

First Quarter

# Financial Statements

March 31, 2020



**FFBL**  
First Fertilizer Bank Limited



# COMPANY INFORMATION

## DIRECTORS

- Mr Waqar Ahmed Malik  
**Chairman**
- Lt Gen Javed Iqbal, HI(M), (Retd)  
**Chief Executive & Managing Director**
- Lt Gen Tariq Khan, HI(M), (Retd)
- Dr. Nadeem Inayat
- Maj Gen Abid Rafique, HI(M), (Retd)
- Mr Rehan Laiq
- Brig Hamad Qadir, SI(M), (Retd)
- Syed Iqtidar Saeed
- Syed Khalid Siraj Subhani
- Ms Naz Khan
- Mr Moeez ur Rehman
- Ms Pouruchisty Sidhwa

## COMPANY SECRETARY

Brig Aamir Hussain Mirza, SI(M), (Retd)

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Javed Akhtar

## REGISTERED OFFICE

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

Tel: +92 51 8763325, Fax: +92 51 8763304-05

E-mail: [secretary@ffbl.com](mailto: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](mailto:information@ffbl.com)

## WEB PRESENCE

[www.ffbl.com](http://www.ffbl.com)



## **BANKERS**

Habib Bank Limited  
MCB Bank Limited  
United Bank Limited  
National Bank of Pakistan  
Allied Bank Limited  
Askari Bank Limited  
Faysal Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Habib Metropolitan Bank Limited  
Bank Al-Falah Limited  
Bank Al-Habib Limited  
Silk Bank Limited  
The Bank of Punjab

The First Micro Finance Bank Limited  
Soneri Bank Limited  
Summit Bank Limited  
JS Bank Limited  
Samba Bank Limited  
Zarai Taraqati Bank Limited  
Industrial Bank of China  
The Bank of Khyber  
Al-Baraka Bank (Pakistan) Limited  
Dubai Islamic Bank Pakistan Limited  
Bank Islami Pakistan Limited  
Meezan Bank Limited  
MCB Islamic Bank Limited

## **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 Quarter Ended March 31, 2020

The Board of Directors present a brief overview of the operational and financial performance of the Company for the first quarter ended March 31, 2020.

We are passing through an unusual phase in the history of humanity. The outbreak of COVID-19 pandemic, which initially hit the Wuhan city of China in late December 2019, has paid no heed to the geographical boundaries and has, by and large, brought life on the globe at a standstill. World economy may witness a downturn, similar to or more drastic, than the great depression of the 1930s. It still remains uncertain, how long this pandemic will last and the extent to which it will impact the world economy.

Pakistan's economy is also facing the fallout of the pandemic and finding it difficult to cope. However, FFBL's core business and operations have not been affected by the COVID-19, since its products are part of the essential commodities group, that has been spared from lockdown for ease of availability to the general public. Plant operations and administrative chores are being managed by giving highest priority to human safety.

## Turnaround, production & gas supply

By the grace of Almighty, our plant achieved 18.85 million safe-man-hours as of March 31, 2020. Annual turnaround was also concluded safely and successfully within the planned days and cost.

The Company received 3,353 MMSCF of gas during the period, 15% higher as compared to 2,922 MMSCF received in the corresponding period of last year, owing to shut down of a few other industries due to outbreak of COVID-19 across the country. Provision of power and steam by FFBL Power Company Ltd to FFBL was as per requirement. Production of Ammonia at 77 thousand tonnes (kt) and Urea at 96 kt is higher by 17% and 92% respectively whereas production of DAP at 104 kt is lower by 38% compared with the same period of last year. Urea production was prioritised over DAP on account of ample availability of DAP stock.

## UREA market and sales

The year started with low industry urea inventory, though, substantial stocks were brought forward by the dealer network in anticipation of price hike due to anticipated increase in gas price. However, in January 2020, against expectations, the Dealer Transfer Price (DTP) was reduced as result of GIDC waiver by GoP, which affected the dealers adversely.

During Jan-Mar 2020, industry domestic sales are estimated at 1,025 kt, 25% lower than 1,360 kt sales of same period last year. Estimated industry production of 1,420 kt during Jan-Mar



2020 is 7% higher than 1,325 kt during the corresponding period. Estimated industry inventory at end Mar 2020 is 580 kt as against 135 kt available in the same period last year, owing to higher production and lower industry sales during the quarter.

Urea sales of FFBL during Jan-Mar 2020 were 75 kt as compared to 24 kt of corresponding period of 2019, showing an increase of 214% owing to higher availability and price reduction ahead of competitors.

## **DAP market and sales**

The year 2020 commenced with a huge inventory of 550 kt, just 3% lower than highest ever year opening inventory of 570 kt available at the start of 2019. High DAP inventory coupled with domestic production and imports during Q1 2020 kept market under inventory pressure. Although firm DAP international prices and surge of PKR/USD parity at end of Q1 gave positive vibes to the market, nonetheless, the depressed market conditions prevailed consequent to outbreak of COVID-19 and lockdown in the country, bringing overall economic activities to a halt. Domestic DAP market is estimated to grow by 21% to 230 kt in Q1 2020 vis a vis 190 kt for corresponding period of 2019.

Sona DAP sales during the period remained at 108 kt, 184% higher than 38 kt sales in Jan-Mar 2019. FFBL's market share was 47% for this quarter as against 20% for the corresponding period of 2019. Sona DAP sales was proportionately higher than industry due to reduction in sales price.

## **Financial results**

FFBL's operational results for the first quarter 2020 show gross loss of Rs. 558 million as compared to gross loss of Rs. 683 million in the corresponding period. The main reasons include increase in feed gas price and continuous decline in sales price of Urea and DAP, reducing margins further for the quarter. Significant increase in exchange rate, as compared to the corresponding period, resulted in increased cost of Phosphoric Acid, which could not be passed on to the customers. GIDC was reduced on feed gas from Rs. 300 to Rs. 5 and on fuel gas from Rs. 150 to Rs. 5 per MMBTU respectively, with effect from January 28, 2020.

The Company incurred finance cost of Rs. 1,519 million as against Rs. 912 million in the corresponding period, owing to higher mark-up rates and enhanced utilization of running finance due to carryover of higher inventory. The Company also suffered exchange loss of Rs. 194 million during the quarter due to devaluation of PKR. Other income reduced mainly due to non-receipt of dividend income from associates as compared to the same period of last year. Net loss after tax stood at Rs. 3,048 million (LPS Rs. 3.26) on March 31, 2020 against loss of Rs. 1,867 million (LPS Rs. 2.0) in the corresponding period of last year.

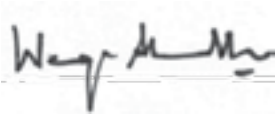


## Future prospects

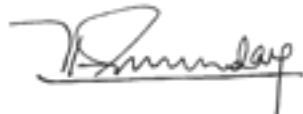
Future profitability of FFBL, as well as other segments of the economy depend, to a great extent, on how long it takes the COVID-19 pandemic to subside and subsequent time required for the systems to return to normalcy. Company's supply chain may get affected owing to the scale and gravity of the situation. Price of gas, selling price and mark-up rates are other major factors to look for in the future.

FFBL remains in close coordination with Ministry of Petroleum, SSGCL and all other suppliers for continuous supplies, despite the current situation. The Company remains committed to provide quality products to its customers and expects better results for its stakeholders through improved sales for the remaining of the year.

For and on behalf of the Board



**Mr. Waqar Ahmed Malik**  
**Chairman**



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

**Islamabad**  
April 24, 2020



## ڈائریکٹر زکا جائزہ

31 مارچ 2020 کو اختتام پزیر ہونے والی سہ ماہی

بورڈ آف ڈائریکٹرز کی 31 مارچ 2020 کو ختم ہونے والی سہ ماہی کی بابت پیداواری اور مالیاتی کارکردگی کا تفصیلی جائزہ پیش کرتے ہیں۔ ہم انسانی تاریخ کے ایک غیر معمولی دور سے گزر رہے ہیں۔ کوویڈ-19 کی وبا کے پھیلاؤ، جس نے ابتدائی طور پر چین کے شہر وہان کو دسمبر 2019 میں متاثر کیا، نے تمام جغرافیائی حدود کو بالائے طاق رکھتے ہوئے پوری دنیا میں وسیع پیمانے پر زندگی کو منطوق کر دیا۔ عالمی معیشت میں 1930 میں نے والی مندری یا اس سے بھی سخت مندری کا رجحان دیکھنے میں آ سکتا ہے۔ یہ بات ابھی تک غیر یقینی ہے کہ وبا کے ختم ہونے اور اس کے عالمی معیشت پر اثرات کس حد تک مرتب ہو گئے۔

پاکستان کی معیشت بھی اس وبا کی وجہ سے دباؤ کا شکار ہے اور اس سے نینٹے میں مشکلات سے دوچار ہے۔ تاہم، کوویڈ-19 نے ایف ایف بی ایل کے بنیادی کاروبار اور آپریشنز کو متاثر نہیں کیا۔ چونکہ اس کی مصنوعات روزمرہ کے استعمال کی اشیاء میں شامل ہیں، جس کو عام لوگوں کو آسانی سے حاصل کرنے کے لئے لاک ڈاؤن سے مستثنیاء کیا گیا ہے۔ انسانی حفاظت کو اولین ترجیح دے تے ہوئے پلانٹ آپریشنز اور انتظامی امور کا انتظام کیا گیا ہے۔

سالانہ دیکھ بھال، پیداوار اور گیس کی فراہمی:

اللہ کے فضل و کرم سے 31 مارچ 2020 تک کے 18.85 ملین آپریشنز گھنٹے بغیر کسی انسانی نقصان کے حاصل کر لیے گئے۔ سالانہ دیکھ بھال بھی محفوظ اور کامیاب طریقے سے مقررہ دنوں اور لاگت کے اندر مکمل کر لی گئی۔

کمپنی کو اس عرصے میں 13,353 ایم ایم ایس سی ایف گیس موصول ہوئی جو کہ گزشتہ سال کے اسی عرصے میں حاصل ہونے والی 12,922 ایم ایم ایس سی ایف گیس سے 15 فیصد زیادہ ہے جسکی وجہ ملک میں کوویڈ-19 وبا کے پھیلاؤ سے چند دیگر مصنوعات کی بندش ہے۔ ایف ایف بی ایل پاور کمپنی کی جانب سے ایف ایف بی ایل کو بجلی اور بھاپ کی فراہمی ضرورت کے مطابق رہی۔ اومونیا کی پیداوار 77 ہزار ٹن تھی اور یورپا کی پیداوار 96 ہزار ٹن تھی جو کہ بالترتیب 17 فیصد اور 96 فیصد زیادہ ہے جبکہ ڈی اے پی کی 104 ہزار ٹن پیداوار پچھلے سال کے اسی عرصے کے مقابلے میں 38 فیصد کم ہے۔ ڈی اے پی کے وافر شاک کی موجودگی کی وجہ سے یورپا کی پیداوار کو ترجیح دی گئی۔

یورپا مارکیٹ اور فروخت:

سال کا آغاز یورپا کی کم صنعتی انوینٹری سے ہوا تھا، حالانکہ گیس کی قیمت میں متوقع اضافے کے پیش نظر قیمتوں میں اضافے کی توقع میں ڈیلریٹ ورک کے ذریعہ خاطر خواہ اسٹاک موجود تھا۔ تاہم، جنوری 2020 میں، توقعات کے برعکس، GOP کی طرف سے جی آئی سی میں چھوٹ کے نتیجے میں ڈیلریٹ آفسٹر پرائس (DTP) کو کم کر دیا گیا، جس نے ڈیلروں کو بری طرح متاثر کیا۔

جنوری سے مارچ 2020 کے دوران، انڈسٹری کی مقامی فروخت کا تخمینہ 1,025 ہزار ٹن پر لگایا گیا ہے، جو گزشتہ سال کی اسی مدت کے 1,360 ہزار ٹن فروخت سے 25 فیصد کم ہے۔ جنوری تا مارچ 2020 کے دوران تخمینہ شدہ صنعتی پیداوار 1,420 ہزار ٹن گزشتہ سال کی اسی عرصے کے دوران 1,325 ہزار ٹن سے 7 فیصد زیادہ ہے۔ مارچ 2020 کے آخر میں تخمینہ شدہ انڈسٹری انوینٹری گزشتہ سال کے اسی عرصے کے دوران 135 ہزار ٹن کے مقابلے میں 580 ہزار ٹن رہی، جس کی وجہ اس سہ ماہی کے دوران زیادہ پیداوار اور کم صنعتی فروخت ہے۔

سال 2019 کے اسی عرصہ کی 24 ہزار ٹن کی فروخت کے مقابلے میں جنوری سے مارچ 2020 کے دوران ایف ایف بی ایل کی یورپا کی فروخت 75 ہزار ٹن تھی جو کہ 214 فیصد زیادہ ہے جس کی وجہ مد مقابل سے پہلے شاک کی دستیابی اور یورپا کی قیمت میں کمی ہے۔

ڈی اے پی مارکیٹ اور فروخت:

سال 2020 کا آغاز ملکی سطح پر 550 ہزار ٹن کی بہت بڑی انوینٹری کے ساتھ ہوا، جو 2019 کے آغاز پر دستیاب 570 ہزار ٹن کی اب تک کی سب سے زیادہ انوینٹری سے صرف 3 فیصد کم ہے۔ زیادہ ڈی اے پی انوینٹری کے ساتھ مقامی پیداوار اور درآمدات نے 2020 کی پہلی سہ ماہی کے دوران مارکیٹ کو انوینٹری کے دباؤ میں رکھا۔ اگرچہ مضبوط بین الاقوامی ڈی اے پی کی قیمتوں اور USD / PKR / USD زرمبادلہ نے پہلی سہ ماہی کے اختتام پر



مارکیٹ کو مثبت اشارے دیے، اس کے باوجود، ملک میں کوویڈ-19 کے پھیلنے اور لاک ڈاؤن کے نتیجے میں مارکیٹ کے غیر یقینی حالات نے مجموعی معاشی سرگرمیاں روک رکھیں۔ مقامی ڈی اے پی مارکیٹ کی فروخت میں بڑھوتری کا تخمینہ سال 2019 کی اسی مدت کے 194 ہزار ٹن کے مقابلے میں 2020 کے پہلی سہ ماہی میں 21 فیصد اضافے سے 230 ہزار ٹن ہے۔

اس عرصے کے دوران سونا ڈی اے پی کی فروخت 108 ہزار ٹن رہی، جو جنوری-مارچ 2019 کی 38 ہزار ٹن فروخت سے 184 فیصد زیادہ ہے۔ اس سہ ماہی میں ایف بی ایل کا مارکیٹ میں حصہ 47 فیصد تھا جو 2019 کے اسی عرصے میں 20 فیصد تھا۔ قیمت فروخت میں کمی کی وجہ سے سونا ڈی اے پی کی فروخت صنعتی فروخت کے تناسب سے زیادہ رہی۔

### مالیاتی نتائج:

ایف بی ایل بی ایل کی پہلی سہ ماہی 2020 کے آپریشنل نتائج کے مطابق گزشتہ سال اسی مدت میں 683 ملین روپے کے مجموعی نقصان کے مقابلے میں رواں سال 558 ملین روپے کا مجموعی نقصان ہوا۔ اس کی بنیادی وجوہات میں فیڈ بیس کی قیمت میں اضافہ اور یورپا اور ڈی اے پی کی قیمت فروخت میں مسلسل کمی شامل ہے، جس نے اس سہ ماہی میں مارجن کو مزید کم کیا۔ گزشتہ سال اسی عرصے کے مقابلے میں روپے کی قدر میں کمی سے فاسفورک ایسڈ کی لاگت بڑھ گئی، جس کو صارفین تک منتقل نہیں کیا جا سکا۔ جی آئی ڈی سی کو بالترتیب فیڈ بیس پر 300 روپے سے کم کر کے 5 روپے اور نیول گیس پر 150 روپے سے کم کر کے 5 روپے فی ایم ایم بی پی یو کر دیا گیا جبکہ اطلاق 28 جنوری 2020 سے ہوا۔

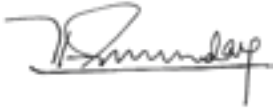
کمپنی گزشتہ سال اسی عرصے کے مقابلے میں 912 ملین روپے کے مقابلے میں 1,519 ملین روپے کی مالیاتی لاگت کا سامنا کرنا پڑا جسکی وجہ گردش مالیات کے استعمال اور شرح سود میں اضافہ تھا۔ کمپنی کو سہ ماہی کے دوران روپے کی قدر میں کمی کی وجہ سے 194 ملین روپے زرمبادلہ کی دہیں نقصان اٹھانا پڑا۔ گزشتہ سال کی اسی مدت کے مقابلے میں ملے Associates سے ڈیوڈنڈ آمدنی کی وصولی نہ ہونے کی وجہ سے دیگر آمدنی میں کمی واقع ہوئی ہے۔ 31 مارچ 2020 بعد از ٹیکس خالص خسارہ 3,048 ملین روپے (LPS Rs 3.26) رہا، جبکہ گزشتہ سال کی اسی مدت میں 1,867 ملین (LPS Rs 2.0) تھا۔

### مستقبل کے امکانات

مستقبل میں ایف بی ایل کے ساتھ ساتھ معیشت کے دوسرے حصوں کے منافع بخش کاروبار کا انحصار اس پر ہے کہ کوویڈ-19 دہائی مرض کم ہونے میں اور اس کے بعد نظام کو معمول پر آنے میں کتنا وقت درکار ہے۔ صورت حال کی سنگینی کے نتیجے میں کمپنی کی سیلابی چین متاثر ہو سکتی ہے۔ مستقبل کے دیگر اہم حوالے میں گیس کی قیمت، قیمت فروخت اور شرح سود شامل ہیں۔

موجودہ صورتحال کے باوجود ایف بی ایل وزارت پٹرولیم، ایس ایس جی ایل اور دیگر تمام سیکٹرز کے ساتھ قریبی رابطے میں ہے۔ کمپنی اپنے صارفین کو معیاری مصنوعات کی فراہمی کے لئے پرعزم ہے اور اس کے اسٹیک ہولڈرز کے لئے سال کے باقی حصے میں بہتر فروخت کے ذریعے بہتر نتائج کی توقع رکھتی ہے۔

منجانب بورڈ

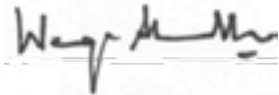


لیفٹیننٹ جنرل جاوید اقبال

ہلال ایتیار ملٹری ریٹائرڈ

چیف ایگزیکٹو مینیجنگ ڈائریکٹر

اسلام آباد 24 اپریل 2020



وقار احمد ملک

چیرمین



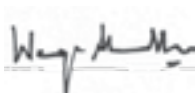
# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020

		March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
Note		(Rupees '000)	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
	Share capital	9,341,100	9,341,100
	Capital reserve	228,350	228,350
	<b>Revenue reserve</b>		
	Accumulated loss	(5,783,553)	(2,735,489)
		3,785,897	6,833,961
<b>NON-CURRENT LIABILITIES</b>			
	Long-term loans	5 12,258,333	13,791,667
	Deferred liabilities	6 1,536,787	1,578,651
		13,795,120	15,370,318
<b>CURRENT LIABILITIES</b>			
	Trade and other payables	32,860,309	34,993,385
	Advances from customers	269,034	83,309
	Unpaid dividend	10,954	10,954
	Unclaimed dividend	117,517	118,640
	Accrued interest	1,082,915	962,251
	Short-term borrowings	24,252,188	28,227,084
	Current portion of long-term loans	5 4,975,001	4,566,667
		63,567,918	68,962,290
		81,148,935	91,166,569
<b>CONTINGENCIES AND COMMITMENTS</b>			
		7	

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



		March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
	Note	(Rupees '000)	
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	10,601,816	10,427,911
Long-term investments	9	26,179,751	26,179,751
Long-term loans	10	3,130,000	3,130,000
Long-term advances		14,757	18,385
Long-term deposits		78,643	78,643
		40,004,967	39,834,690
<b>CURRENT ASSETS</b>			
Stores and spares		2,799,235	2,988,584
Stock-in-trade		12,997,172	14,756,054
Trade debts		3,722,875	8,606,885
Advances		1,051,065	923,231
Trade deposits and short-term prepayments		74,416	132,688
Interest accrued		351,662	247,867
Other receivables	11	4,110,913	6,004,866
Income tax refundable - net		2,636,220	2,651,366
Sales tax refundable		9,431,176	8,716,968
Short-term investments	12	9,029	1,009,029
Cash and bank balances		3,960,205	5,294,341
		41,143,968	51,331,879
		81,148,935	91,166,569



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



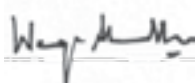
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

		2020	2019
	Note	(Rupees '000)	
Sales - net	13	9,558,197	3,499,359
Cost of sales	14	(10,116,433)	(4,182,109)
<b>Gross loss</b>		<b>(558,236)</b>	<b>(682,750)</b>
Selling and distribution expenses		(713,691)	(679,471)
Administrative expenses		(286,943)	(292,400)
		(1,558,870)	(1,654,621)
Finance costs		(1,518,721)	(912,077)
Other operating expenses		(193,144)	(50,508)
		(3,270,735)	(2,617,206)
Other income	15	316,334	800,742
<b>Loss before taxation</b>		<b>(2,954,401)</b>	<b>(1,816,464)</b>
Taxation - net	16	(93,663)	(50,791)
<b>Loss after taxation</b>		<b>(3,048,064)</b>	<b>(1,867,255)</b>
<b>Loss per share - basic and diluted (Rupees)</b>		<b>(3.26)</b>	<b>(2.00)</b>

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



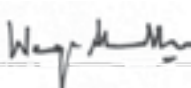
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

	2020	2019
	(Rupees '000)	
Loss after taxation	(3,048,064)	(1,867,255)
Other comprehensive income	-	-
Total comprehensive loss	(3,048,064)	(1,867,255)

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



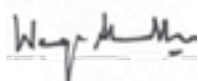
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

	Share capital	Capital reserve	Accumulated profit / (loss)	Total
	(Rupees' 000)			
<b>Balance as at January 01, 2019 - audited</b>	9,341,100	228,350	4,328,006	13,897,456
<b>Total comprehensive income</b>				
Loss after taxation for the period	-	-	(1,867,255)	(1,867,255)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(1,867,255)	(1,867,255)
<b>Transactions with owners, recorded directly in equity</b>				
<b>Distributions to owners</b>				
Final dividend 2018 (Re. 1 per ordinary share)	-	-	(934,110)	(934,110)
<b>Balance as at March 31, 2019</b>	9,341,100	228,350	1,526,641	11,096,091
<b>Balance as at January 01, 2020 - audited</b>	9,341,100	228,350	(2,735,489)	6,833,961
<b>Total comprehensive income</b>				
Loss after taxation for the period	-	-	(3,048,064)	(3,048,064)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(3,048,064)	(3,048,064)
<b>Balance as at March 31, 2020</b>	9,341,100	228,350	(5,783,553)	3,785,897

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



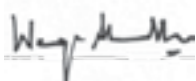
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

		2020	2019
	Note	(Rupees '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operating activities	17	4,600,812	(8,592,688)
Income tax paid		(128,227)	(598,563)
Finance costs paid		(1,398,057)	(639,245)
Compensated absences paid		(10,638)	(3,910)
Payment to gratuity fund		(57,811)	-
Payment to Workers' (Profit) Participation Fund		-	(10,954)
Net cash generated from / (used in) operating activities		3,006,079	(9,845,360)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		(406,228)	(428,532)
Long-term advances		3,628	13,658
Sale proceeds from disposal of property, plant and equipment		1,140	-
Dividend received		-	466,068
Short-term investments - net		-	3,290,428
Long-term loans disbursed		-	(1,100,000)
Profit received on bank balances, term deposits and sub-ordinated loans		162,264	245,157
Net cash (used in) / generated from investing activities		(239,196)	2,486,779
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term financing receipt		-	1,250,000
Long-term financing payment		(1,125,000)	(1,542,166)
Short-term borrowings - net		(4,000,000)	3,750,000
Dividend paid		(1,123)	(1,498)
Net cash (used in) / generated from financing activities		(5,126,123)	3,456,336
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		(2,359,240)	(3,902,245)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>			
		(8,982,750)	366,092
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>			
		(11,341,990)	(3,536,153)
<b>CASH AND CASH EQUIVALENTS</b>			
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		3,960,205	5,012,498
- Short-term highly liquid investments	12	-	1,100,000
- Short-term running finance		(15,302,195)	(9,648,651)
		(11,341,990)	(3,536,153)

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 MARCH 31, 2020

## 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, 2019. The comparative Statement of Financial Position is extracted from the annual financial statements, as of December 31, 2019, 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 March 31, 2019.

These condensed interim financial statements are unaudited and are being submitted to the members, as required under Section 237 of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The condensed interim consolidated financial statements of the Company are prepared separately.

In these condensed interim financial statements, the investments in subsidiaries and associates are accounted for on the basis of direct equity interest at cost, rather than on the basis of reported results.

## 3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2019.

## 4 The status of significant shareholdings, as at March 31, 2020, are given below:

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



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

		March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
	Note	(Rupees '000)	
<b>5 LONG-TERM LOANS</b>			
Loans from banking companies-secured		17,233,334	18,358,334
Less: Current portion shown under current liabilities		4,975,001	4,566,667
		12,258,333	13,791,667
<b>6 DEFERRED LIABILITIES</b>			
Compensated leave absences		564,583	556,737
Deferred taxation	6.1	972,204	1,021,914
		1,536,787	1,578,651
<b>6.1 The balance of deferred tax is in respect of the following taxable / (deductible) temporary differences:</b>			
Accelerated tax depreciation		1,520,993	1,511,560
Provision for inventory obsolescence		(42,063)	(38,003)
Provision against doubtful other receivables		(57,116)	(57,116)
Unabsorbed depreciation		(449,610)	(394,527)
		972,204	1,021,914
<b>7 CONTINGENCIES AND COMMITMENTS</b>			
<b>Contingencies</b>			
i) Guarantees issued by banks on behalf of the Company		23,103	53,409
<b>Commitments</b>			
i) Capital expenditure - contracted		270,824	400,541
ii) Letters of credit for purchase of stores, spares and raw materials		763,244	763,244
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>			
Opening written down value		10,427,911	9,747,537
Additions during the period / year		406,228	2,359,566
Cost of disposals during the period / year		(5,278)	(122,592)
Depreciation charged during the period / year		(231,358)	(1,667,495)
Accumulated depreciation on disposals during the period / year		4,313	110,895
		10,601,816	10,427,911



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

		March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
	Note	(Rupees '000)	
<b>9 LONG-TERM INVESTMENTS - AT COST</b>			
Joint venture	9.1	1,411,150	1,411,150
Associated companies	9.2	7,991,556	7,991,556
Subsidiary companies	9.3	16,777,045	16,777,045
Other long-term investments	9.4	-	-
		<b>26,179,751</b>	<b>26,179,751</b>
<b>9.1 Investment in joint venture</b>			
Pakistan Maroc Phosphore S.A, Morocco		1,411,150	1,411,150
<b>9.2 Investments in associates</b>			
<b>Quoted</b>			
Fauji Cement Company Limited		300,000	300,000
Askari Bank Limited		5,230,991	5,230,991
<b>Un-quoted</b>			
Foundation Wind Energy - I Limited		1,225,873	1,225,873
Foundation Wind Energy - II Limited		1,234,692	1,234,692
		<b>7,991,556</b>	<b>7,991,556</b>
<b>9.3 Investments in subsidiaries</b>			
<b>Quoted</b>			
Fauji Foods Limited			
Gross value		4,672,902	4,672,902
Impairment in value of investment		(420,000)	(420,000)
		<b>4,252,902</b>	<b>4,252,902</b>
<b>Un-quoted</b>			
Fauji Meat Limited			
Gross value		6,885,000	6,885,000
Impairment in value of investment		(1,100,000)	(1,100,000)
		<b>5,785,000</b>	<b>5,785,000</b>
FFBL Foods Limited		298,518	298,518
FFBL Power Company Limited		6,440,625	6,440,625
		<b>16,777,045</b>	<b>16,777,045</b>



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2020

		March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
	Note	(Rupees '000)	
<b>9.4 Investment - available for sale - unquoted</b>			
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
		-	-
<b>10 LONG-TERM LOANS</b>			
Fauji Meat Limited	10.1	500,000	500,000
Fauji Foods Limited	10.2	2,630,000	2,630,000
		3,130,000	3,130,000
<b>10.1</b>	This represents outstanding amount of 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. The Company has the right, as and when desired by the Board of Directors, to convert all or part of the outstanding loan (including markup accrued thereon) into the ordinary shares of FML by written notice to FML, subject to approval of Securities and Exchange Commission of Pakistan and fulfillment of other regulatory requirements.		
<b>10.2</b>	This represents 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. The Company has obtained consent of its shareholders under section 199 of Companies Act, 2017 to convert this loan to equity. Accordingly, as of reporting date the loan has been classified as non current.		
<b>11 OTHER RECEIVABLES</b>			
This includes an amount of Rs. 918 million (December 31, 2019: Rs. 2,886 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.			
		March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
		(Rupees '000)	
<b>12 SHORT-TERM INVESTMENTS</b>			
<b>Loans and receivables</b>			
Term deposits with banks and financial institutions		-	1,000,000
<b>Investments at fair value through profit or loss</b>			
Mutual funds		9,029	9,029
		9,029	1,009,029



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

		2020	2019
	Note	(Rupees '000)	
<b>13 SALES - NET</b>			
Gross sales		9,760,166	3,556,392
Less:			
Sales tax		192,357	55,793
Trade discount		5,948	-
Commission	13.1	3,664	1,240
		201,969	57,033
		9,558,197	3,499,359

**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.

		2020	2019
		(Rupees '000)	
<b>14 COST OF SALES</b>			
Raw materials consumed		5,781,320	9,680,905
Packing materials consumed		122,919	133,827
Fuel and power		2,645,014	2,344,154
Chemicals and supplies consumed		52,893	37,263
Salaries, wages and benefits		413,790	205,836
Rent, rates and taxes		64,891	20,694
Insurance		52,745	16,812
Travel and conveyance		34,317	30,196
Repairs and maintenance		462,027	607,989
Provision for slow moving stores and spares		14,000	-
Communication, establishment and other expenses		44,649	21,915
Depreciation		192,987	359,150
Opening stock - work in process		194,733	95,760
Closing stock - work in process		(86,883)	(78,518)
Cost of goods manufactured		9,989,402	13,475,983
Opening stock - finished goods		11,712,363	2,816,175
Closing stock - finished goods		(11,585,332)	(12,110,049)
Cost of sales		10,116,433	4,182,109



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

	2020	2019
	(Rupees '000)	
<b>15 OTHER INCOME</b>		
Profit on bank balances and term deposits	147,339	123,764
Gain / Dividend from mutual funds	-	54,112
Cash bonus on mutual funds	-	57,224
Dividend from associates	-	463,893
Mark-up on sub-ordinated loan - FFL	98,947	-
Mark-up on sub-ordinated loan - FML	19,773	72,206
Scrap sale and other receipts	29,623	12,585
Gain / (loss) on sale of property, plant & equipment	175	(79)
Others	20,477	17,037
	<b>316,334</b>	<b>800,742</b>
<b>16 TAXATION - NET</b>		
Current tax	143,373	108,318
Deferred tax	(49,710)	(57,527)
	<b>93,663</b>	<b>50,791</b>
<b>17 CASH GENERATED FROM / (USED IN) OPERATIONS</b>		
Loss before taxation	(2,954,401)	(1,816,464)
<b>Adjustment for:</b>		
Provision for gratuity	17,248	16,309
Exchange losses	194,367	49,983
Provision for compensated absences	18,484	24,072
Provision for slow moving stores and spares	14,000	-
Depreciation	231,358	410,778
Finance costs	1,518,721	912,077
Dividend from associates	-	(463,893)
Profit on bank balances and term deposits	(147,339)	(235,100)
Gain on disposal of property, plant and equipment	(175)	79
Mark-up on sub-ordinated loans	(118,720)	(72,206)
<b>Operating profit before working capital changes</b>	<b>(1,226,457)</b>	<b>(1,174,365)</b>
<b>Changes in working capital:</b>		
Stores and spares	175,349	13,923
Stock-in-trade	1,758,882	(11,742,299)
Trade debts	4,884,010	2,511,938
Advances	(127,834)	(636,125)
Trade deposits and short-term prepayments	58,272	5,607
Other receivables	1,893,953	1,573,528
Sales tax refundable	(714,208)	(1,078,483)
Trade and other payables	(2,101,155)	1,933,588
	<b>5,827,269</b>	<b>(7,418,323)</b>
Cash generated from / (used in) operations	<b>4,600,812</b>	<b>(8,592,688)</b>



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2020

## 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 (2019: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2019: 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.

	2020	2019
	(Rupees '000)	
<b>Transactions with Fauji Foundation:</b>		
Expenses incurred	119	-
<b>Transactions with subsidiary companies:</b>		
<b>Fauji Meat Limited</b>		
Material / services provided	7,020	2,474
Receipts against material / services	911	2,474
Mark-up on sub-ordinated loan	19,773	72,206
Mark-up receivables on sub-ordinated loan	117,440	97,667 *
Receipts against mark-up on sub-ordinated loan	-	62,129
Balance receivable	11,282	5,173 *
<b>FFBL Power Company Limited</b>		
Material / services provided	203,895	103,793
Material / services received	2,455,092	2,084,891
Balance payable	1,939,497	874,912 *
Balance receivable	183,597	108,781 *
Receipts against material / services	141,881	125,165
Payments against material / services	1,887,345	2,709,088
<b>Fauji Foods Limited</b>		
Material / services provided	1,791	7,475
Mark-up on sub-ordinated loan	98,947	-
Mark-up receivables on sub-ordinated loan	217,811	118,864 *
Receivable against material / services	1,791	-
<b>FFBL Foods Limited</b>		
Expenses incurred	261	-
Receivables against expenses incurred	244	-
Receipts during period	17	-



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

	2020	2019
	(Rupees '000)	
<b>Transactions with associates:</b>		
<b>Fauji Fertilizer Company Limited</b>		
Services and material acquired	225,787	93,683
Receipts under consignment account	16,643,644	6,844,003
Commission charged	3,664	1,240
<b>Askari Bank Limited</b>		
Balances at bank	362,080	337,116 *
Profit on bank balances	44,700	11,785
Long-term loans	500,000	500,000 *
Mark-up on long-term loans	17,759	11,271
Mark-up payable on long-term loans	644	18,740 *
Dividend received	-	271,884
<b>Fauji Cement Company Limited</b>		
Dividend received	-	14,063
<b>Foundation Wind Energy - I Ltd &amp; Foundation Wind Energy - II Ltd</b>		
Dividend received	-	175,000
<b>Transactions with joint venture:</b>		
<b>Pakistan Maroc Phosphore S.A, Morocco</b>		
Purchase of raw materials	4,806,668	6,796,500
Expenses incurred on behalf of joint venture	2,726	3,240
Balance payable at the period end - secured	2,859,123	6,593,346 *
Balance receivable at the period end - unsecured	8,556	9,231 *
<b>Other related parties:</b>		
Contribution to Provident Fund	17,795	17,954
Payment to Workers' (Profit) Participation Fund	-	10,954
Payment to gratuity fund	57,811	-
Remuneration of key management personnel	41,014	77,473
Meeting fee to directors	2,250	1,425
Payable to Worker's Welfare Fund at the period end - unsecured	561,622	561,622 *
Payable to Gratuity Fund	237,850	278,413 *

\* These balance of accounts, appearing as comparatives, are as at December 31, 2019 (audited).



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2020

In addition to the above:

- a ranking charge amounting to US\$ 91,456,667 and Rs. 4,000 million (2019: 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.
- a ranking charge amounting to US\$ 89,146,667 and Rs. 4,000 million (2019: US\$ 89,146,667 and Rs. 4,000 million) has been registered on the assets of the Company, in respect of project financing arranged by Foundation Wind Energy-II Limited.
- 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)



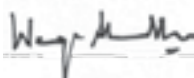
# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2020

	Level 1	Level 2	Level 3
	(Rupees' 000)		
<b>March 31, 2020 - un-audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short-term investments	9,029	-	-
<b>December 31, 2019 - audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short-term investments	9,029	-	-

## 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 April 24, 2020 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER







A black and white photograph of several small seedlings with two leaves each, growing out of dark, textured soil. The seedlings are in the foreground, and the background is a blurred field of similar plants under bright, hazy light.

# **Condensed Interim Consolidated Financial Statements**



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT MARCH 31, 2020

		March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
Note		(Rupees '000)	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
	Share capital	9,341,100	9,341,100
	Capital reserve	228,350	228,350
	Statutory reserve	1,443,525	1,329,299
	<b>Revenue reserves</b>		
	Translation reserve	2,889,794	2,866,785
	Revaluation reserve on available for sale investments, net of tax	(463,354)	(744,310)
	Accumulated loss	(6,611,134)	(3,875,066)
		6,828,281	9,146,158
	<b>Non-Controlling Interest</b>	1,304,476	1,582,983
		8,132,757	10,729,141
<b>NON-CURRENT LIABILITIES</b>			
	Long-term loans	5 29,888,986	31,899,500
	Finance lease liability	519,111	541,905
	Deferred liabilities	6 3,992,674	3,641,252
		34,400,771	36,082,657
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
	Trade and other payables	35,352,352	36,638,874
	Advance from customer	378,117	193,815
	Unpaid dividend	10,954	10,954
	Unclaimed dividend	118,483	119,606
	Accrued interest	1,788,022	1,520,388
	Short-term borrowings	34,649,513	39,598,125
	Current portion of long-term loans	5 9,271,523	8,951,344
	Current portion of finance lease liability	175,010	183,998
		81,743,974	87,217,104
		124,277,502	134,028,902

### CONTINGENCIES AND COMMITMENTS

7

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



	March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
Note	(Rupees '000)	

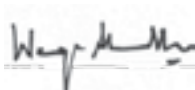
## **ASSETS**

### **NON-CURRENT ASSETS**

Property, plant and equipment	8	51,259,306	50,960,138
Intangible assets		415,429	419,534
Long-term investments	9	21,399,967	20,238,869
Long-term advances		14,757	18,385
Long-term deposits		85,249	85,249
		73,174,708	71,722,175

### **CURRENT ASSETS**

Stores and spares		3,519,462	3,707,246
Stock-in-trade		16,507,782	17,137,919
Trade debts		5,794,694	10,411,213
Advances		1,731,177	1,265,006
Trade deposits and short-term prepayments		196,061	296,119
Interest accrued		16,603	42,428
Other receivables	10	4,101,552	6,089,123
Income tax refundable - net		4,381,934	4,360,559
Sales tax refundable		10,478,878	9,793,750
Short-term investments	11	29,029	1,409,029
Cash and bank balances		4,345,622	7,794,335
		51,102,794	62,306,727
		124,277,502	134,028,902



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



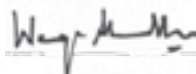
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

		2020	2019
	Note	(Rupees '000)	
Sales - net	12	12,879,987	6,877,403
Cost of sales	13	(11,821,750)	(6,054,096)
<b>Gross profit</b>		<b>1,058,237</b>	<b>823,307</b>
Selling and distribution expenses		(988,907)	(1,074,278)
Administrative expenses		(459,179)	(487,846)
		(389,849)	(738,817)
Finance costs		(2,824,558)	(1,924,569)
Other operating expenses		(272,637)	(83,602)
		(3,487,044)	(2,746,988)
<i>Other income</i>	14		
Share of profit of joint venture and associates - net		807,552	114,660
Others		235,414	294,848
		1,042,966	409,508
<b>Loss before taxation</b>		<b>(2,444,078)</b>	<b>(2,337,480)</b>
Taxation - net	15	(456,271)	(78,666)
<b>Loss after taxation</b>		<b>(2,900,349)</b>	<b>(2,416,146)</b>
<b>Attributable to:</b>			
- Owners of the Holding Company		(2,621,842)	(2,235,165)
- Non-controlling interest		(278,507)	(180,981)
		(2,900,349)	(2,416,146)
<b>Loss per share - basic and diluted (Rupees)</b>		<b>(2.81)</b>	<b>(2.39)</b>

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



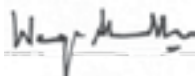
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

	2020	2019
	(Rupees '000)	
<b>Loss after taxation</b>	<b>(2,900,349)</b>	<b>(2,416,146)</b>
<b>Other comprehensive income / (loss)</b>		
Exchange difference on translating a joint venture	25,964	500,252
Effect of translation - share of associate	(2,955)	19,040
Revaluation reserve on available for sale investments	330,537	(531,546)
Related deferred tax	(49,581)	79,732
	280,956	(451,814)
<b>Total comprehensive loss</b>	<b>(2,596,384)</b>	<b>(2,348,668)</b>
<b>Attributable to:</b>		
- Owners of the Holding Company	(2,317,877)	(2,167,687)
- Non-controlling interest	(278,507)	(180,981)
	<b>(2,596,384)</b>	<b>(2,348,668)</b>

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



**CHAIRMAN**



**CHIEF EXECUTIVE**



**DIRECTOR**



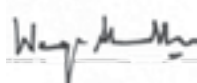
**CHIEF FINANCIAL OFFICER**



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2020

	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, 2019 - audited	9,341,100	228,350	(481,495)	1,050,097	1,688,216	4,383,873	3,826,318	20,036,459
<b>Total comprehensive (loss) / income</b>								
Loss for the period after taxation	-	-	-	-	-	(2,235,165)	(180,981)	(2,416,146)
Other comprehensive (loss) / income for the period	-	-	(451,814)	-	519,292	-	-	67,478
Total comprehensive (loss) / income for the period	-	-	(451,814)	-	519,292	(2,235,165)	(180,981)	(2,348,668)
Transfer to statutory reserve	-	-	-	34,850	-	(34,850)	-	-
<b>Transactions with owners, recorded directly in equity</b>								
<b>Distributions to owners</b>								
Final dividend 2018 (Re. 1 per ordinary share)	-	-	-	-	-	(934,110)	-	(934,110)
<b>Balance as at March 31, 2019</b>	<b>9,341,100</b>	<b>228,350</b>	<b>(933,309)</b>	<b>1,084,947</b>	<b>2,207,508</b>	<b>1,179,748</b>	<b>3,645,337</b>	<b>16,753,681</b>
Balance as at January 01, 2020 - audited	9,341,100	228,350	(744,310)	1,329,299	2,866,785	(3,875,066)	1,582,983	10,729,141
<b>Total comprehensive (loss) / income</b>								
Loss for the period after taxation	-	-	-	-	-	(2,621,842)	(278,507)	(2,900,349)
Other comprehensive income for the period	-	-	280,956	-	23,009	-	-	303,965
Total comprehensive (loss) / income for the period	-	-	280,956	-	23,009	(2,621,842)	(278,507)	(2,596,384)
Transfer to statutory reserve	-	-	-	114,226	-	(114,226)	-	-
<b>Balance as at March 31, 2020</b>	<b>9,341,100</b>	<b>228,350</b>	<b>(463,354)</b>	<b>1,443,525</b>	<b>2,889,794</b>	<b>(6,611,134)</b>	<b>1,304,476</b>	<b>8,132,757</b>

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



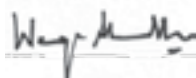
CHIEF FINANCIAL OFFICER



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2020

	Note	2020 (Rupees '000)	2019 (Rupees '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operating activities	16	5,409,888	(9,107,507)
Income tax paid		(183,025)	(683,640)
Payment to Gratuity Fund		(53,627)	(8,896)
Finance cost paid		(2,545,871)	(1,549,739)
Compensated absences paid		(14,037)	(3,682)
Payment to Workers Welfare Fund		(5,626)	-
Payment to Workers' (Profit) Participation Fund		(19,421)	(139,502)
Net cash generated from / (used in) operating activities		2,588,281	(11,492,966)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		(968,715)	(675,375)
Intangible assets		(1,245)	-
Long-term advances		3,628	13,658
Dividend received		-	466,069
Sale proceeds of property, plant and equipment		10,599	27,249
Investment at fair value through profit or loss - net		-	3,290,428
Cash dividend on mutual fund		-	57,224
Profit received on bank balances and term deposits		221,645	166,037
Net cash (used in) / generated from investing activities		(734,088)	3,345,290
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short-term borrowings - net		(5,549,998)	3,899,223
Long-term loans		(1,701,389)	(709,631)
Finance lease liability		(31,782)	(45,684)
Dividend paid		(1,123)	(1,498)
Net cash (used in) / generated from financing activities		(7,284,292)	3,142,410
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(5,430,099)	(5,005,266)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		(15,903,799)	(4,564,653)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		(21,333,898)	(9,569,919)
<b>CASH AND CASH EQUIVALENTS</b>			
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		4,345,622	6,163,785
- Short-term highly liquid investments		20,000	1,100,000
- Short-term running finance		(25,699,520)	(16,833,704)
		(21,333,898)	(9,569,919)

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2020

### 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, 2019. The comparative Consolidated Statement of Financial Position is extracted from the annual consolidated financial statements, as of December 31, 2019, 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 March 31, 2019.

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, 2019.



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2020

### 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, 2019.

### 4 Group consists of following subsidiary companies:

	Ownership in 2020	Ownership in 2019
Fauji Meat Limited	90.18%	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.

		March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
	Note	(Rupees '000)	
<b>5 LONG-TERM LOANS</b>			
Loans from banking companies-secured		39,160,509	40,850,844
Less: Current portion shown under current liabilities		9,271,523	8,951,344
		<b>29,888,986</b>	<b>31,899,500</b>
<b>6 DEFERRED LIABILITIES</b>			
Compensated leave absences		689,044	681,824
Deferred taxation	6.1	3,303,630	2,959,428
		<b>3,992,674</b>	<b>3,641,252</b>



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

	March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
	(Rupees '000)	
<b>6.1 DEFERRED TAXATION - NET</b>		
<b>The balance of deferred tax is in respect of the following taxable / (deductible) temporary differences:</b>		
Accelerated depreciation	2,081,027	2,885,948
Share of profit of joint venture and associates - net	1,270,297	1,142,960
Share of profit of subsidiary	868,465	738,287
Provision for inventory obsolescence	(42,063)	(38,003)
Provision for doubtful other receivables	(57,116)	(57,116)
Deferred tax on revaluation of available for sale investments	(92,749)	(142,330)
Unabsorbed losses	(724,231)	(1,570,318)
	<b>3,303,630</b>	<b>2,959,428</b>
<b>7 CONTINGENCIES AND COMMITMENTS</b>		
<b>Contingencies</b>		
i) Guarantees issued by banks on behalf of FFBL	23,103	53,409
ii) Group's share of contingent liabilities of Fauji Cement Company Limited as at December 31, 2019	25,610	24,222
iii) Group's share of contingent liabilities of Foundation Wind Energy - I Limited as at December 31, 2019	64,296	64,296
iv) Group's share of contingent liabilities of Foundation Wind Energy - II Limited as at December 31, 2019	240,800	240,800
v) Group's share of contingent liabilities of Askari Bank Limited as at December 31, 2019	40,800,892	41,498,101
vi) Contingent liabilities of FML	308,223	308,223
vii) Contingent liabilities of FFL	2,878,680	2,878,680



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

	<b>March 31, 2020 (Un - audited)</b>	<b>December 31, 2019 (Audited)</b>
	<b>(Rupees '000)</b>	
<b>Commitments</b>		
i) Capital expenditures - FFBL	<b>270,824</b>	400,541
ii) Letters of credit - FFBL	<b>763,244</b>	763,244
iii) Group's share of commitments of FWEL-I & FWEL-II	<b>223,976</b>	222,534
iv) Group's share of commitments of PMP as at December 31, 2019	<b>64,341</b>	65,710
v) Commitments of FML	<b>-</b>	4,040
vi) Commitments of FPCL	<b>231,000</b>	1,697,660
vii) Group's share of commitments of Fauji Cement Company Limited as at December 31, 2019	<b>1,714</b>	4,882
viii) Commitments of FFL	<b>19,370</b>	29,930
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>		
Opening written down value	<b>50,960,138</b>	50,217,763
Additions during the period / year	<b>968,715</b>	4,240,851
Disposals during the period / year	<b>(30,426)</b>	(250,179)
Depreciation during the period / year	<b>(659,388)</b>	(3,315,801)
Depreciation charged on disposals during the period / year	<b>20,267</b>	154,511
Adjustments during the period / year	<b>-</b>	(87,007)
Closing written down value	<b>51,259,306</b>	50,960,138



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

**9**

**LONG-TERM INVESTMENTS**

**Investment in joint venture - equity method**

Pakistan Maroc Phosphore S.A, Morocco (PMP)

Balance brought forward

Share of profit

Dividend

Gain on translation of net assets

Closing balance

**Investment in associates - equity method**

Fauji Cement Company Limited

Balance brought forward

Share of profit

Dividend

Closing balance

Foundation Wind Energy - I Limited

Opening balance

Share of (loss) / profit

Dividend

Closing balance

Foundation Wind Energy - II Limited

Opening balance

Share of (loss) / profit

Dividend

Closing balance

Askari Bank Limited

Opening balance

Share of profit

Dividend

Revaluation reserve of available for sale investment

Effect of translation

Closing balance

**Investment - available for sale - unquoted**

Arabian Sea Country Club Limited

300,000 ordinary shares of Rs. 10 each

Less: Impairment in value of investment

	March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
	(Rupees '000)	
Balance brought forward	5,991,039	4,770,687
Share of profit	316,432	803,230
Dividend	-	(746,784)
Gain on translation of net assets	25,964	1,163,906
Closing balance	6,333,435	5,991,039
Balance brought forward	422,373	420,371
Share of profit	2,230	30,127
Dividend	-	(28,125)
Closing balance	424,603	422,373
Opening balance	2,899,002	2,388,392
Share of (loss) / profit	(43,493)	563,110
Dividend	-	(52,500)
Closing balance	2,855,509	2,899,002
Opening balance	2,874,539	2,430,853
Share of (loss) / profit	(39,228)	566,186
Dividend	-	(122,500)
Closing balance	2,835,311	2,874,539
Opening balance	8,051,916	7,498,015
Share of profit	571,611	1,120,316
Dividend	-	(271,884)
Revaluation reserve of available for sale investment	330,537	(309,194)
Effect of translation	(2,955)	14,663
Closing balance	8,951,109	8,051,916
300,000 ordinary shares of Rs. 10 each	3,000	3,000
Less: Impairment in value of investment	3,000	3,000
	-	-
	21,399,967	20,238,869



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

**10 OTHER RECEIVABLES**

This includes an amount of Rs. 918 million (December 31, 2019: Rs. 2,886 million) receivable from Fauji Fertilizer Company Limited, an associated company on account of amount recovered from customers, against sales of the Holding Company's products under an inter-company services agreement.

March 31, 2020 (Un - audited)	December 31, 2019 (Audited)
(Rupees '000)	

**11 SHORT-TERM INVESTMENTS**

**Loans and receivables**

Term deposits with banks and financial institutions	20,000	1,400,000
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**Investments at fair value through profit or loss**

Mutual funds	9,029	9,029
	29,029	1,409,029

- 11.1 The balance at the period end includes investments in term deposits receipts of various banks, having maturity periods upto 3 months, and carrying mark-up at 14.10% per annum (December 31, 2019: 12.80% to 14.50% per annum).

Note	2020	2019
	(Rupees '000)	

**12 SALES - NET**

Gross sales	14,047,666	7,741,294
Less:		
Sales tax	938,736	676,091
Variable trade rebates	80,811	74,829
Trade discount	56,906	34,110
Advance tax u/s 235	87,416	77,071
Commission	3,810	1,790
	1,167,679	863,891
	12,879,987	6,877,403

- 12.1 It includes commission paid at the rate of Re.1 per bag to Fauji Fertilizer Company Limited, based on an inter-company services agreement.



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2020**

	2020	2019
	(Rupees '000)	
<b>13 COST OF SALES</b>		
Raw materials consumed	8,400,170	12,179,203
Packing materials consumed	556,998	646,418
Fuel and power	291,950	321,137
Ash Dumping	2,369	3,682
Lairage	1,090	1,275
Stores and supplies consumed	198,669	168,052
Salaries, wages and benefits	689,786	552,206
Repairs and maintenance	555,284	708,880
Travel and conveyance	52,344	50,004
Rent, rates and taxes	65,162	20,507
Insurance	99,531	43,681
Utilities	48,226	12,565
Provision for slow moving stores	14,000	-
Communication, establishment and others expenses	58,946	42,196
Depreciation	599,004	736,992
Opening stock - work in process	341,189	133,055
Closing stock - work in process	(312,120)	(148,751)
Cost of goods manufactured	11,662,598	15,471,102
Opening stock - finished goods	12,022,295	3,155,514
Closing stock - finished goods	(11,863,143)	(12,572,520)
Cost of sales	11,821,750	6,054,096



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
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	2020	2019
	(Rupees '000)	
<b>14 OTHER INCOME</b>		
<b>Share of profit / (loss) from joint venture and associates</b>		
Pakistan Maroc Phosphore S.A, Morocco	316,432	32,714
Foundation Wind Energy - I Limited	(43,493)	(53,704)
Foundation Wind Energy - II Limited	(39,228)	(52,913)
Fauji Cement Company Limited	2,230	13,562
Askari Bank Limited	571,611	175,001
	<b>807,552</b>	<b>114,660</b>
Profit on bank balances & term deposits	195,820	154,296
Gain / Dividend from mutual funds	-	54,112
Cash bonus on mutual funds	-	57,224
Scrap sale and other receipts	33,587	21,529
Gain on sale of property, plant and equipment	440	5,017
Miscellaneous income	5,567	2,670
	<b>235,414</b>	<b>294,848</b>
	<b>1,042,966</b>	<b>409,508</b>
<b>15 TAXATION</b>		
Current tax	161,650	132,816
Deferred tax	294,621	(54,150)
	<b>456,271</b>	<b>78,666</b>



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
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**16 CASH GENERATED FROM / (USED IN) OPERATIONS**

	2020	2019
	(Rupees '000)	
<b>Loss before taxation</b>	<b>(2,444,078)</b>	<b>(2,337,480)</b>
<b>Adjustment for</b>		
Provision for gratuity	22,703	23,340
Exchange loss	227,018	43,808
Provision for compensated absences	21,257	27,632
Provision for Workers' Welfare Fund	1,237	-
Provision for Workers' Profit Participation Fund	45,517	37,884
Amortization of transaction cost of long-term finance	11,053	10,556
Depreciation	659,388	804,208
Amortization	5,347	-
Provision for slow moving stores	14,000	-
Finance cost	2,813,505	1,914,013
Profit on bank balances and term deposits	(195,820)	(154,296)
Income / Dividend on mutual funds	-	(54,112)
Cash bonus on mutual funds	-	(57,224)
Profit from joint venture and associates - net	(807,552)	(114,660)
Gain on sale of property, plant and equipment	(440)	(5,017)
<b>Operating profit before working capital changes</b>	<b>373,135</b>	<b>138,652</b>
<b>Changes in working capital:</b>		
Stores and spares	173,784	(69,978)
Stock-in-trade	630,137	(12,223,741)
Trade debts	4,616,519	1,763,408
Advances	(466,171)	(276,538)
Trade deposits and short-term prepayments	100,058	8,936
Other receivables	1,987,571	1,686,137
Sales tax receivable	(685,128)	(1,132,197)
Trade and other payables	(1,320,017)	997,814
	<b>5,036,753</b>	<b>(9,246,159)</b>
	<b>5,409,888</b>	<b>(9,107,507)</b>

**17 RELATED PARTY TRANSACTIONS**

Fauji Fertilizer Company Limited (FFCL) has 49.88% share holding in FFBL (2019: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2019: 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.

	2020	2019
	(Rupees '000)	
<b>Transactions with Fauji Foundation (FF)</b>		
Expenses incurred	119	-
<b>Transactions with associated undertakings due to common directorship</b>		
<b>Fauji Fertilizer Company Limited</b>		
Services and material acquired	225,787	93,683
Receipts under consignment account	16,643,644	6,844,003
Commission charged	3,664	1,240



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
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	2020	2019
	(Rupees '000)	
<b>Askari Bank Limited</b>		
Balances at bank	859,580	337,116 *
Profit on bank balances	44,952	17,248
Long-term loans	500,000	500,000 *
Short-term running finance	931,412	907,907 *
Mark-up on long-term loans	17,759	11,271
Mark-up on running finance	28,856	19,565
Mark-up payable on long-term loans	644	18,740 *
Utility expenses	-	582
Dividend received	-	271,884
<b>Fauji Cement Company Limited</b>		
Dividend received	-	14,062
<b>Foundation Wind Energy - I Limited &amp; Foundation Wind Energy - II Limited</b>		
Dividend received	-	175,000
<b>Transactions with joint venture</b>		
Purchase of raw materials	4,806,668	6,796,500
Expenses incurred on behalf of joint venture	2,726	3,240
Balance payable at the period end - secured	2,859,123	6,593,346 *
Balance receivable at the period end - unsecured	8,556	9,231 *
<b>Other related parties</b>		
Contribution to Provident Fund	31,003	24,685
Payment to WWF & WPPF	25,047	139,502
Payment to Gratuity Fund	53,627	8,896
Remuneration of key management personnel	78,886	120,718
Meeting fee to directors	4,490	3,328
Noon Sugar Mills - purchase of sugar	4,388	-
Balance payable - unsecured (WWF and WPPF)	608,807	587,100 *
Payable to Provident Fund	8,589	9,560 *
Payable to Gratuity Fund	307,308	338,282 *

\*Balance of accounts appearing as comparatives are as at December 31, 2019 (audited)

In addition to above:

Ranking charge amounting to US\$ 91,456,667 and Rs. 4,000 million (2019: 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.

Ranking charge amounting to US\$ 89,146,667 and Rs. 4,000 million (2019: US\$ 89,146,667 and Rs. 4,000 million) has been registered on assets of FFBL in respect of project financing arranged by Foundation Wind Energy-II Limited.



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
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**18 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)					
<b>March 31, 2020</b>						
<b>Revenue</b>	<b>9,558,197</b>	<b>1,667,053</b>	<b>159,323</b>	<b>3,921,792</b>	<b>(2,426,378)</b>	<b>12,879,987</b>
<b>(Loss) / Profit after tax</b>	<b>(3,048,064)</b>	<b>(933,365)</b>	<b>(348,767)</b>	<b>867,851</b>	<b>561,996</b>	<b>(2,900,349)</b>
<b>March 31, 2019</b>						
<b>Revenue</b>	<b>3,499,359</b>	<b>1,385,876</b>	<b>408,041</b>	<b>3,669,019</b>	<b>(2,084,892)</b>	<b>6,877,403</b>
<b>(Loss) / Profit after tax</b>	<b>(1,867,255)</b>	<b>(609,502)</b>	<b>(342,015)</b>	<b>708,944</b>	<b>(306,318)</b>	<b>(2,416,146)</b>
<b>March 31, 2020</b>						
<b>Assets</b>	<b>81,148,935</b>	<b>12,042,809</b>	<b>7,557,030</b>	<b>34,167,468</b>	<b>(10,638,740)</b>	<b>124,277,502</b>
<b>Liabilities</b>	<b>77,363,038</b>	<b>19,790,203</b>	<b>5,814,747</b>	<b>19,790,203</b>	<b>(6,613,446)</b>	<b>116,144,745</b>
<b>December 31, 2019</b>						
<b>Assets</b>	<b>91,166,569</b>	<b>12,099,369</b>	<b>7,901,327</b>	<b>33,408,997</b>	<b>(10,547,360)</b>	<b>134,028,902</b>
<b>Liabilities</b>	<b>84,332,608</b>	<b>15,830,792</b>	<b>5,810,275</b>	<b>19,899,583</b>	<b>(2,573,497)</b>	<b>123,299,761</b>

**19 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

**19.1 Financial risk factors**

The group's activities expose it to a variety of financial risk including market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently these condensed interim consolidated financial statements do not include all the financial risk management information and disclosures required in the annual consolidated financial statements.

**19.2 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)



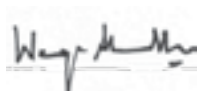
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
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	Level 1	Level 2	Level 3
	(Rupees' 000)		
<b>March 31, 2020 - un-audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short-term investments	9,029	-	-
<b>December 31, 2019 - audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short-term investments	9,029	-	-

**20 GENERAL**

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

**20.2** These condensed interim consolidated financial statements were authorized for issue on April 24, 2020 by the Board of Directors of the Holding Company.



**CHAIRMAN**



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**



