,376)	(5,171,010)	(5,126,158)
Administrative expenses		(655,024)	(538,122)	(1,639,965)	(1,491,043)
		1,054,741	1,982,515	1,374,435	2,512,147
Finance costs		(2,611,572)	(1,321,398)	(6,879,021)	(3,581,764)
Other operating expenses		305,803	(250,435)	(730,911)	(1,010,335)
		(1,251,028)	410,682	(6,235,497)	(2,079,952)
Other income	13				
Share of profit of joint venture and associates - net		1,121,207	937,868	1,827,377	1,248,832
Others		395,453	232,001	984,811	1,024,903
		1,516,660	1,169,869	2,812,188	2,273,735
Profit / (Loss) before taxation		265,632	1,580,551	(3,423,309)	193,783
Taxation - net	14	(1,895,741)	(421,334)	(1,711,251)	(676,764)
(Loss) / profit after taxation		(1,630,109)	1,159,217	(5,134,560)	(482,981)
Attributable to:					
- Owners of the Holding Company		(1,317,169)	1,436,381	(4,069,084)	266,498
- Non-controlling interest		(312,940)	(277,164)	(1,065,476)	(749,479)
		(1,630,109)	1,159,217	(5,134,560)	(482,981)
(Loss) / earnings per share - basic and diluted (Rupees)		(1.41)	1.54	(4.36)	0.29

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



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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Quarter ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	(Rupees '000)		(Rupees '000)	
(Loss) / profit after taxation	(1,630,109)	1,159,217	(5,134,560)	(482,981)
Other comprehensive income / (loss)				
Exchange difference on translating a joint venture	972,156	116,394	1,480,560	684,186
Effect of translation - share of associate	32,230	16,193	36,210	21,714
Revaluation reserve on available for sale investments	(158,209)	(111,691)	(594,756)	(467,470)
Related deferred tax	23,731	16,754	89,213	70,121
	(134,478)	(94,937)	(505,543)	(397,349)
Total comprehensive (loss) / income	(760,201)	1,196,867	(4,123,333)	(174,430)
Attributable to:				
- Owners of the Holding Company	(447,261)	1,474,031	(3,057,857)	575,049
- Non-controlling interest	(312,940)	(277,164)	(1,065,476)	(749,479)
	(760,201)	1,196,867	(4,123,333)	(174,430)

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



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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Reserves							
	Share capital	Capital reserve	Revaluation reserve on available for sale investments	Statutory reserve	Translation reserve	Accumulated profit / (loss)	Non-controlling Interest	Total
	(Rupees '000)							
Balance as at January 01, 2018 - audited	9,341,100	228,350	33,856	821,150	824,699	3,959,623	4,765,782	19,974,560
Total comprehensive income								
Profit / (loss) for the period after taxation	-	-	-	-	-	266,498	(749,479)	(482,981)
Other comprehensive loss for the period	-	-	(397,349)	-	705,900	-	-	308,551
Total comprehensive loss for the period	-	-	(397,349)	-	705,900	266,498	(749,479)	(174,430)
Transfer to statutory reserve	-	-	-	174,472	-	(174,472)	-	-
Transactions with owners, recorded directly in equity								
Distributions to owners								
Final dividend 2017 (Re. 0.75 per ordinary share)	-	-	-	-	-	(700,584)	-	(700,584)
Total transactions with owners	-	-	-	-	-	(700,584)	-	(700,584)
Change in ownership interest								
Loss for FFBL on right issue	-	-	-	-	-	(225,641)	225,641	-
Balance as at September 30, 2018	9,341,100	228,350	(363,493)	995,622	1,530,599	3,125,424	4,241,944	19,099,546
Balance as at January 01, 2019 - audited	9,341,100	228,350	(481,495)	1,050,097	1,688,216	4,383,873	3,826,318	20,036,459
Total comprehensive income								
Loss for the period after taxation	-	-	-	-	-	(4,069,084)	(1,065,476)	(5,134,560)
Other comprehensive income for the period	-	-	(505,543)	-	1,516,770	-	-	1,011,227
Total comprehensive loss for the period	-	-	(505,543)	-	1,516,770	(4,069,084)	(1,065,476)	(4,123,333)
Transfer to statutory reserve	-	-	-	225,172	-	(225,172)	-	-
Transactions with owners, recorded directly in equity								
Distributions to owners								
Final dividend 2018 (Re. 1 per ordinary share)	-	-	-	-	-	(934,110)	-	(934,110)
FPCL dividend 2019 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	(536,719)	(536,719)
Total transactions with owners	-	-	-	-	-	(934,110)	(536,719)	(1,470,829)
Balance as at September 30, 2019	9,341,100	228,350	(987,038)	1,275,269	3,204,986	(844,493)	2,224,123	14,442,297

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



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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Note	2019 (Rupees '000)	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	15	(8,203,954)	(5,974,006)
Income tax paid		(1,145,053)	(2,035,575)
Payment to Gratuity Fund		(94,329)	(3,090)
Finance cost paid		(5,912,737)	(3,150,663)
Compensated absences paid		(45,169)	(16,330)
Payment to Workers' (Profit) Participation Fund		(139,502)	(170,250)
Net cash used in operating activities		(15,540,744)	(11,349,914)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(3,088,198)	(2,082,100)
Dividend received		1,509,915	543,451
Sale proceeds of property, plant and equipment		132,438	21,784
Long-term deposits		944	-
Long-term loans		-	33,863
Investment at fair value through profit or loss - net		5,406,893	(168,271)
Profit received on bank balances and term deposits		652,359	550,317
Net cash generated from / (used in) investing activities		4,614,351	(1,100,956)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings - net		5,605,658	(450,000)
Long-term loans		(2,031,989)	260,410
Finance lease liability		(138,766)	(20,319)
Dividend paid		(1,469,206)	(699,725)
Net cash generated from / (used in) financing activities		1,965,697	(909,634)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(8,960,696)	(13,360,504)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		(4,564,653)	8,422,616
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		(13,525,349)	(4,937,888)
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the condensed interim consolidated statement of cash flows comprises the following condensed interim consolidated statement of financial position amounts:			
- Cash and bank balances		8,343,082	4,270,513
- Short-term highly liquid investments		2,270,000	4,600,000
- Short-term running finance		(24,138,431)	(13,808,401)
		(13,525,349)	(4,937,888)

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



CHAIRMAN



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DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

1. THE GROUP AND ITS OPERATIONS

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

Fauji Fertilizer Bin Qasim Limited group comprises of Fauji Fertilizer Bin Qasim Limited (FFBL / Holding Company) and its subsidiaries, Fauji Meat Limited (FML), FFBL Foods Limited, FFBL Power Company Limited (FPCL) and Fauji Foods Limited 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 objectives are to produce multi brand dairy products.

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

Fauji Foods Limited (FFL) was incorporated in Pakistan on September 26, 1966 as a public company and its shares are quoted on Pakistan Stock Exchange. 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, 2018. The comparative Consolidated Statement of Financial Position is extracted from the annual consolidated financial statements, as of December 31, 2018, 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, 2018.

These condensed interim consolidated financial statements are unaudited and is being submitted to the members, as required under Section 237 of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2017.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2018 except for the adoption of new standards applicable as of 1 January 2019.

IFRS 15 Revenue from contract with customers

IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The impact of the afore-mentioned has been determined to be immaterial to these interim consolidated financial statements except for reclassification of the variable trade discount which is now to be set off against the sales. The corresponding figures have been represented to reflect this change on adoption of IFRS 15.

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases and other previous guidance on lease accounting within IFRS. IFRS 16 sets out the principles for recognition, measurement, presentation and disclosures of leases. It defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For each contract that meets this definition, IFRS 16 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' in the statement of financial position with certain exemptions for short term and low value leases. Lease payments are to be reflected as interest expense and a reduction of lease liabilities, while the right-of-use assets are to be depreciated over the lease term and the assets' useful life, whichever is shorter.

The major impact of adoption of IFRS 16 on the Company's financial statements would be in relation to the Power Purchase Agreement and Steam Purchase Agreement with FFBL Power Company Limited (FPCL), a subsidiary company for the provision of 48,000 kWh electricity and 211.3 MTPH steam. Further details of the contract with FPCL are disclosed in note 4.3 to the 2018 annual financial statements. The Company, being a lessee under the provisions of IFRS 16, would have to account for right-of-use asset and lease liability.

The Securities and Exchange Commission of Pakistan through S.R.O. 986 (I)/2019 dated September 02, 2019, has granted exemption from the requirement of IFRS 16. The Company has accordingly not incorporated the impact of IFRS 16 in these condensed interim consolidated financial statements.

FFL has applied IFRS 16 using the modified retrospective approach. However none of the leases prior to 01 January 2019 have been considered as significant for the purpose of application of IFRS 16 and accordingly the application of IFRS 16 has no impact on the opening retained earnings as at 01 January 2019.

IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 sets out new requirements for the accounting of financial instruments including classification, measurement, impairment and hedge accounting.

Under IFRS 9 the Company classifies financial assets, based on the business model in which they are managed, and their contractual cash flows. The principal categories of financial assets under IFRS 9 are amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). In accordance with the expected loss impairment model introduced by IFRS 9, the Company assesses lifetime expected credit losses on assets carried at amortized cost which include trade debts, advances to employees, balances with banks, interest accrued, long-term loans, long-term deposits, long-term investments, other receivables, term deposits with financial institutions. While fair value changes for assets carried at fair value through profit or loss, which include short-term investment through mutual funds, are recognised in the statement of profit or loss. The Company does not have any assets carried at fair value through other comprehensive income.

The impact of the afore-mentioned has been determined to be immaterial to these interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

4. Group consists of following subsidiary companies:

	Ownership in 2019	Ownership in 2018
Fauji Meat Limited	83.33%	83.33%
FFBL Power Company Limited	75.00%	75.00%
FFBL Foods Limited	100.00%	100.00%
Fauji Foods Limited	50.59%	50.59%

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 have been eliminated.

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Note	(Rupees '000)	
5. LONG-TERM LOANS		
Loans from banking companies-secured	44,749,888	47,007,353
Less: Current portion shown under current liabilities	10,448,707	8,603,242
	34,301,181	38,404,111
6. DEFERRED LIABILITIES		
Compensated leave absences	705,743	658,590
Deferred taxation	6.1 1,709,359	1,564,523
	2,415,102	2,223,113
6.1 DEFERRED TAXATION - NET		
The balance of deferred tax is in respect of the following major taxable / (deductible) temporary differences:		
Accelerated depreciation	2,910,493	2,523,579
Lease financing	(124,552)	-
Share of profit of joint venture and associates - net	1,011,906	935,357
Share of profit of subsidiary	178,730	178,730
Provision for inventory obsolescence	(28,290)	(44,671)
Provision for doubtful other receivables	(57,116)	(53,177)
Deferred tax on revaluation of available for sale investments	(185,164)	(95,951)
Minimum tax	(1,020,279)	(983,754)
Unabsorbed losses	(2,328,522)	(2,509,161)
	357,206	(49,048)
Amount shown under non-current assets	1,352,153	1,613,571
	1,709,359	1,564,523

Deferred tax asset on unused tax losses, tax credits and other deductible temporary differences, are recognized on the basis that sufficient future taxable profits will be available against which they can be utilized.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	(Rupees '000)	
7. CONTINGENCIES AND COMMITMENTS		
Contingencies		
i) Guarantees issued by banks on behalf of FFBL	62,619	59,188
ii) Group's share of contingent liabilities of Fauji Cement Company Limited as at June 30, 2019	24,222	23,413
iii) Group's share of contingent liabilities of Foundation Wind Energy - I Limited as at June 30, 2019	64,296	63,601
iv) Group's share of contingent liabilities of Foundation Wind Energy - II (Pvt) Limited as at June 30, 2019	240,800	252,840
v) Group's share of contingent liabilities of Askari Bank Limited as at June 30, 2019	82,004,201	84,106,897
vi) Contingent liabilities of FML	68,825	58,113
vii) Contingent liabilities of FFL	83,510	83,510
Commitments		
i) Capital expenditures - FFBL	937,283	1,727,516
ii) Letters of credit - FFBL	763,244	812,323
iii) Group's share of commitments of FWEL- I & FWEL- II	230,812	363,971
iv) Group's share of commitments of PMP as at June 30, 2019	41,865	11,983
v) Commitments of Fauji Meat Limited (FML)	30,671	22,699
vi) Commitments of FFBL Power Company Limited (FPCL)	427,900	1,073,466
vii) Group's share of commitments of Fauji Cement Company Limited as at June 30, 2019	5,318	9,098
viii) Commitments of Fauji Foods Limited (FFL)	437,990	369,120
8. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	50,077,055	50,267,619
Additions during the period / year	2,895,065	3,668,322
Right to use asset	133,686	-
Disposals during the period / year	(209,266)	(77,657)
Depreciation during the period / year	(2,486,920)	(3,170,147)
Depreciation charged on disposals during the period / year	125,986	56,360
Adjustments during the period / year	(69,473)	(667,442)
Closing written down value	50,466,133	50,077,055

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	(Rupees '000)	
9. LONG-TERM INVESTMENTS		
Investment in joint venture - equity method		
Pakistan Maroc Phosphore S.A, Morocco (PMP)		
Balance brought forward	4,770,687	4,105,395
Share of profit	553,559	640,983
Dividend	(746,784)	(812,822)
Gain on translation of net assets	1,480,560	837,131
Closing balance	6,058,022	4,770,687
Investment in associates - equity method		
Fauji Cement Company Limited (FCCL)		
Balance brought forward	420,371	407,743
Share of profit	29,655	50,128
Dividend	(28,125)	(37,500)
Closing balance	421,901	420,371
Foundation Wind Energy - I Limited (FWEL-I)		
Opening balance	2,388,392	2,038,217
Share of profit	195,614	350,175
Dividend	(52,500)	-
Closing balance	2,531,506	2,388,392
Foundation Wind Energy - II (Pvt) Limited (FWEL-II)		
Opening balance	2,430,853	2,075,568
Share of profit	198,009	355,285
Dividend	(122,500)	-
Closing balance	2,506,362	2,430,853
Askari Bank Limited (AKBL)		
Opening balance	7,498,015	7,072,138
Share of profit	850,540	1,005,787
Dividend	(271,884)	-
Revaluation reserve of available for sale investment	(594,756)	(606,296)
Effect of translation	36,210	26,386
Closing balance	7,518,125	7,498,015
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
	-	-
	19,035,916	17,508,318

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

10. OTHER RECEIVABLES

This includes an amount of Rs. 4,229 million (December 31, 2018: Rs. 2,293 million) receivable from Fauji Fertilizer Company Limited, an associated company on account of amount recovered from customers, against sales of the Company's products under an inter-company services agreement.

11. SHORT-TERM INVESTMENTS

The balance at the period end includes investments in term deposits receipts of various banks, having maturity periods up to 3 months, and carrying mark-up between 10.75% to 14.10% per annum (December 31, 2018: 10.50% to 12.25% per annum).

(Un-audited) Quarter ended September 30,		(Un-audited) Nine months ended September 30,	
2019	2018	2019	2018
(Rupees '000)		(Rupees '000)	

12. COST OF SALES

Raw materials consumed	18,511,962	14,853,925	48,229,750	37,196,783
Packing materials consumed	693,973	922,053	2,004,449	2,639,634
Fuel and power	459,290	386,526	1,098,670	973,383
Ash Dumping	9,141	4,387	22,339	19,606
Lairage	2,039	-	3,831	-
Stores and supplies consumed	130,556	127,923	410,237	416,064
Salaries, wages and benefits	563,997	724,748	1,814,376	1,864,826
Repairs and maintenance	311,929	255,364	1,243,834	1,258,040
Travel and conveyance	60,374	43,913	164,927	132,458
Rent, rates and taxes	16,277	27,183	67,233	88,043
Insurance	106,715	43,253	198,776	125,273
Freight and forwarding	40,578	-	102,232	-
Utilities	22,951	16,089	37,497	75,093
Communication, establishment and others expenses	(13,077)	95,556	67,275	299,127
Depreciation	777,149	741,541	2,271,531	2,196,160
Opening stock - work in process	95,212	296,714	133,055	129,948
Closing stock - work in process	(126,988)	(243,332)	(126,988)	(243,332)
Cost of goods manufactured	21,662,078	18,295,843	57,743,024	47,171,106
Opening stock - finished goods	14,979,717	6,770,794	3,155,514	467,002
Closing stock - finished goods	(14,703,571)	(7,368,854)	(14,703,571)	(7,368,854)
Cost of sales	21,938,224	17,697,783	46,194,967	40,269,254

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	Quarter ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	(Rupees '000)		(Rupees '000)	
13. OTHER INCOME				
Share of profit from joint venture and associates				
Pakistan Maroc Phosphore S.A, Morocco	310,986	250,588	553,559	191,171
Foundation Wind Energy - I Limited	261,702	214,109	195,614	122,938
Foundation Wind Energy - II (Pvt) Limited	261,559	209,828	198,009	126,619
Fauji Cement Company Limited	8,046	17,438	29,655	39,577
Askari Bank Limited	278,914	245,905	850,540	768,527
	1,121,207	937,868	1,827,377	1,248,832
Profit on bank balances & term deposits	290,016	15,510	616,979	295,778
Gain / Dividend from mutual funds	807	171,017	64,603	270,453
Cash bonus on mutual funds	-	-	66,318	-
Subsidy income on Urea	-	-	-	314,619
Scrap sale and other receipts	74,043	34,545	179,018	119,888
Gain on sale of property, plant and equipment	28,685	2,661	49,158	1,665
Miscellaneous income	1,902	8,268	8,735	22,500
	395,453	232,001	984,811	1,024,903
	1,516,660	1,169,869	2,812,188	2,273,735
14. TAXATION - NET				
Current tax	640,013	921,169	1,215,783	1,767,641
Deferred tax	1,255,728	(499,835)	495,468	(1,090,877)
	1,895,741	421,334	1,711,251	676,764

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	(Un-audited)	
	Nine months ended September 30,	
	2019	2018
	(Rupees '000)	
15. CASH USED IN OPERATIONS		
(Loss) / profit before taxation	(3,423,309)	193,783
Adjustment for non-cash charges and other items:		
Provision for gratuity	82,192	62,422
Exchange losses	577,023	797,383
Provision for compensated absences	92,323	92,185
Provision for Workers' Welfare Fund	-	87,363
Provision for Workers' Profit Participation Fund	149,029	121,509
Provision for debtors	119,198	-
Amortization of transaction cost of long-term finance	31,669	24,780
Depreciation	2,499,492	2,392,715
Finance cost	6,847,352	3,556,984
Profit on bank balances and term deposits	(616,979)	(547,049)
Income on mutual funds	(130,921)	(19,182)
Guarantee fee	-	(4,100)
Profit from joint venture and associates - net	(1,827,377)	(1,248,832)
Mark-up on sub-ordinated loans	-	(507)
Gain on sale of property, plant and equipment	(49,158)	(1,665)
Operating profit before working capital changes	4,350,534	5,507,789
Changes in working capital:		
Stores and spares	(258,142)	(141,360)
Stock-in-trade	(11,308,991)	(9,306,774)
Trade debts	(1,522,891)	(758,581)
Advances	211,535	(713,350)
Trade deposits and short-term prepayments	(235,621)	(69,381)
Other receivables	(1,423,174)	(2,096,567)
Sales tax receivable	(3,071,795)	(2,338,868)
Trade and other payables	5,054,591	3,943,086
	(12,554,488)	(11,481,795)
Cash used in operations	(8,203,954)	(5,974,006)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

16. RELATED PARTY TRANSACTIONS

Fauji Fertilizer Company Limited (FFCL) has 49.88% share holding in FFBL (2018: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2018: 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 9 to the condensed interim consolidated financial statements.

	Nine months ended September 30,	
	2019	2018
	(Rupees '000)	
Transactions with Fauji Foundation (FF):		
Dividend paid	170,842	128,132
Contribution paid for Youm-e-Shohada and Defence Day	6,000	2,000
Services provided	3,738	4,193
Balance payable at the period end	-	3,118 *
Transactions with associated undertakings due to common directorship:		
Fauji Fertilizer Company Limited		
Services and material acquired	843,332	877,875
Services and material provided	1,605	3,085
Receipts under consignment account	41,800,136	32,731,926
Commission charged	15,627	16,606
Dividend paid	465,892	349,419
Askari Bank Limited		
Balances at bank	3,026,065	431,728 *
Profit on bank balances	123,010	81,113
Long-term loans	500,000	500,000 *
Mark-up on long-term loans	40,361	18,166
Mark-up payable on long-term loans	592	- *
Running finance facility	500,000	-
Finance cost charged	60,473	13,914
Utilities expenses paid	1,210	1,545
Dividend received	271,884	-
Fauji Cement Company Limited		
Dividend received	28,125	-
Foundation Wind Energy - I Limited & Foundation Wind Energy - II (Private) Limited		
Mark-up and guarantee fee	-	4,607
Dividend received	175,000	-
Others		
Transactions with Fauji Foundation Hospital	711	175
Transactions with Foundation Gas	549	482
Transactions with joint venture:		
Purchase of raw materials	29,789,585	20,118,881
Expenses incurred on behalf of joint venture	17,801	9,690
Balance payable at the period end - secured	8,168,550	7,091,973 *
Balance receivable at the period end - unsecured	21,300	302,355 *
Dividend received	746,784	524,701

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

Nine months ended September 30,

2019 2018

(Rupees '000)

Other related parties:

Contribution to Provident Fund	87,954	55,972
Payment to WWF & WPPF	139,502	170,250
Payment to Gratuity Fund	94,329	3,090
Remuneration of key management personnel	307,079	385,738
Balance payable - unsecured (WWF and WPPF) balance payable at the period end	711,081	701,555 *
Payable to Gratuity Fund	138,043	150,183 *
Fauji Security Services (Pvt.) Limited	2,345	-

*These balance of accounts, appearing as comparatives, are as at December 31, 2018 (audited).

In addition to above:

Ranking charge amounting to US\$ 91,456,667 and Rs. 4,000 million (2018: 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).

Ranking charge amounting to US\$ 89,146,667 and Rs. 4,000 million (2018: 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 (Private) Limited (FWEL-II).

17. 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, 2019						
Revenue	43,643,456	4,040,543	1,857,965	12,437,567	(7,599,154)	54,380,377
(Loss) / Profit after tax	(2,417,883)	(3,100,168)	(1,271,818)	2,720,489	(1,065,180)	(5,134,560)
September 30, 2018						
Revenue	37,572,991	5,970,565	743,254	11,852,125	(6,740,333)	49,398,602
Profit / (loss) after tax	363,541	(2,251,319)	(801,446)	2,166,495	39,748	(482,981)
September 30, 2019						
Assets	94,657,206	13,649,242	8,143,926	32,383,274	(12,702,662)	136,130,986
Liabilities	84,111,743	14,996,411	8,385,239	20,044,742	(5,849,446)	121,688,689
December 31, 2018						
Assets	80,363,984	13,166,900	7,697,138	34,263,300	(10,850,912)	124,640,410
Liabilities	66,466,528	11,413,902	6,666,632	22,498,383	(2,441,494)	104,603,951

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

18.1 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 financial statements.

18.2 Fair Value estimation

The table below analyzes financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices level 2)
- Inputs for the asset or liability that are no based on observable market data (level 3)

	Level 1	Level 2	Level 3
	(Rupees' 000)		
September 2019 - unaudited			
ASSETS			
Financial assets at fair value through profit and loss			
- Short-term investments	3,356		
December 2018 - audited			
ASSETS			
Financial assets at fair value through profit and loss			
- Short-term investments	5,345,646	-	-

19. GENERAL

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

19.2 These condensed interim consolidated financial statements were authorized for issue on October 25, 2019 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

