Third Quarter

ACCOUNTS

2018

FFBL

Fauji Fertilizer Bin Qasim Limited

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)
- Mr Qaiser Javed
- Dr. Nadeem Inayat
- Maj Gen Kaleem Saber Taseer, HI(M), (Retd)
- Maj Gen Tahir Ashraf Khan, HI(M), (Retd)
- Maj Gen Wasim Sadiq, HI(M), (Retd)
- Brig Raja Jahanzeb, SI (M), (Retd)
- Mr Naved A. Khan
- Mr Nasier A. Sheikh
- Dr. Rashid Bajwa

COMPANY SECRETARY
Brig Syed Mujtaba Tirmizi, SI (M), (Retd)

CHIEF FINANCIAL OFFICER
Syed Aamir Ahsan

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/I/P-1 Eastern Zone, Port Qasim, Karachi 75020.
Tel: +92 21 34724500-29 Fax : +92 21 34750704
Email: information@ffbl.com

WEB PRESENCE
www.ffbl.com

BANKERS

Habib Bank Limited
MCB Bank Limited
United Bank Limited
National Bank of Pakistan
Allied Bank Limited
Askari Bank Limited
Faysal Bank Limited
Standard Chartered Bank (Pakistan) Limited
Habib Metropolitan Bank Limited
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 Taraqiati Bank Limited
Industrial & Commercial 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 period ended September 30, 2018

The Board of Directors is pleased to present a brief overview of the operational and financial performance of the Company for the nine months ended September 30, 2018.

Overall performance of the plants remained satisfactory during the period. Average Gas curtailment was reduced to 4% during the period compared to 8% in the same period of last year. Provision of power and steam by FFBL Power Company Ltd to FFBL enabled the Company to utilize the gas as raw material, instead of fuel and enhance its production. Production of Ammonia at 360 Kt and Urea at 414 Kt is higher by 2% and 9% respectively whereas production of DAP at 544 Kt is lower by 9% compared with the corresponding period of last year. DAP production was lower due to unavailability of Phosphoric acid on account of repair activities at Pakistan Maroc Phosphore (PMP).

In Federal Government budget 2018-19; subsidy on Urea (Rs. 100/bag) was withdrawn by GoP, but to minimize the effect on prices, GST was reduced from 5% to 2%. Similarly fixed GST of Rs. 100 /bag on DAP was also substituted with GST of 2%. However, input sales tax continues to ranges from 5% to 17%, which has resulted in total GST receivable of Rs. 3,738 million as at September 30, 2018.

Urea sales during nine months ended September 30, 2018 were 411 Kt, showing increase of 19% as compared to 344 Kt sales of corresponding period. DAP sales during the period were 420 Kt, 1% lower than 426 Kt sales of corresponding period.

Year 2018 started on a positive note with market tilted towards balanced supply situation. Water scarcity affected fertilizer consumption but rising fertilizer price trend kept dealers interested in forward buying. It resulted in increased availability of stocks with the dealers, which kept the market prices close to the dealer transfer prices.

Multiple factors like impact of increasing USD / PKR parity and rising inflation during 2nd quarter of the year forced the fertilizer manufacturing companies to increase domestic prices to ensure business viability. Furthermore, GoP announcement of withdrawal of subsidy and adjustment of GST on Urea from July 1, 2018 stimulated forward buying as dealers expected net increase in prices.

Urea market generally remained steady during the nine months ended September 30, 2018. Industry Urea production during this period is estimated at 4,090 Kt, 5% less than 4,310 Kt production during the same period of preceding year. Domestic sales are estimated at 4,135 Kt, 1% higher than the sales during same period of preceding year. Industry also exported 76 Kt Urea during the period under review. Estimated industry inventory as at September 30, 2018 is 110 Kt. GoP decided to import 100 Kt urea which is expected to arrive during November, 2018.

Upwards price trend in domestic market encouraged dealers to invest in phosphate products. However, water shortage and higher DAP price affected the consumption at farmer level. Year started with an inventory of 255 Kt, which was 143% more than the inventory at the start of 2017. Domestic sales of DAP during Jan - Sep 2018 is estimated at 1,265 Kt, 3% lower as compared to 1,305 Kt during the same period of last year. Industry is estimated to carry an inventory of 850 Kt into the last quarter of 2018.

During Jan - Sep 2018, FFBL share in sale of Urea market is estimated to be 10% as compared to 8% in the corresponding period, while DAP share is expected to be 33%, which is in line with last year.

FFBL's financial results for the nine month ended September 30, 2018 show a gross profit of Rs. 4,763 million as compared to gross profit of Rs. 2,083 million in corresponding period. The main reasons include classification of subsidy on Urea and DAP (Rs. 315 million as against Rs. 2,489 million in corresponding period) in other income, increase in selling price and higher sales volume of Urea. Increase in price of Phosphoric Acid, steam and power have mainly contributed towards higher cost of production. Feed and fuel gas prices were higher as compared to last year which could not be passed on to the customers.

The Company suffered exchange loss of Rs. 573 million during the period ended September 30, 2018 due to devaluation of Pak Rupee. Other income mainly includes GoP subsidy on Urea sales, income from investment with financial institutions and dividends. Net loss after tax as a result of above factors stood at Rs. 203 million against loss of Rs. 278 million in the corresponding period. Company's loss per share for nine months ended September 30, 2018 stood at Re. (0.22) against Re. (0.30) loss in the corresponding period.

PMP produced 262 Kt of P_2O_5 during the period and sold 281 Kt as against production of 349 Kt and sale of 364 Kt respectively in the corresponding period. The production variance is due to extended shutdown of Sulphuric Acid Plant due to unexpected repair of air blower steam turbine rotor. PMP earned a net profit of USD 3.64 million for the half year ended June 30, 2018 as against net profit of USD 5.07 million for the corresponding period.

During the period under review, FFBL has subscribed 150 million Ordinary shares of Fauji Meat Limited (FML) at par value of Rs.10 per share. FFBL has also entered into a sub-ordinated loan agreement with FML amounting to Rs. 3,500 million out of which Rs 1,000 million has been disbursed as at September 30, 2018.

During the period under review, FFBL has received Expression of Interest (EoI) from "Inner Mongolia Yili Industrial Group Co. Ltd for acquiring 51% shares and/or control of Fauji Foods Limited from FFBL and other shareholders. Yili is in the process of due diligence for this purpose.

FFBL remains in close coordination with Ministry of Petroleum and SSGCL for continuous and improved supply of gas in future. The Company remains committed to provide quality products to its customers and get better results for its stakeholders through improved operational efficiency at all levels.

For and on behalf of the Board

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

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

Islamabad
October 25, 2018

ڈائریکٹرز کا تجزیہ (30 ستمبر 2018)

بورڈ آف ڈائریکٹرز کو 30 ستمبر 2018 کو ختم ہونے والے نو ماہ کے لیے کمپنی کی پیداواری اور مالیاتی کارکردگی کا مختصر جائزہ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

اس مدت کے دوران پلانٹس کی مجموعی کارکردگی تسلی بخش رہی۔ گیس کی اوسط تخفیف گذشتہ سال کی اسی مدت کے دوران 8 فیصد کے مقابلے میں 4 فیصد رہی۔ ایف ایف بی ایل پاور کمپنی لمیٹڈ کی طرف سے فوجی فرٹیلائزر بن قاسم لمیٹڈ کو بجلی اور بھاپ کی فراہمی سے گیس کو ایندھن کے استعمال کے بجائے پیداوار بڑھانے کے لیے خام مال کے طور پر استعمال کرنے میں مدد ملی۔

گذشتہ سال کی اسی مدت کے مقابلے میں امونیا کی 360 ہزار ٹن پیداوار اور یوریا کی 414 ہزار ٹن پیداوار بالترتیب 2 فیصد اور 9 فیصد زیادہ رہی جب کہ ڈی اے پی کی 544 ہزار ٹن پیداوار 9 فیصد کم رہی۔ ڈی اے پی کی پیداوار میں کمی پی ایم پی میں مرمتی کام کے باعث فاسفورک ایسڈ کی عدم دستیابی کی وجہ سے تھی۔

وفاقی حکومت کے بجٹ 19-2018 میں حکومت پاکستان کی طرف سے یوریا پر ایک سو روپے فی بیگ سبسڈی واپس لے لی گئی، لیکن قیمتوں پر اثرات کو کم کرنے کے لیے جنرل سیلز ٹیکس کو پانچ فیصد سے کم کر کے دو فیصد کر دیا گیا۔ اسی طرح ڈی اے پی کے ایک بیگ پر ایک سو روپے مستقل جنرل سیلز ٹیکس کو دو فیصد جنرل سیلز ٹیکس سے تبدیل کر دیا گیا۔ تاہم پیداواری اجزاء پر جنرل سیلز ٹیکس پانچ سے سترہ فیصد کے درمیان رہی ہے جس کے نتیجے میں 30 ستمبر 2018 تک قابل وصول جنرل سیلز ٹیکس کی مقدار 3738 ملین روپے رہی۔

30 ستمبر 2018 کو ختم ہونے والے نو ماہ کے دوران یوریا کی فروخت 411 ہزار ٹن رہی جو گذشتہ سال کی اسی مدت کے دوران ہونے والی 344 میٹرک ٹن فروخت کے مقابلے میں 19 فیصد زیادہ ہے۔ اس مدت کے دوران ڈی اے پی کی فروخت 420 ہزار ٹن رہی جو گذشتہ سال کی اسی مدت کے دوران 426 ہزار ٹن فروخت سے ایک فیصد کم ہے۔

سال 2018 کا آغاز مثبت انداز میں ہوا اور مارکیٹ میں سپلائی کی صورت حال متوازن ہوتی گئی۔ پانی کی کمی کے باعث کھاد کا استعمال متاثر ہوا لیکن کھاد کی بڑھتی ہوئی قیمت کے رجحان کے باعث ڈیلروں کی دلچسپی مستقبل کی خریداری میں برقرار رہی۔ اس کے نتیجے میں ڈیلروں کے پاس سٹاک میں اضافہ ہوا جس کی وجہ سے مارکیٹ میں قیمتیں ڈیلر کی منتقلی کی قیمتوں کے آس پاس رہیں۔

متعدد عوامل جیسا کہ بڑھتی ہوئی امریکی ڈالر اور پاکستانی روپے کی مناسبت اور بڑھتی ہوئی مہنگائی کی وجہ سے سال کی دوسری سہ ماہی میں کھاد بنانے والی کمپنیوں کو اپنے کاروبار کی مربوطی کو یقینی بنانے کے لیے کھاد کی قیمتوں میں اضافہ کرنا پڑا۔ مزید یہ کہ حکومت پاکستان کی طرف سے یکم جولائی 2018 سے سبسڈی کی واپسی اور جنرل سیلز ٹیکس میں ردوبدل نے ڈیلروں میں مستقبل کے سودوں کے لیے تحریک پیدا کی کیوں کہ انہیں قیمتوں میں مجموعی اضافے کی توقع تھی۔

30 ستمبر 2018 کو ختم ہونے والے نو ماہ کے دوران یوریا کی مارکیٹ عمومی طور پر مستحکم رہی۔ اس مدت کے دوران یوریا کی صنعتی پیداوار کا تخمینہ 4090 ہزار ٹن رہا جو گذشتہ سال کی اسی مدت کے دوران ہونے والی 4130 ہزار ٹن کی پیداوار سے پانچ فیصد کم ہے۔ ملکی فروخت کا تخمینہ 4135 ہزار ٹن لگایا گیا جو گذشتہ سال کی اسی مدت کے مقابلے میں ایک فیصد زیادہ ہے۔

یوریا کی صنعت نے جائزہ مدت کے دوران 76 ہزار ٹن یوریا کھاد برآمد بھی کی۔ 30 ستمبر 2018 کو صنعت کے پاس ذخیرے کا تخمینہ 110 ہزار ٹن تھا۔ حکومت پاکستان نے 100 ہزار ٹن یوریا درآمد کرنے کا فیصلہ کیا جس کی آمد نومبر 2018 میں متوقع ہے۔

ملکی قیمت میں اضافے کے رجحان نے ڈیلروں کی فاسفیٹ مصنوعات میں سرمایہ کاری کی حوصلہ افزائی کی۔ تاہم پانی کی کمی اور ڈے اے پی کی زیادہ قیمت نے کسان کی سطح پر کھپت کو متاثر کیا۔ سال کا آغاز 255 ہزار ٹن کے ذخیرے کے ساتھ ہوا جو سال 2017 کے آغاز پر ذخیرے کے مقابلے میں 143 فیصد زیادہ تھا۔

جنوری تا ستمبر 2018 ڈی اے پی کی فروخت کا تخمینہ 1265 ہزار ٹن رہا جو گذشتہ سال کی اسی مدت کے دوران ہونے والی 1305 ہزار ٹن فروخت کے مقابلے میں 3 فیصد کم ہے۔ اندازہ ہے کہ 2018 کی آخری سہ ماہی میں صنعت کے پاس 850 ہزار ٹن ذخیرہ ہوگا۔

جنوری تا ستمبر 2018 کے دوران فوجی فرٹیلائزر بن قاسم لمیٹڈ کا یوریا مارکیٹ میں فروخت کا حصہ گذشتہ سال کی اسی مدت کے دوران 8 فیصد کے مقابلے میں 10 فیصد ہے جب کہ ڈی اے پی کا حصہ 33 فیصد متوقع ہے جو گذشتہ سال کے ساتھ مطابقت رکھتا ہے۔

30 ستمبر 2018 کو ختم ہونے والی نو ماہ کی مدت کے لیے فوجی فرٹیلائزر بن قاسم لمیٹڈ کے مالیاتی نتائج میں گذشتہ سال کی اسی مدت کے دوران ہونے والے 2083 ملین روپے کے مجموعی منافع کے مقابلے میں 4763 ملین روپے کا مجموعی منافع دکھایا گیا ہے۔

اہم وجوہات میں یوریا اور ڈی اے پی پر سبسڈی کی درجہ بندی، قیمت فروخت میں اضافہ اور یوریا کی فروخت کا زیادہ حجم شامل ہیں۔ (اس سال 315 ملین روپے کی سبسڈی دیگر آمدن میں شامل ہے جبکہ گذشتہ سال 2489 ملین روپے کی سبسڈی دیگر آمدن میں شامل تھی)

فاسفورک ایسڈ، بھاپ اور بجلی کی قیمتوں میں اضافہ پیداوار کی زیادہ قیمت کا باعث بنا ہے۔ پچھلے سال کے مقابلے میں فیڈ اور ایندھن گیس کی قیمتیں زیادہ تھیں جنہیں صارفین کو منتقل نہ کیا جاسکا۔

کمپنی کو پاکستانی روپے کی قدر میں کمی کے باعث 30 ستمبر 2018 کو ختم ہونے والے نو ماہ کے دوران 573 ملین روپے کا نقصان ہوا۔ دیگر آمدنی میں حکومت پاکستان کی طرف سے یوریا کی فروخت پر سبسڈی، مالیاتی اداروں میں سرمایہ کاری اور ڈیویڈنڈ سے ہونے والی آمدنی شامل ہے۔

مندرجہ بالا عوامل کے نتیجے میں ٹیکس کے بعد ہونے والا خالص نقصان 203 ملین روپے ہے جب کہ گذشتہ سال اسی مدت کے دوران یہ نقصان 278 ملین روپے تھا۔

30 ستمبر 2018 کو ختم ہونے والے نو ماہ کے لئے کمپنی کا فی حصص نقصان 22 پیسے رہا جب کہ گذشتہ سال اسی مدت کے دوران فی حصص نقصان 30 پیسے تھا۔

پی ایم پی میں اس مدت کے دوران فاسفورک ایسڈ کی 262 ہزار ٹن پیداوار حاصل ہوئی اور 281 ہزار ٹن فاسفورک ایسڈ فروخت کیا گیا جب کہ گذشتہ سال اسی مدت کے دوران 349 ہزار ٹن کی پیداوار کے مقابلے میں فروخت 364 ہزار ٹن رہی تھی۔

پیداوار میں یہ فرق سلفیورک ایسڈ پلانٹ کی طویل بندش اور ایئر بلور سٹیم ٹربائن روٹر کی غیر متوقع مرمت کی وجہ سے پڑا ہے۔

30 جون 2018 کو ختم ہونے والی نصف سال کی مدت کے دوران پی ایم پی کو 3.64 ملین امریکی ڈالر کا خالص منافع حاصل ہوا جب کہ گذشتہ سال کی اسی مدت کے دوران خالص منافع 5.07 ملین امریکی ڈالر تھا۔

زیر جائزہ مدت کے دوران فوجی فرٹیلائزر بن قاسم لمیٹڈ نے 10 روپے فی حصص کی قیمت پر ایف ایم ایل کے 150 ملین عام حصص خریدے۔ فوجی فرٹیلائزر بن قاسم لمیٹڈ نے ایف ایم ایل کے ساتھ 3500 ملین روپے کی مالیت کے مختص کردہ قرض کا معاہدہ بھی کیا، جس میں سے 30 ستمبر 2018 تک 1000 ملین روپے کی ادائیگی کی جاچکی ہے۔

زیر جائزہ مدت کے دوران فوجی فرٹیلائزر بن قاسم لمیٹڈ کو انر منگولیا یلی انڈسٹریل گروپ کمپنی کی طرف سے فوجی فرٹیلائزر بن قاسم لمیٹڈ اور دیگر فریقین سے فوجی فوڈز لمیٹڈ کے 51 فیصد حصص اور/ یا کنٹرول کے لیے اظہار دلچسپی کا نوٹس موصول ہوا۔ اس مقصد کے لیے اظہار کنندہ حقائق کا جائزہ لے رہا ہے۔

فوجی فرٹیلائزر بن قاسم لمیٹڈ مستقبل میں گیس کی مسلسل اور بہتر فراہمی کے لیے وزارت پیٹرولیم اور ایس ایس جی سی ایل کے ساتھ قریبی رابطے میں ہے۔

کمپنی ہر سطح پر بہتر پیداواری کارکردگی کے ذریعے اپنے صارفین کو معیاری مصنوعات کی فراہمی اور اپنے شراکت داروں کے لیے بہتر نتائج کے حصول کے لیے پر عزم ہے۔

منجانب بورڈ

لیفٹیننٹ جنرل سید طارق ندیم گیلانی (ریٹائرڈ)
ہلال امتیاز (ملٹری)
چیئرمین

لیفٹیننٹ جنرل جاوید اقبال (ریٹائرڈ)
ہلال امتیاز (ملٹری)
چیف ایگزیکٹو و منیجنگ ڈائریکٹر

اسلام آباد
25 اکتوبر 2018

Condensed Interim Financial Statements

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

	Note	September 30, 2018 (Un - audited)	December 31, 2017 (Audited)
		(Rupees '000)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		**9,341,100**	9,341,100
Capital reserve		**228,350**	228,350
Accumulated profit		**2,677,319**	3,581,188
		12,246,769	13,150,638
NON-CURRENT LIABILITIES			
Long-term loans	5	**12,983,333**	15,333,333
Deferred liabilities		**554,786**	524,302
		13,538,119	15,857,635
CURRENT LIABILITIES			
Trade and other payables		**28,182,250**	23,328,113
Accrued interest		**441,489**	172,805
Short-term borrowings		**12,758,317**	9,934,276
Current portion of long-term loans	5	**7,750,000**	3,208,333
		49,132,056	36,643,527
		74,916,944	65,651,800
CONTINGENCIES AND COMMITMENTS	6		

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

	Note	September 30, 2018 (Un - audited)	December 31, 2017 (Audited)
		(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	**9,818,496**	10,426,780
Long-term investments	8	**24,564,751**	23,064,751
Long-term loans	9	**1,000,000**	-
Long-term deposits		**78,643**	78,643
Deferred tax asset - net	10	**2,873,916**	1,322,118
		38,335,806	34,892,292
CURRENT ASSETS			
Stores and spares		**2,686,298**	2,745,198
Stock-in-trade		**9,063,132**	1,854,349
Trade debts		**2,064,476**	1,004,582
Advances		**1,517,293**	1,142,822
Trade deposits and short-term prepayments		**66,188**	62,006
Interest accrued		**51,585**	51,118
Current portion of long-term loans	9	**-**	33,863
Other receivables	11	**6,030,621**	4,030,390
Income tax refundable - net		**578,664**	615,257
Sales tax refundable		**3,738,105**	1,478,447
Short-term investments	12	**7,211,742**	14,194,289
Cash and bank balances		**3,573,034**	3,547,187
		36,581,138	30,759,508
		74,916,944	65,651,800

CHAIRMAN **CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2018	2017	2018	2017
		(Rupees '000)		(Rupees '000)	
Sales - net		**18,644,590**	11,601,600	**37,572,991**	27,156,128
Cost of sales	13	**(15,297,136)**	(9,807,714)	**(32,809,542)**	(25,073,257)
Gross profit		**3,347,454**	1,793,886	**4,763,449**	2,082,871
Selling and distribution expenses		**(1,305,809)**	(1,295,513)	**(3,228,406)**	(3,319,799)
Administrative expenses		**(337,415)**	(324,896)	**(941,081)**	(1,036,880)
		1,704,230	173,477	**593,962**	(2,273,808)
Finance costs		**(605,635)**	(549,886)	**(1,522,763)**	(1,471,843)
Other operating expenses		**(208,644)**	(36,428)	**(664,066)**	(82,684)
		889,951	(412,837)	**(1,592,867)**	(3,828,335)
Other income	14	**242,787**	543,056	**1,463,263**	3,489,521
Profit / (loss) before taxation		**1,132,738**	130,219	**(129,604)**	(338,814)
Taxation - net	15	**(342,326)**	(23,528)	**(73,670)**	61,222
Profit / (loss) after taxation		**790,412**	106,691	**(203,274)**	(277,592)
Earnings / (loss) per share - basic and diluted (Rupees)		**0.84**	0.11	**(0.22)**	(0.30)

The annexed notes, from 1 to 19, 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, 2018

	Quarter ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
	(Rupees '000)		(Rupees '000)	
Profit / (loss) after taxation	**790,412**	106,691	**(203,274)**	(277,592)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss)	**790,412**	106,691	**(203,274)**	(277,592)

The annexed notes, from 1 to 19, 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, 2018

	Share capital	Capital reserve	Accumulated profit	Total
	(Rupees '000)			
Balance as at January 01, 2017 - audited	9,341,100	228,350	3,187,608	12,757,058
Total comprehensive income				
Loss after taxation for the period	-	-	(277,592)	(277,592)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(277,592)	(277,592)
Transactions with owners, recorded directly in equity				
Distributions to owners				
Final dividend 2016 (Re. 0.5 per ordinary share)	-	-	(467,055)	(467,055)
Final dividend 2016 (Re. 0.1 per ordinary share)	-	-	(93,411)	(93,411)
Total transactions with owners	-	-	(560,466)	(560,466)
Balance as at September 30, 2017	9,341,100	228,350	2,349,550	11,919,000
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**

The annexed notes, from 1 to 19, 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, 2018

	Note	2018	2017
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	16	**(6,289,507)**	(3,930,587)
Income tax paid		**(1,588,876)**	(1,836,643)
Finance costs paid		**(1,254,079)**	(1,649,898)
Compensated absences paid		**(45,303)**	(74,583)
(Payment) / Receipt from Workers' (Profit) Participation Fund		**(43,328)**	11,296
Net cash used in operating activities		**(9,221,093)**	(7,480,415)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		**(629,664)**	(459,432)
Long-term investments		**(1,500,000)**	(975,000)
Sale proceeds from disposal of property, plant and equipment		**19,492**	19,702
Dividend received		**543,451**	636,244
Investment at fair value through profit or loss - net		**(168,271)**	917,647
Long-term loans (disbursed) / recovered - net		**(966,137)**	11,287
Profit received on bank balances, term deposits and sub-ordinated loans		**462,093**	294,897
Net cash (used in) / generated from investing activities		**(2,239,036)**	445,345
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred Government assistance		**-**	(648,200)
Long-term financing payment		**(2,208,333)**	(4,208,334)
Long-term financing receipt		**4,400,000**	2,000,000
Short-term borrowings - net		**(450,000)**	(1,881,285)
Dividend paid		**(699,732)**	(548,001)
Net cash generated from / (used in) financing activities		**1,041,935**	(5,285,820)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(10,418,194)**	(12,320,890)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**9,347,911**	9,930,399
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**(1,070,283)**	(2,390,491)
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:			
- Cash and bank balances		**3,573,034**	3,157,793
- Short-term highly liquid investments	12	**3,000,000**	2,000,000
- Short-term running finance		**(7,643,317)**	(7,548,284)
		(1,070,283)	(2,390,491)

The annexed notes, from 1 to 19, 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, 2018

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.

As a result of the promulgation of the Companies Act, 2017, the nomenclature for the statements presenting the financial position, performance and cash flows of the Company have been changed; from Balance Sheet, Profit and Loss Account and Cash Flow Statement to Statement of Financial Position, Statement of Profit or Loss and Statement of Cash Flows, respectively.

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, 2017. The comparative Statement of Financial Position is extracted from the annual financial statements, as of December 31, 2017, whereas the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows are extracted from the un-audited condensed interim financial statements, for the period ended September 30, 2017.

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, 2017.

4. The status of significant shareholdings, as at September 30, 2018, are given below:

	Shares	Percentage (%)
Fauji Fertilizer Company Limited	465,891,896	49.88
Fauji Foundation	170,842,386	18.29

	September 30, 2018 (Un - audited)	December 31, 2017 (Audited)
	(Rupees '000)	
5. LONG-TERM LOANS		
Loans from banking companies - secured	**20,733,333**	18,541,666
Less: Current portion shown under current liabilities	**7,750,000**	3,208,333
	12,983,333	15,333,333
6. CONTINGENCIES AND COMMITMENTS		
Contingencies		
i) Guarantees issued by banks on behalf of the Company	**62,989**	37,021
Commitments		
i) Capital expenditure - contracted	**1,907,540**	1,526,145
ii) Letters of credit for purchase of stores, spares and raw materials	**847,200**	895,587

		Note	September 30, 2018 (Un - audited)	December 31, 2017 (Audited)
			(Rupees '000)	
7.	**PROPERTY, PLANT AND EQUIPMENT**			
	Opening written down value		**10,426,780**	11,298,191
	Additions during the period / year		**629,664**	760,076
	Cost of disposals during the period / year		**(42,739)**	(160,559)
	Depreciation charged during the period / year		**(1,221,974)**	(1,600,412)
	Accumulated depreciation on disposals during the period / year		**26,765**	129,484
			9,818,496	10,426,780
8.	**LONG-TERM INVESTMENTS**			
	Joint venture	**8.1**	**1,411,150**	1,411,150
	Associated companies	**8.2**	**7,991,556**	7,991,556
	Subsidiary companies	**8.3**	**15,162,045**	13,662,045
	Other long-term investments	**8.4**	**-**	-
			24,564,751	23,064,751
8.1	**Investment in joint venture - at cost**			
	Pakistan Maroc Phosphore S.A, Morocco (PMP)		**1,411,150**	1,411,150
8.2	**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 (FWE-I)		**1,225,873**	1,225,873
	Foundation Wind Energy - II (Private) Limited (FWE-II)		**1,234,692**	1,234,692
			7,991,556	7,991,556
8.3	**Investments in subsidiaries - at cost**			
	Quoted			
	Fauji Foods Limited (FFL)	**8.3.1**		
	Voting Shares		**4,672,902**	3,920,805
	Non-voting Shares		**-**	752,097
			4,672,902	4,672,902
	Un-quoted			
	Fauji Meat Limited (FML)	**8.3.2**	**3,750,000**	2,250,000
	FFBL Foods Limited		**298,518**	298,518
	FFBL Power Company Limited (FPCL)		**6,440,625**	6,440,625
			15,162,045	13,662,045

8.3.1 Pursuant to approval in Annual General Meeting of the Fauji Foods Limited (FFL) held on March 26, 2018, voting and non-voting shares classes of FFL have been consolidated. There has been no change in the Company's effective holding after the consolidation of share classes.

8.3.2 Pursuant to approval in Extra Ordinary General Meeting of the Company, held on May 23, 2018, the Company has subscribed to a right issue of FML, consisting of 150 million shares of Rs. 10 each, including 37.5 million shares renounced by the other shareholder.

	Note	September 30, 2018 (Un - audited)	December 31, 2017 (Audited)
		(Rupees '000)	
8.4 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
		-	-
9. LONG-TERM LOANS			
Fauji Meat Limited (FML)	9.1	**1,000,000**	-
Foundation Wind Energy - I Limited (FWE - I)	9.2	**-**	26,775
Foundation Wind Energy - II (Private) Limited (FWE - II)	9.2	**-**	7,088
		1,000,000	33,863
Less: Current portion shown under current assets		**-**	33,863
		1,000,000	-

9.1 During the period, the Company provided Rs. 1,000 million as Subordinated 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.

9.2 During the year 2016, the Company provided Rs. 45.15 million as Subordinated Loans and Guarantee Facilities to Foundation Wind Energy-I Limited and Foundation Wind Energy-II (Pvt) Limited, at three months KIBOR + 2% per annum, on the terms set out in the respective agreements. During the period, the loans have been settled.

10. DEFERRED TAXATION - NET

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

	September 30, 2018 (Un - audited)	December 31, 2017 (Audited)
	(Rupees '000)	
Accelerated tax depreciation	**(1,525,161)**	(1,898,337)
Provision for inventory obsolescence	**26,837**	37,917
Provision against doubtful other receivables	**53,177**	59,086
Accrued liabilities and payables	**4,319,063**	3,123,452
	2,873,916	1,322,118

11. OTHER RECEIVABLES

This includes an amount of Rs. 3,297 million (December 31, 2017: Rs. 910 million) receivable from Fauji Fertilizer Company Limited, 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, 2018 (Un - audited)	December 31, 2017 (Audited)
	(Rupees '000)	
12. SHORT-TERM INVESTMENTS		
Loans and receivables		
Term deposits with banks and financial institutions	**3,000,000**	11,170,000
Investments at fair value through profit or loss		
Mutual funds	**4,211,742**	3,024,289
	7,211,742	14,194,289

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 8.65% to 9.15% per annum (December 31, 2017: 5.00% to 9.15% per annum). The Company provided sponsor support in form of cash lien of Rs. 1,500 million to financial institutions to secure working capital line, on behalf of Fauji Meat Limited which has been released during the period.

		(Un - audited) Quarter ended September 30,		(Un - audited) Nine months ended September 30,	
		2018	2017	2018	2017
		(Rupees '000)		(Rupees '000)	
13.	**COST OF SALES**				
	Raw materials consumed	**11,856,311**	8,640,977	**27,873,485**	23,176,960
	Packing materials consumed	**234,256**	197,773	**558,547**	461,876
	Fuel and power	**2,742,618**	2,243,649	**7,435,847**	4,827,466
	Chemicals and supplies consumed	**49,911**	53,761	**150,546**	151,042
	Salaries, wages and benefits	**398,577**	376,523	**987,750**	1,148,388
	Rent, rates and taxes	**17,923**	5,283	**60,313**	17,881
	Insurance	**18,474**	14,783	**53,724**	47,142
	Travel and conveyance	**29,298**	30,449	**90,854**	88,440
	Repairs and maintenance	**201,308**	175,714	**1,097,045**	944,275
	Communication, establishment and other expenses	**20,869**	41,359	**79,759**	124,160
	Depreciation	**358,658**	346,853	**1,065,323**	1,034,772
	Opening stock - work in process	**56,192**	30,008	**103,813**	80,055
	Closing stock - work in process	**(64,618)**	(36,833)	**(64,618)**	(36,833)
	Cost of goods manufactured	**15,919,777**	12,120,299	**39,492,388**	32,065,624
	Opening stock - finished goods	**6,243,207**	5,817,709	**183,002**	1,137,927
	Closing stock - finished goods	**(6,865,848)**	(8,130,294)	**(6,865,848)**	(8,130,294)
	Cost of sales	**15,297,136**	9,807,714	**32,809,542**	25,073,257
14.	**OTHER INCOME**				
	Profit on bank balances and term deposits	**90,871**	68,222	**294,627**	261,640
	Gain / Dividend from mutual funds	**55,263**	22,128	**154,699**	108,320
	Dividend from FCCL	**18,750**	16,875	**37,500**	16,875
	Dividend from PMP	**17,617**	107,023	**524,701**	107,023
	Dividend from AKBL	**-**	-	**-**	407,826
	Subsidy income on DAP	**-**	-	**-**	1,581,534
	Subsidy income on Urea	**-**	289,806	**314,619**	907,087
	Mark-up on sub-ordinated loans-FWE-I & FWE-II	**-**	702	**507**	2,507
	Mark-up on sub-ordinated loans-FML	**19,302**	-	**21,741**	-
	Scrap sale and other receipts	**22,875**	13,398	**64,070**	46,328
	Gain on sale of property, plant & equipment	**2,912**	1,596	**3,518**	10,686
	Guarantee Fee - FWE-I & FWE-II	**-**	3,111	**4,100**	9,945
	Guarantee Fee - FML	**-**	-	**6,068**	-
	Others	**15,197**	20,195	**37,113**	29,750
		242,787	543,056	**1,463,263**	3,489,521
15.	**TAXATION - NET**				
	Current tax	**888,506**	573,272	**1,625,469**	1,433,853
	Deferred tax	**(546,180)**	(549,744)	**(1,551,799)**	(1,495,075)
		342,326	23,528	**73,670**	(61,222)

	(Un - audited) Nine months ended September 30,	
	2018	2017
	(Rupees '000)	
16. CASH USED IN OPERATIONS		
Loss before taxation	**(129,604)**	(338,814)
Adjustment for non-cash charges and other items:		
Provision for gratuity	**54,183**	68,644
Exchange losses	**572,768**	10,211
Provision for compensated absences	**75,786**	70,336
Provision for Workers' Welfare Fund	**87,363**	79,633
Depreciation	**1,221,974**	1,194,592
Finance costs	**1,522,763**	1,471,843
Dividend from joint venture	**(524,701)**	-
Profit on bank balances and term deposits	**(449,326)**	(369,960)
Dividend from associates	**(37,500)**	(531,724)
Gain on disposal of property, plant and equipment	**(3,518)**	(10,686)
Mark-up on sub-ordinated loans	**(22,248)**	(2,507)
Guarantee Fee	**(10,168)**	(9,945)
Operating profit before working capital changes	**2,357,772**	1,631,623
Changes in working capital		
Stores and spares	**58,900**	17,474
Stock-in-trade	**(7,208,783)**	(7,405,409)
Trade debts	**(1,059,894)**	681,468
Advances	**(374,471)**	(138,172)
Trade deposits and short-term prepayments	**(4,182)**	(5,978)
Other receivables	**(1,981,481)**	(3,133,469)
Sales tax refundable	**(2,259,658)**	(484,435)
Trade and other payables	**4,182,290**	4,906,311
	(8,647,279)	(5,562,210)
Cash used in operations	**(6,289,507)**	(3,930,587)

17. RELATED PARTY TRANSACTIONS

Fauji Fertilizer Company Limited (FFCL) has a 49.88% share holding in FFBL (2017: 49.88%). while Fauji Foundation (FF) holds 18.29% shares (2017: 18.29%) in the Company. The Company has related parties, which comprise of a joint venture, the Fauji group entities, directors, key management personnel and employees' funds. Transactions with related parties and the balances outstanding at the period end are given below. The carrying values of investments in subsidiaries, associates and the joint venture are disclosed in note 8 to these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Nine months ended September 30,		
	2018	2017	
	(Rupees '000)		
Transactions with Fauji Foundation			
Dividend paid	**128,132**	102,505	
Donation paid and services provided	**6,193**	29,830	
Transactions with subsidiary companies			
Investment in Fauji Meat Limited	**1,500,000**	-	
Investment in FFBL Power Company Limited	**-**	975,000	
Material / services provided to FFBL Power Company Limited	**356,289**	525,377	
Material / services provided to Fauji Foods Limited	**36,789**	53,009	
Services provided to Fauji Meat Limited	**3,606**	21,749	
Material received from FFBL Power Company Limited	**6,757,116**	3,070,749	
Services provided to FFBL Foods Limited	**-**	256	
Guarantee Fee and Mark-up on sub-ordinated loan from Fauji Meat Limited	**27,808**	-	
Balance payable to FFBL Power Company Limited	**632,775**	555,991	*
Balance receivable from Fauji Meat Limited	**-**	2,310	*
Balance receivable from FFBL Power Company Limited	**87,911**	160,166	*
Balance receivable from FFBL Foods Limited	**-**	283	*
Transactions with associates			
Services and material acquired	**877,875**	846,242	
Services and material provided	**3,085**	1,834	
Receipts under consignment account (FFCL)	**32,731,926**	28,111,090	
Commission charged to the Company	**16,606**	15,385	
Dividend paid	**349,419**	279,535	
Profit on bank balances (AKBL)	**75,855**	27,174	
Long-term loan (AKBL)	**500,000**	-	*
Mark-up on long-term loans (AKBL)	**18,166**	-	
Investments in mutual funds & TDR's with AKBL	**-**	50,000	
Income from TDR's with AKBL	**-**	930	
Expenses paid on behalf of AKBL	**-**	1,033	
Guarantee Fee and Mark-up from FWE-I and FWE-II	**4,607**	12,452	
Transactions with Fauji Foundation Hospital	**175**	375	
Transactions with Foundation Gas	**482**	842	
Balance receivable at the period end - unsecured (FFCL)	**3,297,450**	910,300	*
Balances at bank (AKBL)	**651,590**	958,310	*
Transactions with joint venture			
Purchase of raw materials	**20,118,881**	16,827,430	
Expenses incurred on behalf of joint venture	**9,690**	6,674	
Balance payable at the period end - secured	**6,626,725**	4,105,955	*
Balance receivable at the period end - unsecured	**11,348**	6,854	*
Dividend received during the period	**524,701**	-	

	Nine months ended September 30,		
	2018	2017	
	(Rupees '000)		
Other related parties			
Contribution to Provident Fund	**55,972**	52,142	
Contribution to Gratuity Fund	**54,183**	68,644	
Payment to / (Receipt from) Workers' (Profit) Participation Fund & WWF	**43,327**	(11,296)	
Remuneration of key management personnel	**293,374**	321,987	
Balance payable at the period end - unsecured (WWF and WPPF)	**1,386,088**	1,342,019	*
Payable to Gratuity Fund	**132,312**	77,489	*

* These balance of accounts, appearing as comparatives, are as at December 31, 2017 (audited).

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

18.1 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.

18.2 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 2018 - un-audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	**4,211,742**	**-**	**-**
December 2017 - audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	3,024,289	-	-

19. GENERAL

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

19.2 These condensed interim financial statements were authorized for issue on October 25, 2018 by the Board of Directors of the Company.

CHAIRMAN	CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

Condensed Interim Consolidated Financial Statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

	Note	September 30, 2018 (Un - audited)	December 31, 2017 (Audited)
		(Rupees '000)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		**9,341,100**	9,341,100
Capital reserve		**228,350**	228,350
Revaluation reserve on available for sale investments, net of tax		**(363,493)**	33,856
Statutory reserve		**995,622**	821,150
Translation reserve		**1,530,599**	824,699
Accumulated profit		**3,125,424**	3,959,623
		14,857,602	15,208,778
Non-Controlling Interest		**4,241,944**	4,765,782
		19,099,546	19,974,560
NON-CURRENT LIABILITIES			
Long-term loans	5	**36,633,076**	41,052,214
Finance Lease Liability		**78,232**	103,054
Deferred liabilities		**624,901**	549,047
		37,336,209	41,704,315
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables		**31,153,408**	26,314,126
Accrued interest		**741,922**	335,601
Short-term borrowings		**18,923,401**	15,674,197
Current portion of long-term loans	5	**11,003,307**	6,298,979
Current portion of finance lease liability		**43,087**	38,583
		61,865,125	48,661,486
		118,300,880	110,340,361
CONTINGENCIES AND COMMITMENTS	6		

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

	Note	September 30, 2018 (Un - audited)	December 31, 2017 (Audited)
		(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	**49,958,917**	50,289,228
Intangible assets		**383,266**	383,689
Long-term investments	8	**16,624,123**	15,699,061
Long-term deposits		**79,587**	79,587
Deferred tax asset - net	9	**2,910,627**	1,749,630
		69,956,520	68,201,195
CURRENT ASSETS			
Stores and spares		**3,065,917**	2,924,557
Stock-in-trade		**13,141,641**	3,834,867
Trade debts		**3,013,543**	2,254,962
Advances		**2,190,282**	1,476,932
Current portion of long-term loans	10	**-**	33,863
Trade deposits and short-term prepayments		**286,422**	217,041
Interest accrued		**56,804**	55,465
Other receivables	11	**6,665,863**	4,550,546
Income tax refundable - net		**1,971,189**	1,703,255
Sales tax refundable		**4,870,444**	2,531,576
Short-term investments	12	**8,811,742**	17,094,289
Cash and bank balances		**4,270,513**	5,461,813
		48,344,360	42,139,166
		118,300,880	110,340,361

CHAIRMAN **CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2018

		Quarter ended September 30,		Nine months ended September 30,	
		2018	2017	2018	2017
	Note	(Rupees '000)		(Rupees '000)	
Sales - net		**22,282,796**	15,081,809	**49,398,602**	34,289,874
Cost of sales	13	**(17,697,783)**	(12,154,815)	**(40,269,254)**	(30,264,031)
Gross profit		**4,585,013**	2,926,994	**9,129,348**	4,025,843
Selling and distribution expenses		**(2,064,376)**	(2,058,049)	**(5,126,158)**	(5,060,987)
Administrative expenses		**(538,122)**	(462,709)	**(1,491,043)**	(1,469,886)
		1,982,515	406,236	**2,512,147**	(2,505,030)
Finance costs		**(1,321,398)**	(1,235,883)	**(3,581,764)**	(2,786,818)
Other operating expenses		**(250,435)**	(39,769)	**(1,010,335)**	(105,318)
		410,682	(869,416)	**(2,079,952)**	(5,397,166)
Other income	14				
Share of profit of associates and joint venture - net		**937,868**	812,323	**1,248,832**	1,530,523
Others		**232,001**	439,725	**1,024,903**	3,010,054
		1,169,869	1,252,048	**2,273,735**	4,540,577
Profit / (loss) before taxation		**1,580,551**	382,632	**193,783**	(856,589)
Taxation - net	15	**(421,334)**	135,368	**(676,764)**	168,707
Profit / (loss) after taxation		**1,159,217**	518,000	**(482,981)**	(687,882)
Attributable to:					
- Owners of the holding Company		**1,436,381**	705,457	**266,498**	211,208
- Non controlling interest		**(277,164)**	(187,457)	**(749,479)**	(899,090)
		1,159,217	518,000	**(482,981)**	(687,882)
Earnings per share - basic and diluted (Rupees)		**1.54**	0.76	**0.29**	0.23

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 SEPTEMBER 30, 2018

	Quarter ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
	(Rupees '000)		(Rupees '000)	
Profit / (loss) after taxation	**1,159,217**	518,000	**(482,981)**	(687,882)
Other comprehensive income				
Exchange difference on translating a joint venture	**116,394**	53,107	**684,186**	(47,137)
Effect of translation - share of Askari Bank Limited	**16,193**	15	**21,714**	281
Revaluation reserve on available for sale investments	**(111,691)**	(119,331)	**(467,470)**	(563,579)
Related deferred tax	**16,754**	17,899	**70,121**	71,197
	(94,937)	(101,432)	**(397,349)**	(492,382)
Total comprehensive income / (loss)	**1,196,867**	469,690	**(174,430)**	(1,227,120)
Attributable to:				
- Owners of the holding Company	**1,474,031**	657,147	**575,049**	(328,030)
- Non controlling interest	**(277,164)**	(187,457)	**(749,479)**	(899,090)
	1,196,867	469,690	**(174,430)**	(1,227,120)

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 SEPTEMBER 30, 2018

		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, 2017	9,341,100	228,350	705,043	577,799	683,133	2,934,171	3,454,533	17,924,129
Total comprehensive income								
Profit / (loss) for the period after taxation	-	-	-	-	-	211,208	(899,090)	(687,882)
Other comprehensive loss for the period	-	-	(492,382)	-	(46,856)	-	-	(539,238)
Total comprehensive (loss) / income for the period	-	-	(492,382)	-	(46,856)	211,208	(899,090)	(1,227,120)
Transfer to statutory reserve	-	-	-	204,055	-	(204,055)	-	-
Transactions with owners, recorded directly in equity								
Distributions to owners								
Final dividend 2016 (Re. 0.5 per ordinary share)	-	-	-	-	-	(467,055)	-	(467,055)
Final dividend 2016 (Re. 0.1 per ordinary share)	-	-	-	-	-	(93,411)	-	(93,411)
Total transactions with owners	-	-	-	-	-	(560,466)	-	(560,466)
Change in ownership interest								
Cash receipt from NCI acquired	-	-	-	-	-	-	325,000	325,000
Balance as at September 30, 2017	9,341,100	228,350	212,661	781,854	636,277	2,380,858	2,880,443	16,461,543
Balance as at January 01, 2018	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 income for the period	-	-	(397,349)	-	705,900	-	-	308,551
Total comprehensive income / (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**

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 SEPTEMBER 30, 2018

	Note	2018	2017
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	16	**(5,974,006)**	(3,801,426)
Income tax paid		**(2,035,575)**	(2,189,297)
Payment to Gratuity Fund		**(3,090)**	(9,377)
Finance cost paid		**(3,150,663)**	(2,979,673)
Compensated absences paid		**(16,330)**	(84,251)
(Payment to) / Receipt from Workers' (Profit) Participation Fund		**(170,250)**	11,247
Net cash used in operating activities		**(11,349,914)**	(9,052,777)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		**(2,082,100)**	(5,758,528)
Dividend received		**543,451**	636,244
Sale proceeds of property, plant and equipment		**21,784**	26,560
Long-term loans		**33,863**	11,287
Investment at fair value through profit & loss - net		**(168,271)**	917,647
Profit received on bank balances and term deposits		**550,317**	349,304
Net cash used in investing activities		**(1,100,956)**	(3,817,486)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings - net		**(450,000)**	(1,224,725)
Injection of equity by non-controlling interest		**-**	325,000
Deferred Government assistance long-term loan		**-**	(648,200)
Long-term loans		**260,410**	(1,690,046)
Lease Liability		**(20,319)**	(14,665)
Dividend paid		**(699,725)**	(548,001)
Net cash used in financing activities		**(909,634)**	(3,800,637)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(13,360,504)**	(16,670,900)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**8,422,616**	10,474,842
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**(4,937,888)**	(6,196,058)
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the statement of cash flows comprises the following statement of financial position amounts:			
- Cash and bank balances		**4,270,513**	4,505,419
- Short-term highly liquid investments		**4,600,000**	3,350,000
- Short-term running finance		**(13,808,401)**	(14,051,477)
		(4,937,888)	(6,196,058)

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 SEPTEMBER 30, 2018

1. THE GROUP AND ITS OPERATIONS

Fauji Fertilizer Bin Qasim Limited is a public limited company incorporated in Pakistan under the Companies Ordinance,1984, and its shares 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 / parent company) and its fully owned subsidiaries, Fauji Meat Limited (FML), FFBL Foods Limited and FFBL Power Company Limited (FPCL), 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. 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. 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. 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

This condensed interim consolidated financial statements of the Company, for the period ended September 30, 2018, has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

As a result of the promulgation of the Companies Act, 2017, the nomenclature for the statement presenting the financial position of the Company has been changed, from Balance Sheet to Statement of Financial Position. Further, all items of income and expense recognized in a period are now presented in a single Statement of Profit or Loss and Other Comprehensive Income, whereas previously these were presented in two separate statements: a statement displaying components of profit or loss (the Profit and Loss Account) and a second statement beginning with profit or loss for the year and displaying components of other comprehensive income (the Statement of Comprehensive Income).

The disclosures in these interim condensed consolidated financial statements do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended December 31, 2017. The comparative Consolidated Statement of Financial Position is extracted from the annual financial statements, as of December 31, 2017, whereas the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and Statement of cash flow are extracted from the unaudited condensed interim consolidated financial statements, for the period ended September 30, 2017.

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 listing regulations of the Pakistan Stock Exchange (PSX).

3. ACCOUNTING POLICIES

The accounting policies and method of computation adopted for the preparation of these interim condensed consolidated financial statements are same as those applied in preparation of financial statements for the preceding year ended December 31, 2017.

4. Group consists of following subsidiary companies:

	Ownership in 2018	Ownership in 2017
Fauji Meat Limited	83.33%	75.00%
FFBL Power Company Limited	75.00%	75.00%
FFBL Foods Limited	100.00%	100.00%
Fauji Foods Limited	50.59%	49.40%

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, 2018 (Un - audited)	December 31, 2017 (Audited)
	(Rupees '000)	
5. LONG-TERM LOANS		
Loans from banking companies-secured	**47,636,383**	47,351,193
Less: Current portion shown under current liabilities	**11,003,307**	6,298,979
	36,633,076	41,052,214

		September 30, 2018 (Un - audited)	December 31, 2017 (Audited)
		(Rupees '000)	
6.	**CONTINGENCIES AND COMMITMENTS**		
	Contingencies		
i)	Guarantees issued by banks on behalf of the Group	**62,989**	37,021
ii)	Group's share of contingent liabilities of Fauji Cement Company Limited as at June 30, 2018	**23,413**	49,830
iii)	Group's share of contingent liabilities of Foundation Wind Energy - I Limited as at June 30, 2018	**63,601**	77,756
iv)	Group's share of contingent liabilities of Foundation Wind Energy - II (Pvt) Limited as at June 30, 2018	**252,840**	269,388
v)	Group's share of contingent liabilities of Askari Bank Limited as at June 30, 2018	**83,571,558**	68,368,802
vi)	Contingent liabilities of Fauji Foods Limited	**1,425,980**	1,335,880
vii)	Contingent liabilities of Fauji Meat Limited	**136,651**	58,113
	Commitments		
i)	Capital expenditures - contracted	**1,907,540**	1,526,145
ii)	Letters of credit for purchase of stores, spares and raw materials	**847,200**	895,587
iii)	Commitments with Fauji Foundation for investment in FWE- I & FWE- II	**360,460**	226,984
iv)	Company's share of commitments of PMP as at June 30, 2018	**17,403**	34,266
v)	Commitments of Fauji Meat Limited	**23,094**	24,021
vi)	Commitments of FFBL Power Company Limited	**329,082**	503,980
vii)	Group's share of commitments of Fauji Cement Company Limited as at June 30, 2018	**13,559**	9,262
viii)	Commitments of Fauji Foods Limited	**979,580**	1,084,560
7.	**PROPERTY, PLANT AND EQUIPMENT**		
	Opening written down value	**50,289,228**	46,535,066
	Additions during the period / year	**2,079,249**	6,539,219
	Disposals during the period / year	**(48,455)**	(124,466)
	Depreciation during the period / year	**(2,389,441)**	(2,756,309)
	Depreciation charged on disposals during the period / year	**28,336**	95,718
	Closing written down value	**49,958,917**	50,289,228

	September 30, 2018 (Un - audited)	December 31, 2017 (Audited)
	(Rupees '000)	
8. LONG-TERM INVESTMENTS		
Investment in joint venture - equity method		
Pakistan Maroc Phosphore S.A, Morocco (PMP)		
Balance brought forward	**4,105,395**	3,630,614
Share of profit	**191,171**	441,456
Dividend	**(524,700)**	(107,023)
Gain on translation of net assets	**684,186**	140,348
Closing balance	**4,456,052**	4,105,395
Investment in associates - equity method		
Fauji Cement Company Limited (FCCL)		
Balance brought forward	**407,743**	392,688
Share of profit	**39,577**	31,930
Dividend	**(37,500)**	(16,875)
Closing balance	**409,820**	407,743
Foundation Wind Energy - I Limited (FWE-I)		
Opening balance	**2,038,217**	1,574,361
Share of profit	**122,938**	463,856
Closing balance	**2,161,155**	2,038,217
Foundation Wind Energy - II (Pvt) Limited (FWE-II)		
Opening balance	**2,075,568**	1,770,038
Share of profit	**126,619**	305,530
Closing balance	**2,202,187**	2,075,568
Askari Bank Limited (AKBL)		
Opening balance	**7,072,138**	7,438,522
Share of profit	**768,527**	1,101,103
Dividend	**-**	(679,710)
Defined benefit obligation	**-**	(12,116)
Revaluation reserve of available for sale investment	**(467,470)**	(776,879)
Effect of translation	**21,714**	1,218
Closing balance	**7,394,909**	7,072,138
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
	-	-
	16,624,123	15,699,061

	September 30, 2018 (Un - audited)	December 31, 2017 (Audited)
	(Rupees '000)	

9. DEFERRED TAXATION - NET

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

Accelerated depreciation	**(2,174,479)**	(2,518,921)
Share of profit of joint venture and associates - net	**(814,988)**	(755,461)
Share of profit of subsidiary	**(91,444)**	(91,444)
Provision for inventory obsolescence	**53,023**	37,917
Provision for doubtful other receivables	**53,177**	59,086
Deferred tax on revaluation of available for sale investments	**75,127**	5,007
Accrued liabilities and payables	**4,258,808**	3,123,451
Unabsorbed losses	**1,551,403**	1,889,995
	2,910,627	1,749,630

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.

10. LONG-TERM LOANS

Long-term loans	**-**	33,863
Less: Current portion shown under current liabilities	**-**	33,863
	-	-

During the year 2016, the Company provided Rs. 45.15 million as Subordinated Loans and Guarantee Facilities to Foundation Wind Energy-I Limited and Foundation Wind Energy-II (Pvt) Limited, at three months KIBOR + 2% per annum, on the terms set out in the respective agreements. During the period, the loans have been settled.

11. OTHER RECEIVABLES

This includes an amount of Rs. 3,297 million (December 31, 2017: Rs. 910 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.

12. 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 6.58% to 9.15% per annum (December 31, 2017: 5.00% to 9.15% per annum).

	(Un-audited) Quarter ended September 30,		(Un-audited) Nine months ended September 30,	
	2018	2017	2018	2017
	(Rupees '000)		(Rupees '000)	
13. COST OF SALES				
Raw materials consumed	**14,853,925**	11,015,749	**37,196,783**	27,877,508
Packing materials consumed	**922,053**	816,326	**2,639,634**	1,763,600
Fuel and power	**386,526**	683,878	**973,383**	1,994,012
Ash Dumping	**4,387**	38,542	**19,606**	46,411
Utilities	**16,089**	29,425	**75,093**	83,151
Chemicals and supplies consumed	**127,923**	106,723	**416,064**	277,095
Salaries, wages and benefits	**724,748**	581,710	**1,864,826**	1,669,287
Rent, rates and taxes	**27,183**	11,606	**88,043**	37,060
Insurance	**43,253**	39,528	**125,273**	93,875
Travel and conveyance	**43,913**	41,723	**132,458**	121,300
Repairs and maintenance	**255,364**	204,037	**1,258,040**	1,023,737
Communication, establishment and others	**95,556**	72,839	**299,127**	213,280
Depreciation	**741,541**	833,255	**2,196,160**	1,965,457
Opening stock - work in process	**296,714**	94,072	**129,948**	152,818
Closing stock - work in process	**(243,332)**	(82,136)	**(243,332)**	(82,136)
Cost of goods manufactured	**18,295,843**	14,487,277	**47,171,106**	37,236,455
Opening stock - finished goods	**6,770,794**	6,072,705	**467,002**	1,432,743
Closing stock - finished goods	**(7,368,854)**	(8,405,167)	**(7,368,854)**	(8,405,167)
Cost of sales	**17,697,783**	12,154,815	**40,269,254**	30,264,031

14. OTHER INCOME

Share of profit from associates and joint venture				
Pakistan Maroc Phosphore S.A, Morocco	**250,588**	124,859	**191,171**	298,118
Foundation Wind Energy - I Limited	**214,109**	178,021	**122,938**	258,487
Foundation Wind Energy - II (Pvt) Limited	**209,828**	144,731	**126,619**	102,792
Fauji Cement Company Limited	**17,438**	8,379	**39,577**	26,235
Askari Bank Limited	**245,905**	356,333	**768,527**	844,891
	937,868	812,323	**1,248,832**	1,530,523
Profit on bank balances & term deposits	**15,510**	105,789	**295,778**	324,212
Gain / Dividend from mutual funds	**171,017**	22,128	**270,453**	108,320
Subsidy income on DAP	**-**	-	**-**	1,581,534
Subsidy income on Urea	**-**	289,806	**314,619**	907,087
Guarantee fee and mark-up	**-**	3,813	**4,607**	12,452
Scrap sale and other receipts	**34,545**	14,237	**119,888**	58,211
Gain on sale of property, plant & equipment	**2,661**	1,621	**1,665**	12,612
Miscellaneous income	**8,268**	2,331	**17,893**	5,626
	232,001	439,725	**1,024,903**	3,010,054
	1,169,869	1,252,048	**2,273,735**	4,540,577

15. TAXATION

Current tax	**921,169**	590,203	**1,767,641**	1,460,966
Deferred tax	**(499,835)**	(725,571)	**(1,090,877)**	(1,629,673)
	421,334	(135,368)	**676,764**	(168,707)

	(Un - audited) Nine months ended September 30,	
	2018	2017
	(Rupees '000)	
16. CASH USED IN OPERATIONS		
Profit / (loss) before taxation	**193,783**	(856,589)
Adjustment for non-cash charges and other items:		
Provision for gratuity	**62,422**	91,476
Exchange loss	**797,383**	29,075
Provision for compensated absences	**92,185**	75,078
Provision for Workers' Welfare Fund	**87,363**	79,633
Provision for Workers' Profit Participation Fund	**121,509**	14,957
Amortization of transaction cost of long-term finance	**24,780**	22,414
Depreciation	**2,392,715**	2,173,321
Finance cost	**3,556,984**	2,735,329
Profit on bank balances and term deposits	**(547,049)**	(324,212)
Income on mutual funds	**(19,182)**	(108,320)
Guarantee fee	**(4,100)**	(12,452)
Profit from joint venture and associates - net	**(1,248,832)**	(1,530,523)
Mark-up on sub-ordinated loans	**(507)**	-
Gain on sale of property, plant and equipment	**(1,665)**	(12,612)
Operating profit before working capital changes	**5,507,789**	2,376,575
Changes in working capital		
Stores and spares	**(141,360)**	(72,386)
Stock-in-trade	**(9,306,774)**	(8,149,196)
Trade debts	**(758,581)**	(290,469)
Advances	**(713,350)**	91,140
Trade deposits and short-term prepayments	**(69,381)**	(25,734)
Other receivables	**(2,096,567)**	(3,474,279)
Sales tax receivable	**(2,338,868)**	(450,311)
Trade and other payables	**3,943,086**	6,193,234
	(11,481,795)	(6,178,001)
Cash used in operations	**(5,974,006)**	(3,801,426)

17. RELATED PARTY TRANSACTIONS

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 quarter end are given below. The carrying value of investment in associates and joint venture are disclosed in note 8 to the condensed interim consolidated financial statements.

	2018	2017	
	(Rupees '000)		
Transactions with Fauji Foundation (FF)			
Dividend paid	**128,132**	102,505	
Donation paid and services provided	**6,193**	29,830	
Transactions with associated undertakings due to common directorship			
Services and material acquired	**877,875**	846,242	
Services and material provided	**3,085**	1,834	
Receipts under Consignment Account (FFCL)	**32,731,926**	28,111,090	
Commission charged to the company	**16,606**	15,385	
Balance receivable at the period end - unsecured (FFCL)	**3,297,450**	910,300	*
Dividend paid	**349,419**	279,535	
Profit on Bank Balances with AKBL	**81,113**	29,182	
Long-term loans (AKBL)	**500,000**	-	*
Mark-up on long-term loans (AKBL)	**18,166**	-	
Finance cost charged on behalf of AKBL	**13,914**	41,234	
Utilities expenses on behalf of AKBL	**1,545**	2,018	
Investments in TDR's with AKBL	**-**	50,000	*
Income from TDR's with AKBL	**-**	930	
Balances at Bank (AKBL)	**651,590**	958,310	*
Transactions with Fauji Foundation Hospital	**175**	375	
Guarantee Fee and Mark-up from FWE - I & FWE - II	**4,607**	12,452	
Transaction with Foundation Gas	**482**	842	
Transactions with joint venture			
Purchase of raw materials	**20,118,881**	16,827,430	
Expenses incurred on behalf of joint venture	**9,690**	6,674	
Balance payable at the period end - secured	**6,626,725**	4,105,955	*
Balance receivable at the period end - unsecured	**11,348**	6,854	*
Other related parties			
Contribution to Provident Fund	**55,972**	52,142	
Contribution to Gratuity Fund	**54,183**	68,644	
Payment to Gratuity Fund	**3,090**	9,377	
Payment to / (Receipt from) Workers' (Profit) Participation Fund & WWF	**170,250**	(11,296)	

	2018	2017	
	(Rupees '000)		
Balance payable at the period end - (WWF+WPPF) unsecured	**1,475,394**	1,342,019	*
Payable to Gratuity Fund	**132,312**	77,489	*
Remuneration of key management personnel	**385,738**	390,138	

* Balance of accounts appearing as comparatives are as at December 31, 2017 (audited)

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)					
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, 2017						
Revenue	27,156,128	4,441,596	661,688	4,571,514	(2,541,052)	34,289,874
(Loss) / Profit after tax	(277,592)	(1,935,629)	(952,385)	1,086,730	1,390,994	(687,882)
September 30, 2018						
Assets	**74,953,164**	**11,295,597**	**7,843,459**	**34,195,903**	**(9,987,243)**	**118,300,880**
Liabilities	**62,705,193**	**9,189,799**	**6,296,662**	**21,816,235**	**(806,555)**	**99,201,334**
December 31, 2017						
Assets	65,651,800	11,314,325	8,049,903	34,608,826	(9,284,493)	110,340,361
Liabilities	52,501,162	6,962,158	7,201,660	24,395,654	(694,833)	90,365,801

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)

	Level 1	Level 2	Level 3
		(Rupees' 000)	
September 2018 - unaudited			
ASSETS			
Financial assets at fair value through profit and loss			
- Short-term investments	**4,211,742**	**-**	**-**
December 2017 - audited			
ASSETS			
Financial assets at fair value through profit and loss			
- Short-term investments	3,024,289	-	-

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 October 25, 2018 by the Board of Directors of the Company.

CHAIRMAN	CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

FFBL
Fauji Fertilizer Bin Qasim Limited

FFBL Tower, C1/C2, Sector B, Jinnah Boulevard,
DHA II, Islamabad. Tel: 051-8763325, Fax: 051-8763305