



#### **COMPANY INFORMATION**

#### DIRECTORS

- Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd) Chairman
- Lt Gen Javed Igbal, HI(M), (Retd) **Chief Executive & Managing Director**
- Lt Gen Tariq Khan, HI(M), (Retd)
- Dr. Nadeem Inayat
- Maj Gen Kaleem Saber Taseer, HI(M), (Retd)
- Mai Gen Tahir Ashraf Khan, HI(M), (Retd)
- Brig Raashid Wali Janjua, SI(M), (Retd)
- Brig Hamad Qadir, SI(M), (Retd)
- Mr Naved A. Khan
- Mr Nasier A. Sheikh
- Dr. Rashid Baiwa
- Mr Rehan Laig

#### 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 Taragiati 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-Hag Road

i azai-c-i iaq i ti

Blue Area, Islamabad.

#### **SHARES REGISTRAR**

M/s Corplink (Pvt) Limited

Model Town, Lahore.

Tel: (042) 35839182, 35887262

Wings Arcade, 1-K, Commercial,

Fax: (042) 35869037



### **Directors' Review**

For the Quarter Ended March 31, 2019

The Board of Directors is pleased to present a brief overview of the operational and financial performance of the Company for the first quarter ended March 31, 2019.

#### Turnaround, production & gas supply

By the grace of Almighty, 18.22 million safe-man-hours achieved as of March 31, 2019. Annual turnaround was also concluded safely and successfully within the budgeted days and cost.

Gas volume received was 20% short and lower in heating value during the period as compared to the corresponding period of last year, primarily owing to extended winter season. Provision of power and steam by FFBL Power Company Ltd to FFBL remained satisfactory. Production of Ammonia at 66 thousand tonnes (kt) and Urea at 50 kt is lower by 27% and 49% respectively whereas production of DAP at 167 kt is at par compared with the same period of last year.

#### DAP market and sales

The year 2019 started with highest ever inventory of 570 kt, which was 123% more than the inventory at the start of 2018. Excessive imports during 2018 created surplus situation, resultantly; market sentiments remained negative during first quarter of 2019. Higher domestic prices of DAP also affected consumption at farmer level. Overall industry sales declined during 1st quarter of the year due to higher inventory in the dealer network as well as significant inventory being carried by the industry. Domestic DAP market during Jan-Mar 2019 is estimated at 190 kt, 48% lower as compared to 365 kt during the same period last year.

FFBL's DAP sales during the period remained at 38 kt, 73% lower than 142 kt sales in Jan-Mar 2018; FFBL's market share remained 20% for this quarter.

#### **UREA** market and sales

Low urea inventories at the start of the year kept its market on a high. Favourable weather conditions also played a positive role in better urea consumption at farmer level. However, uncertainty about settlement of GIDC with GoP remained a limiting factor.

During Jan-Mar 2019, industry domestic sales are estimated at 1,350 kt, 8% higher than 1,250 kt sales for the same period last year. Estimated industry production of 1,315 kt during Jan-Mar 2019 is 1% less than 1,325 kt during the corresponding period. Estimated industry inventory at end Mar 2019 is 135 kt.

Urea sales for FFBL during Jan-Mar 2019 were 24 kt as compared to 88 kt sales of corresponding period of 2018, showing a sharp decrease of 73% owing to lower production and lower sales.



#### Financial results

FFBL's operational results for the first quarter 2019 show gross loss of Rs. 683 million as compared to gross profit of Rs. 745 million in the corresponding period. The main reasons include low production of Urea and significant decline in sales volume of Urea and DAP during the quarter. Increase in Phosphoric Acid price has also contributed towards higher cost of production, which could not be passed on to the customers.

The Company suffered finance cost amounting to Rs 912 million as against 419 million in the corresponding period owing to increased utilization of running finance along with increased mark-up rates. Other income mainly includes dividends received from associates amounting to Rs 463 million and Rs. 235 million income from investment with financial institutions. Net loss after tax stood at Rs 1,867 million (LPS Rs. 2.0) at March 31, 2019 against loss of Rs. 449 million (LPS Re. 0.48) in the corresponding period.

PMP declared a net profit of USD 21.46 million for the year ended December 31, 2018 as against net profit of USD 12.69 million for the corresponding period, in accordance with Moroccan Standards of Financial Reporting.

#### **Future prospects**

Future profitability of FFBL is dependent upon gas supply, selling price, mark-up rates and government decision on GIDC.

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 product 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

Lt Gen Syed Tariq Nadeem Gilani

HI(M), (Retd)

Chairman

**Islamabad** April 24, 2019 Lt Gen Javed Iqbal,

HI(M), (Retd)

Chief Executive & Managing Director



### ڈائر یکٹرصاحبان کاجائزہ

بابت سه ما ہی جو 31 مارچ 2019 كونتم ہوئى

بورڈ آف ڈائر کیٹرز کمپنی کی عملی اور مالی کارکرد گی کا ایک مختصر جائزہ ہا بت سہد ماہی جو کہ 31 مارچ 2019 کونتم ہوئی پیش کرتے ہوئے مسرت محسوں کرتا ہے۔

### سالا نه د مکیر بھال، پیداواراور گیس کی فراہمی:

اللہ کے فضل وکرم سے 18.22 ملین گھٹے بغیر کسی انسانی نقصان کے 31 مارچ 2019 تک حاصل کر لیے گئے۔سالانہ دکھیہ بھال بھی محفوظ اور کامیاب طریقے سے مقررہ دنوں اور لاگت کے اندر کھمل کر لیے گئے۔

گیس کا جو جم موصول ہوا وہ گذشتہ سال کے استے ہی وقت کے مقابلے میں 20 فیصد کم اور کمز ور ترارت والا تھا جس کی بنیادی وجہ موسم سرما کی طوالت تھی۔ FFBL پاور کمپنی کمیٹرٹر کی طرف سے FFBL کو بھی اور بھاپ کی فراہمی تعلی بخش رہی۔امونیا کی پیداوار جو کہ 66 ہزار ٹن تھی وہ 27 فیصد کم ہوئی اور پوریا کی پیداوار جو کہ 50 ہزار ٹن تھی، وہ 49 فیصد کم ہوئی، جبکہ DAP کی 167 ہزار ٹن کے حساب سے پیداوار کا تناسب پچھلے سال جیسا ہی رہا۔

#### ڈی اے بی مارکیٹ اور فروخت:

2019 کا آغاز 570 ہزارٹن کی بلندر بن انونٹری ہے ہوا جو کہ 2018 کے آغاز کی انونٹری سے 123 فیصد زیادہ قتا۔

2018 کے دوران زیادہ درآمدات نے اضافی مقدار کی صورت پیدا کردی، جس کے نتیج میں پہلی سہ ماہی میں مجموعی طور پر مارکیٹ جذبات منفی رہے۔ ملکی سطح پر DAP کی بلیلی سمائی میں مجموعی خور پر مارکیٹ کا رہے۔ 2019 کی پہلی سہ ماہی میں مصنوعات کی مجموعی فروخت میں کی رہی ۔ ملکی سطح پر DAP کی مارکیٹ کا اندازہ جنوری سے مارچ 2019 کے دوران 190 ہزارٹن کا لگایا گیا جو کہ گذشتہ سال اس دورائے میں 366 ہزارٹن رہاجو پچھلے سال سے 48 فیصد کم ہے۔

FFBL کی DAP کی فروخت اس مدت کے دوران 38 ہزارٹن رہی جو کہ جنوری سے مارچ 2018 میں ہونے والی 142 ہزارٹن فروخت سے 73 فیصد کم ہے، مارکیٹ میں FFBL کا حصہ اس سرماہی میں 20 فیصد رہا۔

#### يوريامار كيث اور فروخت:

اس سال کے شروع میں یوریا کی کم انونٹری کی وجہ سے اس کی قیت بلندرہی۔ساز گارموہم نے کسان کے ہاں یوریا کے بہتر استعال میں مثبت کردارادا کیا۔تا ہم GIDC کی GOP کے ساتھ معاملات طے ہونے کی غیریشی صورتحال ایک محدود کرنے والے عضر کے طور پرموجودرہی۔

جنوری سے مارچ2019 کے دوران انڈسٹری کی ملکی فروخت کا اندازہ 1,350 ہزارٹن لگایا گیا جو کہ گذشتہ سال ای دورائیے میں ہونے والی 1,250 ہزارٹن کی منعتی پیداوار کا جو تخیینہ لگایا گیادہ گذشتہ سال کے ای دورائیے میں ہونے والی 1,315 ہزارٹن کی صنعتی پیداوار کا جو تخیینہ لگایا گیادہ گذشتہ سال کے ای دورائیے میں ہونے والی 1,325 ہزارٹن کی ہیداوارے 1 فیصد کم ہے۔ مارچ 2019 کے اختتا م رضعتی انوشری کا تخیینہ 135 ہزارٹن ہے۔

جنوری سے مارچ 2019 میں FFBL کی پوریا کی فروخت 24 ہزارٹن رہی جو کہ 2018 کے اس دورائیے میں 88 ہزارٹن تھی۔ یعنی کے 2019 میں کم فروخت اور کم پیداوار کی وجہ سے پوریا کی فروخت میں 73 فیصد کی شدید گر اوٹ آئی۔

مالياتي نتائج:

FFBL کے 2019 کی پہلی سے مائی کے بات عملی نتائج سے معلوم ہوتا ہے کہ ان میں پیچلے سال ای مدت کے دوران ہونے والے جموعی منافع 745 ملین روپے کے مقابلے میں 880 ملین روپے کا نقصان ہوا۔ اس کے اہم اسباب میں ایور یا کی پیداوار میں کی اوراس سے مائی کے دوران ہور یا کی اور DAP کی فروخت میں واضح کی شامل ہے۔ فاسفورک ایسڈ کی قبیتوں میں اضافے نے بھی پیداوار کی قبیت میں اضافے کے سلسلے میں اپنا کر دارا داکیا ، جو کہ ڈرڈی مالیات کے استعال میں اضافہ کمیٹنی کو 912 ملین روپے کی مالیا تی کا سامنا کرنا پڑا جو کہ بچھلے سال ای مدت میں 419 ملین روپے رہی۔ اس کی وجہ گردڈی مالیات کے استعال میں اضافہ اور دور کی مالیا تی اداروں میں سرما بیکاری سے اور سود کی شرح میں اضافہ نے محمد کو اس مونے والی آمدن شام تھی۔ گیس اور کی کے بعد 31 مارچ 2019 کو خالص نقصان 1867 ملین روپے (Rs 2.0 LPS) ہوا جبکہ پچھلے سال ای مصل ہونے والی آمدن شام تھی۔ گیس دوپے (Rs 2.0 LPS) ہوا جبکہ پچھلے سال ای مدت میں خالص نقصان 449 ملین روپے (Rs 2.0 LPS) ہوا جبکہ پچھلے سال ای

PMP نے 31 دیمبر کوشتم ہونے والے سال کا منافع 21.46 ملین ڈالرظا ہر کیا۔جبکہ پچھلے سال ای مدت میں خالص منافع 12.69 ملین امریکی ڈالرقعا۔جس کا حساب مالیاتی رپورٹ کے مراکثی معیادات کے مطابق لگایا گیا۔

منتقبل کے امکانات:

مستقبل میں FFBL کا منافع گیس کی سیاا کی فروخت کی قیت، مارک اپ کی شرح اور گورنمنٹ کی GIDC سے متعلق فیصلے پر مخصر ہے۔

FFBLمستقل وزارت پیٹرولیم اورSSGCکے ساتھ مستقبل میں گیس کی بہتر اور سلسل سپلائی کے لئے تعاون کے لئے رابطے میں رہے گی۔ سمپنی اپنے سٹمرز کومعیاری مصنوعات کی فراہمی کی پالیسی پر قائم ہے اور سال کے باقی ھے میں بہتر فروخت کے ذریعے اپنے شراکت داروں کے لئے بہتر نتائج کی توقع رکھتے ہے۔

منجانب بورد

لیفشیننٹ جنرل جاویدا قبال ہلال امتیاز ملٹری ریٹائر ڈ

Thunday

چیف ایگزیکٹوومینیجنگ ڈایئریکٹر

اسلام آباد 24 اپریل 2019

لیفشینٹ جزل سیدطارق ندیم گیلانی ہلال امتیاز ملٹری ریٹائرڈ چیئر مین



# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

		March 31, 2019 (Un - audited)	December 31, 2018 (Audited)
	Note	(Rupee	s '000)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		9,341,100	9,341,100
Capital reserve		228,350	228,350
Revenue reserve			
Accumulated profit		1,526,641	4,328,006
		11,096,091	13,897,456
NON-CURRENT LIABILITIES			
Long-term loans	5	16,207,833	16,083,333
Deferred liabilities	6	911,551	948,917
		17,119,384	17,032,250
CURRENT LIABILITIES			
Trade and other payables		31,814,211	29,825,284
Unpaid dividend		10,784	10,784
Unclaimed dividend		1,050,142	117,530
Accrued interest		715,015	442,183
Short-term borrowings		18,398,651	13,913,497
Current portion of long-term loans	5	4,708,334	5,125,000
		56,697,137	49,434,278
		84,912,612	80,363,984

#### CONTINGENCIES AND COMMITMENTS

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



		March 31, 2019 (Un - audited)	December 31, 2018 (Audited)
	Note	(Rupee	s '000)
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	8	9,765,212	9,747,537
Long-term investments	9	24,564,751	24,564,751
Long-term loans	10	3,500,000	2,400,000
Long-term advances		88,397	102,055
Long-term deposits		78,643	78,643
		37,997,003	36,892,986
CURRENT ASSETS			
Stores and spares		2,707,635	2,721,558
Stock-in-trade		17,396,959	5,654,660
Trade debts		3,207,486	5,719,424
Advances		2,094,599	1,458,474
Trade deposits and short-term prepayments		42,885	48,492
Interest accrued		63,190	55,153
Other receivables	11	4,121,031	5,696,734
Income tax refundable - net		3,444,113	2,953,868
Sales tax refundable		5,615,883	4,537,400
Short-term investments	12	3,209,330	10,935,646
Cash and bank balances		5,012,498	3,689,589
		46,915,609	43,470,998
		84,912,612	80,363,984

CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

		2019	2018
N	lote	(Rupees '000)	
Sales - net		3,499,359	10,282,860
Cost of sales 1	13	(4,182,109)	(9,537,339)
Gross (loss) / profit		(682,750)	745,521
Selling and distribution expenses		(679,471)	(935,513)
Administrative expenses		(292,400)	(238,828)
		(1,654,621)	(428,820)
Finance costs		(912,077)	(419,272)
Other operating expenses		(50,508)	(162,780)
		(2,617,206)	(1,010,872)
Other income 1	14	800,742	360,482
Loss before taxation		(1,816,464)	(650,390)
Taxation - net	15	(50,791)	201,011
Loss after taxation		(1,867,255)	(449,379)
Loss per share - basic and diluted (Rupees)		(2.00)	(0.48)

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

CHAIDMAN

CHIEF EVECUTIVE

DIRECTOR

**CHIEF FINANCIAL OFFICER** 



# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

	2019	2018
	(Rupe	es '000)
Loss after taxation	(1,867,255)	(449,379)
Other comprehensive income	-	-
Total comprehensive loss	(1,867,255)	(449,379)

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

CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR

LUCE CINIANCIAL OFFICED



# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

	Share capital	Capital reserve	Accumulated profit	Total
		(Rup	ees' 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	-	-	(449,379)	(449,379)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(449,379)	(449,379)
Transactions with owners, recorded directly in equity				
Distributions to owners				
Final dividend 2017 (Re. 0.75 per ordinary share)	-	-	(700,593)	(700,593)
Total transactions with owners	-	-	(700,593)	(700,593)
Balance as at March 31, 2018	9,341,100	228,350	2,431,216	12,000,666
Balance as at January 01, 2019 - audited	9,341,100	228,350	4,328,006	13,897,456
Total comprehensive income				
Loss after taxation for the period	-	-	(1,867,255)	(1,867,255)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(1,867,255)	(1,867,255)
Transactions with owners, recorded directly in equity				
Distributions to owners				
Final dividend 2018 (Re.1 per ordinary share)	-		(934,110)	(934,110)
Total transactions with owners	-	-	(934,110)	(934,110)
Balance as at March 31, 2019	9,341,100	228,350	1,526,641	11,096,091

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

CHAIDMAN

CHIEF EVECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

		2019	2018
	Note	(Rupe	ees '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	16	(8,592,688)	(5,346,697)
Income tax paid		(598,563)	(685,407)
Finance costs paid		(639,245)	(422,573)
Compensated absences paid		(3,910)	(13,409)
Payment to Workers' (Profit) Participation Fund		(10,954)	(43,328)
Net cash used in operating activities		(9,845,360)	(6,511,414)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(428,532)	(210,061)
Long-term advances		13,658	-
Sale proceeds from disposal of property, plant and equipment		-	11,784
Dividend received		466,068	-
Investment at fair value through profit or loss - net		3,290,428	(199,387)
Long-term loans (disbursed) / recovered - net		(1,100,000)	22,575
Profit received on bank balances, term deposits and sub-ordinated loans		245,157	112,880
Net cash generated from / (used in) investing activities		2,486,779	(262,209)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing payment		(1,542,166)	(791,666)
Long-term financing receipt		1,250,000	500,000
Short-term borrowings - net		3,750,000	(245,000)
Dividend paid		(1,498)	(564,544)
Net cash generated from / (used in) financing activities		3,456,336	(1,101,210)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,902,245)	(7,874,833)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		366,092	10,347,911
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		(3,536,153)	2,473,078
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the condensed interim statement of cash flows comprise the following condensed interim statement of financial			
position amounts:			
- Cash and bank balances		5,012,498	3,776,504
- Short-term highly liquid investments	12	1,100,000	1,725,000
- Short-term running finance		(9,648,651)	(3,028,426)
		(3,536,153)	2,473,078

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

CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR

HILL LINANCIAL OFFICED



#### 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 (PSX). The registered office of the Company is situated at FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, DHA II, Islamabad. The principal objective of the Company is manufacturing, purchasing and marketing of fertilizers. The Company commenced its commercial production on January 1, 2000.

#### 2 BASIS OF PREPARATION

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

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

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

The disclosures in these condensed interim financial statements do not include the information reported for complete annual financial statements and should therefore be read in conjunction with the financial statements for the year ended December 31, 2018. The comparative Statement of Financial Position is extracted from the annual financial statements, as of December 31, 2018, whereas the Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity are extracted from the un-audited condensed interim financial statements, for the period ended March 31, 2018.

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

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

#### 3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2018.

#### 4 The status of significant shareholdings, as at March 31, 2019, are given below:

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



			March 31, 2019 (Un - audited)	December 31, 2018 (Audited)	
		Note	(Rupees '000)		
5	LONG-TERM LOANS				
	Loans from banking companies-secured		20,916,167	21,208,333	
	Less: Current portion shown under current liabilities		4,708,334	5,125,000	
			16,207,833	16,083,333	
6	DEFERRED LIABILITIES				
	Compensated leave absences		575,131	554,969	
	Deferred taxation - net	6.1	336,420	393,948	
			911,551	948,917	
6.1	The balance of deferred tax is in respect of the following taxable / (deductible) temporary differences:				
	Accelerated tax depreciation		1,418,022	1,475,550	
	Provision for inventory obsolescence		(44,671)	(44,671)	
	Provision against doubtful other receivables		(53,177)	(53,177)	
	Minimum tax		(983,754)	(983,754)	
			336,420	393,948	
7	CONTINGENCIES AND COMMITMENTS				
	Contingencies				
	i) Guarantees issued by banks on behalf of the Company		57,058	59,188	
	Commitments				
	i) Capital expenditure - contracted		1,430,240	1,727,516	
	ii) Letters of credit for purchase of stores, spares and raw mater	erials	774,260	812,323	

		March 31, 2019 (Un - audited)	December 31, 2018 (Audited)
	Note	(Rupe	es '000)
8 PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		9,747,537	10,405,171
Additions during the period / year		428,532	994,327
Cost of disposals during the period / year		(135)	(74,069)
Depreciation charged during the period / year		(410,778)	(1,633,725)
Accumulated depreciation on disposals during the period / year		56	55,833
		9,765,212	9,747,537
9 LONG-TERM INVESTMENTS			
Joint venture	9.1	1,411,150	1,411,150
Associated companies	9.2	7,991,556	7,991,556
Subsidiary companies	9.3	15,162,045	15,162,045
Other long-term investments	9.4	-	
		24,564,751	24,564,751
9.1 Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A, Morocco (PMP)		1,411,150	1,411,150
9.2 Investments in associates - at cost			
Quoted			
Fauji Cement Company Limited (FCCL)		300,000	300,000
Askari Bank Limited (AKBL)		5,230,991	5,230,991
Un-quoted			
Foundation Wind Energy - I Limited (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



			March 31, 2019 (Un - audited)	December 31, 2018 (Audited)
			(Rupees	·000)
9.3	Investments in subsidiaries - at cost			
	Quoted			
	Fauji Foods Limited (FFL)		4,672,902	4,672,902
	Un-quoted			
	Fauji Meat Limited (FML)		3,750,000	3,750,000
	FFBL Foods Limited		298,518	298,518
	FFBL Power Company Limited (FPCL)		6,440,625	6,440,625
			15,162,045	15,162,045
9.4	Investment - available for sale - unquoted			
	Arabian Sea Country Club Limited (ASCCL)			
	300,000 ordinary shares of Rs. 10 each		3,000	3,000
	Less: Impairment in value of investment		3,000	3,000
			-	
10	LONG-TERM LOANS			
	Fauji Meat Limited - unsecured	10.1	3,500,000	2,400,000

10.1 During the period, the Company disbursed Rs. 1,100 million as sub-ordinated loan to Fauji Meat Limited, a subsidiary company, out of total approved limit of Rs. 3,500 million. The loan carries mark-up at the rate which is higher of the Company's borrowing cost or KIBOR for the relevant period plus 0.5%, per annum, on the terms set out in the agreement and in compliance with the requirements of section 199 of Companies Act, 2017.

#### 11 OTHER RECEIVABLES

This includes an amount of Rs. 748 million (December 31, 2018: Rs. 2,293 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.

		March 31, 2019 (Un - audited)	December 31, 2018 (Audited)
		(Rupe	es '000)
12	SHORT-TERM INVESTMENTS		
	Loans and receivables		
	Term deposits with banks and financial institutions	1,100,000	5,590,000
	Investments at fair value through profit or loss		
	Mutual funds	2,109,330	5,345,646
		3,209,330	10,935,646

**12.1** The balance at the period end includes investment in term deposits, having maturity periods up to 3 months and carrying mark-up between 12.30% to 12.50% per annum (December 31, 2018: 10.75% to 12.25% per annum).



		2019	2018
		(Rupees '000)	
13	COST OF SALES		
	Raw materials consumed	9,680,905	7,160,684
	Packing materials consumed	133,827	139,607
	Fuel and power	2,344,154	2,116,924
	Chemicals and supplies consumed	37,263	49,940
	Salaries, wages and benefits	205,836	146,955
	Rent, rates and taxes	20,694	14,390
	Insurance	16,812	17,466
	Travel and conveyance	30,196	29,318
	Repairs and maintenance	607,989	728,566
	Communication, establishment and other expenses	21,915	25,904
	Depreciation	359,150	351,880
	Opening stock - work in process	95,760	103,813
	Closing stock - work in process	(78,518)	(23,069)
	Cost of goods manufactured	13,475,983	10,862,378
	Opening stock - finished goods	2,816,175	183,002
	Closing stock - finished goods	(12,110,049)	(1,508,041)
	Cost of sales	4,182,109	9,537,339
14	OTHER INCOME		
14	Profit on bank balances and term deposits	123,764	115,889
	Gain / Dividend from mutual funds	54,112	43,357
	Cash bonus on mutual funds	57,224	40,001
	Dividend from FCCL	14,063	
	Dividend from AKBI	271,884	
	Dividend from FWE-I	52,500	
	Dividend from FWE-II	122,500	
	Subsidy income on Urea	122,300	173,291
	Interest on sub-ordinated loans - FWE-I & FWE-II	_	414
	Interest on sub-ordinated loan - FML	72,206	-
	Scrap sale and other receipts	12,585	15,068
	(Loss) / gain on sale of property, plant and equipment	(79)	388
	Guarantee fee - FWE-I & FWE-II	- (13)	2,039
	Guarantee fee - FML		3,304
	Others	19,983	6,732
		800,742	360,482
		300,172	300,702



		2019	2018
		(Rupee	s '000)
15	TAXATION - NET		
	Current tax	108,318	272,254
	Deferred tax	(57,527)	(473,265)
		50,791	(201,011)
16	CASH USED IN OPERATIONS		
	Loss before taxation	(1,816,464)	(650,390)
	Adjustment for non-cash charges and other items:		
	Provision for gratuity	16,309	18,105
	Exchange losses	49,983	144,886
	Provision for compensated absences	24,072	18,141
	Provision for Workers' Welfare Fund	•	17,369
	Depreciation	410,778	402,924
	Finance costs	912,077	419,272
	Dividend from joint venture	(2,946)	-
	Profit on bank balances and term deposits	(235,100)	(159,246)
	Dividend from associates	(460,947)	-
	Loss / (gain) on disposal of property, plant and equipment	79	(388)
	Interest on sub-ordinated loans	(72,206)	(414)
	Guarantee fee	-	(5,343)
	Operating profit before working capital changes	(1,174,365)	204,916
	Changes in working capital		
	Stores and spares	13,923	108,430
	Stock-in-trade	(11,742,299)	(20,964)
	Trade debts	2,511,938	10,629
	Advances	(636,125)	(147,061)
	Trade deposits and short-term prepayments	5,607	(35,272)
	Other receivables	1,573,528	(2,033,324)
	Sales tax refundable	(1,078,483)	(635,534)
	Trade and other payables	1,933,588	(2,798,517)
		(7,418,323)	(5,551,613)
	Cash used in operations	(8,592,688)	(5,346,697)

#### 17 RELATED PARTY TRANSACTIONS

The Company has related parties which comprise of subsidiaries, a joint venture, entities under common directorship, directors, key management personnel, share holders and employees funds. Fauji Fertilizer Company Limited (FFCL) has a 49.88% share holding in the Company (2018: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2018: 18.29%) in the Company. Transactions with related parties and balances outstanding, other than those have been disclosed elsewhere in these condensed interim financial statements are given below. The carrying values of the investment in and loans to related parties are disclosed in note 9 and note 10 to these condensed interim financial statements.

	2019	2018
	(Rupe	es '000)
Transactions with Fauji Foundation (FF):		
Dividend paid	-	128,132
Services provided	•	154
Transactions with subsidiary companies:		
Material / services provided to FFBL Power Company Limited	103,793	114,572
Material / services provided to Fauji Foods Limited	7,475	13,560
Services provided to Fauji Meat Limited	2,474	1,785
Material received from FFBL Power Company Limited	2,084,891	1,907,148
Services provided to FFBL Foods Limited	•	426
Guarantee fee and mark-up on sub-ordinated loan from Fauji Meat Limited	72,206	3,304
Mark-up receivable on sub-ordinated loan from Fauji Meat Limited	34,235	- *
Balance payable to FFBL Power Company Limited	775,504	972,075*
Balance receivable from FFBL Power Company Limited	80,257	87,307*
Transactions with associates:		
Services and material acquired	93,683	246,919
Receipts under consignment account (FFCL)	6,844,003	6,212,283
Commission charged to the Company	1,240	4,586
Dividend paid		349,419
Profit on bank balances (AKBL)	11,785	17,248
Long-term loan (AKBL)	-	500,000
Mark-up on long-term loans (AKBL)	11,271	387
Mark-up payable on long-term loans at the period end (AKBL)	633	- *
Interest and Guarantee fee from FWE-I and FWE-II		2,453
Transactions with Fauji Foundation Hospital	104	2
Transactions with Foundation Gas	298	171
Balance receivable at the period end - unsecured (FFCL)	747,799	2,292,909 *



	2019	2018
	(Rupe	es '000)
Balances at bank (AKBL)	419,814	398,998 *
Loans to associates - FWE-I & FWE-II		11,288
Dividend received from associates	460,947	-
Transactions with joint venture:		
Purchase of raw materials	6,796,500	4,097,195
Expenses incurred on behalf of joint venture	3,240	4,378
Balance payable at the period end - secured	7,970,298	7,091,973*
Balance receivable at the period end - unsecured	17,528	302,355*
Dividend received during the period	2,946	-
Other related parties:		
Contribution to Provident Fund	17,954	17,286
Payment to Workers' (Profit) Participation Fund & Workers Welfare Fund	10,954	43,328
Remuneration of key management personnel	78,898	66,875
Balance payable at the period end - unsecured (WWF and WPPF)	561,622	572,576*
Payable to Gratuity Fund	99,094	82,607*

<sup>\*</sup>Balance of accounts appearing as comparatives are as at December 31, 2018 (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)	
March 31, 2019 - un-audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	2,109,330	-	-
December 31, 2018 - audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	5,345,646	-	-

#### 19 **GENERAL**

- 19.1 Figures have been rounded off to the nearest thousand rupees.
- 19.2 These condensed interim financial statements were authorized for issue on April 24, 2019 by the Board of Directors of the Company.

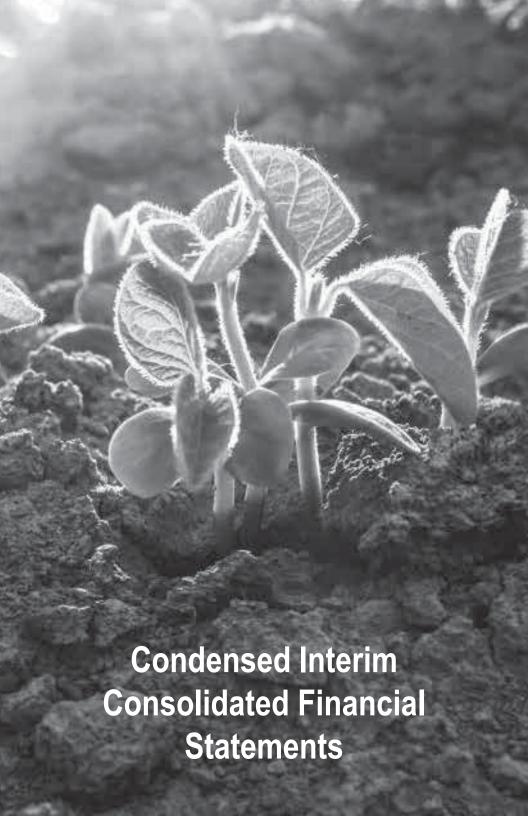
CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER





# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	March 31, 2019 (Un - audited)	December 31, 2018 (Audited)
Note	(Rupe	es '000)
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	9,341,100	9,341,100
Capital reserve	228,350	228,350
Statutory reserve	1,084,947	1,050,097
Revenue reserves		
Translation reserve	2,207,508	1,688,216
Revaluation reserve on available for sale investments, net of tax	(933,309)	(481,495)
Accumulated profit	1,179,748	4,383,873
	13,108,344	16,210,141
Non-Controlling Interest	3,645,337	3,826,318
	16,753,681	20,036,459
NON-CURRENT LIABILITIES		
Long-term loans 5	37,937,775	38,404,111
Finance lease liability	264,143	289,272
Deferred liabilities 6	2,102,785	2,223,113
	40,304,703	40,916,496
CURRENT LIABILITIES AND PROVISIONS		
Trade and other payables	32,538,626	31,584,173
Unpaid dividend	10,784	10,784
Unclaimed dividend	1,051,108	118,496
Accrued interest	1,088,146	723,872
Short-term borrowings	26,082,926	22,501,589
Current portion of long-term loans 5	8,370,502	8,603,242
Current portion of finance lease liability	124,744	145,299
	69,266,836	63,687,455
	126,325,220	124,640,410

#### CONTINGENCIES AND COMMITMENTS

7

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



March 31. December 31, 2019 2018 (Un - audited) (Audited) Note (Rupees '000) 8 49,926,280 50,077,055 382,700 382,990 17,508,318 9 17,146,832 88.397 102,055 79.587 79.587 6 1.603.177 1.613.571 69.226.973 69.763.576 3,257,667 3,187,689 8,547,165 20,770,906 4,747,155 6,510,563 2,277,367 2,000,829 226,725 235.661 32,195 43.936 10 4,591,457 6,279,769 5,076,426 4,525,602 6,745,234 5,613,037 11 3,209,330 11,235,646 6,163,785 6,696,937 57.098.247 54.876.834

CHAIRMAN

**ASSETS** 

NON-CURRENT ASSETS

Intangible assets

Long-term investments

Long-term advances

Long-term deposits

Deferred tax asset

Stores and spares

Trade deposits and short-term prepayments

Stock-in-trade

Trade debts

Interest accrued

Other receivables

Sales tax refundable

Short-term investments

Cash and bank balances

Income tax refundable - net

Advances

**CURRENT ASSETS** 

Property, plant and equipment

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

124,640,410



126,325,220

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

		2019	2018
No	te	(Rupees '000)	
Sales - net		6,877,403	14,024,295
Cost of sales	2 _	(6,054,096)	(11,974,200)
Gross profit		823,307	2,050,095
Selling and distribution expenses		(1,074,278)	(1,484,590)
Administrative expenses		(487,846)	(406,090)
		(738,817)	159,415
Finance costs		(1,924,569)	(1,074,408)
Other operating expenses		(83,602)	(202,811)
	Ī	(2,746,988)	(1,117,804)
Other income 13	3		
Share of profit of joint venture and associates - net	ſ	114,660	203,468
Others		294,848	423,890
		409,508	627,358
Loss before taxation		(2,337,480)	(490,446)
Taxation - net 14	4	(78,666)	76,680
Loss after taxation		(2,416,146)	(413,766)
Attributable to:			
- Owners of the holding Company		(2,235,165)	(241,605)
- Non-controlling interest		(180,981)	(172,161)
		(2,416,146)	(413,766)
Loss per share - basic and diluted (Rupees)		(2.39)	(0.26)

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

CHAIRMAN

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DIRECTOR

**CHIEF FINANCIAL OFFICER** 



### CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

	2019	2018	
	(Rupees '000)		
Loss after taxation	(2,416,146)	(413,766)	
Other comprehensive income / (loss)			
Exchange difference on translating a joint venture	500,252	288,698	
Effect of translation - share of associate	19,040	5,270	
Revaluation reserve on available for sale investments	(531,546)	(169,777)	
Related deferred tax	79,732	25,467	
	(451,814)	(144,310)	
Total comprehensive loss	(2,348,668)	(264,108)	
Attributable to:			
- Owners of the holding Company	(2,167,687)	(91,947)	
- Non-controlling interest	(180,981)	(172,161)	
	(2,348,668)	(264,108)	

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

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DIRECTOR

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### CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

		Reserves						
	Share capital	Capital reserve	Revaluation reserve on available for sale investments	Statutory reserve	Translation reserve	Accumulated profit / (loss)	Non- controlling interest	Total
				(Rup	ees' 000)			
Balance as at January 01, 2018 - audited	9,341,100	228,350	33,856	821,150	824,699	3,959,623	4,765,782	19,974,560
Total comprehensive (loss) / income								
Loss for the period after taxation	-	-	-	-	-	(241,605)	(172,161)	(413,766)
Other comprehensive (loss) / income for the period	-	-	(144,310)	-	293,968	-	-	149,658
Total comprehensive (loss) / income for the period	-	-	(144,310)	-	293,968	(241,605)	(172,161)	(264,108)
Transfer to statutory reserve	-	-	-	45,327	-	(45,327)	-	-
Transactions with owners, recorded directly in equity								
Distributions to owners								
Final dividend 2017 (Re. 0.75 per ordinary share)	-	-	-	-	-	(700,593)	-	(700,593)
Total transactions with owners		-	-	-	-	(700,593)		(700,593)
Balance as at March 31, 2018	9,341,100	228,350	(110,454)	866,477	1,118,667	2,972,098	4,593,621	19,009,859
Balance as at January 01, 2019 - audited	9,341,100	228,350	(481,495)	1,050,097	1,688,216	4,383,873	3,826,318	20,036,459
Total comprehensive (loss) / income								
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)	-	
Transactions with owners, recorded directly in equity								
Distributions to owners								
Final dividend 2018 (Re.1 per ordinary share)	-		_			(934,110)	_ •	(934,110)
Total transactions with owners	-	•		-		(934,110)	-	(934,110)
Balance as at March 31, 2019	9,341,100	228,350	(933,309)	1,084,947	2,207,508	1,179,748	3,645,337	16,753,681

The annexed notes, from 1 to 19, 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, 2019

	2019	2018
Note	(Rup	ees '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in operating activities 15	(9,107,507)	(5,614,601)
Income tax paid	(683,640)	(853,085)
Payment to gratuity fund	(8,896)	-
Finance cost paid	(1,549,739)	(981,879)
Compensated absences paid	(3,682)	(4,935)
Payment to Workers' (Profit) Participation Fund	(139,502)	(43,377)
Net cash used in operating activities	(11,492,966)	(7,497,877)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(675,375)	(813,968)
Dividend received	466,069	-
Sale proceeds of property, plant and equipment	27,249	12,315
Long-term deposits	-	521
Long-term loans - recovered	-	22,575
Long-term advances	13,658	-
Investment at fair value through profit or loss	3,290,428	(299,387)
Cash dividend on mutual fund	57,224	-
Profit received on bank balances and term deposits	166,037	155,858
Net cash generated from / (used in) investing activities	3,345,290	(922,086)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings - net	3,899,223	(245,000)
Long-term loans	(709,631)	(677,455)
Finance lease liability	(45,684)	(10,008)
Dividend paid	(1,498)	(564,545)
Net cash generated from / (used in) financing activities	3,142,410	(1,497,008)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,005,266)	(9,916,971)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(4,564,653)	9,422,616
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(9,569,919)	(494,355)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the condensed interim consolidated		
statement of cash flows comprises the following condensed interim consolidated statement of financial position amounts:		
- Cash and bank balances	6,163,785	5,887,599
- Short-term highly liquid investments	1,100,000	2,575,000
- Short-term running finance	(16,833,704)	(8,956,954)
·	(9,569,919)	(494,355)

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

CHAIRMAN

**CHIEF EXECUTIVE** 

DIRECTOR

HIEF FINANCIAL OFFICED



#### 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 fully owned subsidiaries, Fauji Meat Limited (FML), FFBL Foods Limited, FFBL Power Company Limited (FPCL) and Fauji Foods Limited (FFL) 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 was incorporated in Pakistan on September 26, 1966 (now replaced by the Companies Act, 2017 with effect from May 31, 2017) 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 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 consolidated financial statements do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2018. The comparative Consolidated Statement of Financial Position is extracted from the annual consolidated financial statements, as of December 31, 2018, whereas the Consolidated Statement of Profit or Loss and the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity are extracted from the unaudited condensed interim consolidated financial statements, for the period ended March 31, 2018.

These condensed interim consolidated financial statements are un-audited 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.



#### 3 ACCOUNTING POLICIES

The accounting policies and method of computation adopted for the preparation of these condensed interim consolidated financial statements are same as those applied in preparation of consolidated financial statements for the preceding year ended December 31, 2018.

#### 4 Group consists of following subsidiary companies:

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

The condensed interim financial statements of subsidiary companies have been consolidated on line by line basis. The carrying value of investments held by the Holding Company is eliminated against the subsidiaries' share capital and pre-acquisition reserves. All material inter-company balances have been eliminated.

March 31,	December 31,		
2019	2018		
(Un - audited)	(Audited)		
(Rupees '000)			

#### 5 LONG-TERM LOANS

Loans from banking companies-secured	46,308,277	47,007,353
Less: Current portion shown under current liabilities	8,370,502	8,603,242
	37,937,775	38,404,111

		March 31, 2019 (Un - audited)	December 31, 2018 (Audited)
	Note	(Rupee	s '000)
6	DEFERRED LIABILITIES		
	Compensated leave absences	682,539	658,590
	Deferred taxation 6.1	1,420,246	1,564,523
		2,102,785	2,223,113
6.1	The balance of deferred tax is in respect of the following taxable / (deductible) temporary differences:		
	Accelerated depreciation	1,834,158	2,523,579
	Share of profit of joint venture and associates - net	904,094	935,357
	Share of profit of subsidiary	178,730	178,730
	Provision for inventory obsolescence	(44,671)	(44,671)
	Provision for doubtful other receivables	(53,177)	(53,177)
	Deferred tax on revaluation of available for sale investments	(175,683)	(95,951)
	Minimum tax	(983,754)	(983,754)
	Unabsorbed losses	(1,842,628)	(2,509,161)
		(182,931)	(49,048)
	Amount shown under non-current assets	1,603,177	1,613,571
		1,420,246	1,564,523

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



		March 31, 2019 (Un - audited)	December 31, 2018 (Audited)
		(Rupe	es '000)
СО	NTINGENCIES AND COMMITMENTS		
roO	ntingencies		
i)	Guarantees issued by banks on behalf of the Group	57,058	130,028
,	Group's share of contingent liabilities of Fauji Cement Company Limited as at December 31, 2018	23,413	23,413
,	Group's share of contingent liabilities of Foundation Wind Energy - I Limited as at December 31, 2018	63,601	63,601
iv)	Group's share of contingent liabilities of Foundation Wind Energy - II (Pvt) Limited as at December 31, 2018	252,840	252,840
v)	Group's share of contingent liabilities of Askari Bank Limited as at December 31, 2018	38,535,245	84,106,897
vi)	Contingent liabilities of Fauji Meat Limited	58,113	58,113
vii)	Contingent liabilities of Fauji Foods Limited	81,010	83,510
roO	mmitments		
i)	Capital expenditures - contracted	1,430,240	1,727,516
ii)	Letters of credit for purchase of stores, spares and raw materials	774,260	812,323
iii)	Commitments with Fauji Foundation for investment in FWE-I & FWE-II as at December 31, 2018	379,395	363,971
iv)	Company's share of commitments of PMP as at December 31, 2018	57,225	11,983
v)	Commitments of Fauji Meat Limited	30,594	22,699
,	Commitments of FFBL Power Company Limited	378,676	1,073,466
VII)	Group's share of commitments of Fauji Cement Company Limited as at December 31, 2018	24,154	9,098
viii)	Commitments of Fauji Foods Limited	455,600	369,120
PR	OPERTY, PLANT AND EQUIPMENT		
Оре	ening written down value	50,077,055	50,267,619
Add	litions during the period / year	689,528	3,668,322
Dis	posals during the period / year	(25,384)	(77,657)
Dep	preciation during the period / year	(803,071)	(3,170,147)
Dep	preciation charged on disposals during the period / year	3,152	56,360
•	ustments during the period / year	(15,000)	(667,442)
Clo	sing written down value	49,926,280	50,077,055

March 31,

December 31,

	March 31, 2019 (Un - audited)	2018 (Audited)
	(Rupe	es '000)
LONG-TERM INVESTMENTS		
Investment in joint venture - equity method		
Pakistan Maroc Phosphore S.A, Morocco (PMP)		
Balance brought forward	4,770,687	4,105,395
Share of profit	32,714	640,983
Dividend	(2,945)	(812,822
Gain on translation of net assets	500,251	837,131
Closing balance	5,300,707	4,770,687
Investment in associates - equity method		
Fauji Cement Company Limited (FCCL)		
Balance brought forward	420,371	407,743
Share of profit	13,562	50,128
Dividend	(14,062)	(37,500
Closing balance	419,871	420,371
Foundation Wind Energy - I Limited (FWE-I)		
Opening balance	2,388,392	2,038,217
Share of (loss) / profit	(53,704)	350,175
Dividend	(52,500)	-
Closing balance	2,282,188	2,388,392
Foundation Wind Energy - II (Pvt) Limited (FWE-II)		
Opening balance	2,430,853	2,075,568
Share of (loss) / profit	(52,913)	355,285
Dividend	(122,500)	-
Closing balance	2,255,440	2,430,853
Askari Bank Limited (AKBL)		
Opening balance	7,498,015	7,072,138
Share of profit	175,001	1,005,787
Dividend	(271,884)	-
Revaluation reserve of available for sale investment	(531,546)	(606,296
Effect of translation	19,040	26,386
Closing balance	6,888,626	7,498,015
Investment - available for sale - unquoted		
Arabian Sea Country Club Limited (ASCCL)		
300,000 ordinary shares of Rs. 10 each	3,000	3,000
Less: Impairment in value of investment	3,000	3,000
•	-	-
	17,146,832	17,508,318



9

#### 10 OTHER RECEIVABLES

This includes an amount of Rs. 748 million (December 31, 2018: Rs. 2,293 million) receivable from Fauji Fertilizer Company Limited, an associated company on account of amount recovered from customers, against sales of the Company's products under an inter-company services agreement.

#### 11 SHORT-TERM INVESTMENTS

The balance at the period end includes investments in term deposits receipts of various banks, having maturity periods upto 3 months, and carrying mark-up between 12.30% to 12.50% per annum (December 31, 2018: 10.5% to 12.25% per annum).

	2019	2018
	(Rupees '000)	
12 COST OF SALES		
Raw materials consumed	12,179,203	9,971,913
Packing materials consumed	646,418	895,435
Fuel and power	321,137	296,116
Ash dumping	3,682	8,912
Lairage	1,275	-
Utilities	12,565	45,166
Milk collection charges	-	65,298
Chemicals and supplies consumed	168,052	150,739
Salaries, wages and benefits	552,206	458,023
Rent, rates and taxes	20,507	14,630
Insurance	43,681	39,727
Travel and conveyance	50,004	40,735
Repairs and maintenance	708,880	787,326
Communication, establishment and other expenses	42,196	48,002
Depreciation	736,992	724,596
Opening stock - work in process	133,055	129,948
Closing stock - work in process	(148,751)	(93,937)
Cost of goods manufactured	15,471,102	13,582,629
Opening stock - finished goods	3,155,514	467,002
Closing stock - finished goods	(12,572,520)	(2,075,431)
Cost of sales	6,054,096	11,974,200

		2019	2018	
		(Rupees '000)		
13	OTHER INCOME			
	Share of profit / (loss) from joint venture and associates			
	Pakistan Maroc Phosphore S.A, Morocco	32,714	96,628	
	Foundation Wind Energy - I Limited	(53,704)	(67,549)	
	Foundation Wind Energy - II (Pvt) Limited	(52,913)	(62,003)	
	Fauji Cement Company Limited	13,562	10,857	
	Askari Bank Limited	175,001	225,535	
		114,660	203,468	
	Profit on bank balances & term deposits	154,296	153,793	
	Gain / Dividend from mutual funds	54,112	43,357	
	Cash bonus on mutual funds	57,224	-	
	Subsidy income on Urea	-	173,291	
	Interest and guarantee fee	-	2,453	
	Scrap sale and other receipts	21,529	46,050	
	Gain / (loss) on sale of property, plant and equipment	5,017	(531)	
	Miscellaneous income	2,670	5,477	
		294,848	423,890	
		409,508	627,358	
14	TAXATION - NET			
	Current tax	132,816	306,252	
	Deferred tax	(54,150)	(382,932)	
		78,666	(76,680)	



Rupees '000    15
Loss before taxation  Adjustment for non-cash charges and other items:  Provision for gratuity  Exchange losses  Provision for Compensated absences  Provision for Workers' Welfare Fund  Provision for Workers' Profit Participation Fund  Amortization of transaction cost of long-term finance  Depreciation and amortization  Finance cost  Profit on bank balances and term deposits  Income / Dividend on mutual funds  Cash bonus on mutual funds  Guarantee fee  Profit from joint venture and associates - net  Mark-up on sub-ordinated loans  (490,446  23,340  27,415  23,340  27,415  24,983  17,436  20,983  40,998  40,998  40,998  40,998  40,998  40,208  790,643  40,208  790,643  40,408  790,643  40,998
Adjustment for non-cash charges and other items:  Provision for gratuity  Exchange losses  43,808  Provision for compensated absences  Provision for Workers' Welfare Fund  Provision for Workers' Profit Participation Fund  Amortization of transaction cost of long-term finance  Depreciation and amortization  Finance cost  Profit on bank balances and term deposits  Income / Dividend on mutual funds  Cash bonus on mutual funds  Guarantee fee  Profit from joint venture and associates - net  Mark-up on sub-ordinated loans  (Gain) / loss on sale of property, plant and equipment  Operating profit before working capital
Provision for gratuity         23,340         27,415           Exchange losses         43,808         137,436           Provision for compensated absences         27,632         20,983           Provision for Workers' Welfare Fund         -         40,998           Provision for Workers' Profit Participation Fund         37,884         17,369           Amortization of transaction cost of long-term finance         10,556         8,260           Depreciation and amortization         804,208         790,643           Finance cost         1,914,013         1,066,148           Profit on bank balances and term deposits         (154,296)         (153,793           Income / Dividend on mutual funds         (54,112)         (43,357           Cash bonus on mutual funds         (57,224)         -           Guarantee fee         -         (414           Profit from joint venture and associates - net         (114,660)         (203,468           Mark-up on sub-ordinated loans         -         (2,039           (Gain) / loss on sale of property, plant and equipment         (5,017)         531           Operating profit before working capital changes         138,652         1,216,266
Exchange losses       43,808       137,436         Provision for compensated absences       27,632       20,983         Provision for Workers' Welfare Fund       -       40,998         Provision for Workers' Profit Participation Fund       37,884       17,369         Amortization of transaction cost of long-term finance       10,556       8,260         Depreciation and amortization       804,208       790,643         Finance cost       1,914,013       1,066,148         Profit on bank balances and term deposits       (154,296)       (153,793         Income / Dividend on mutual funds       (54,112)       (43,357         Cash bonus on mutual funds       (54,112)       (43,357         Guarantee fee       -       (414         Profit from joint venture and associates - net       (114,660)       (203,468         Mark-up on sub-ordinated loans       -       (2,039         (Gain) / loss on sale of property, plant and equipment       (5,017)       531         Operating profit before working capital changes       138,652       1,216,266
Provision for compensated absences         27,632         20,983           Provision for Workers' Welfare Fund         -         40,998           Provision for Workers' Profit Participation Fund         37,884         17,369           Amortization of transaction cost of long-term finance         10,556         8,260           Depreciation and amortization         804,208         790,643           Finance cost         1,914,013         1,066,148           Profit on bank balances and term deposits         (154,296)         (153,793           Income / Dividend on mutual funds         (54,112)         (43,357           Cash bonus on mutual funds         (57,224)         -           Guarantee fee         -         (414           Profit from joint venture and associates - net         (114,660)         (203,468           Mark-up on sub-ordinated loans         -         (2,039           (Gain) / loss on sale of property, plant and equipment         (5,017)         531           Operating profit before working capital changes         138,652         1,216,266           Changes in working capital         -         -         -
Provision for Workers' Welfare Fund         -         40,998           Provision for Workers' Profit Participation Fund         37,884         17,369           Amortization of transaction cost of long-term finance         10,556         8,260           Depreciation and amortization         804,208         790,643           Finance cost         1,914,013         1,066,148           Profit on bank balances and term deposits         (154,296)         (153,793           Income / Dividend on mutual funds         (54,112)         (43,357           Cash bonus on mutual funds         (57,224)         -           Guarantee fee         -         (414           Profit from joint venture and associates - net         (114,660)         (203,468           Mark-up on sub-ordinated loans         -         (2,039           (Gain) / loss on sale of property, plant and equipment         (5,017)         531           Operating profit before working capital changes         138,652         1,216,266           Changes in working capital         -         -         -
Provision for Workers' Profit Participation Fund         37,884         17,369           Amortization of transaction cost of long-term finance         10,556         8,260           Depreciation and amortization         804,208         790,643           Finance cost         1,914,013         1,066,148           Profit on bank balances and term deposits         (154,296)         (153,793           Income / Dividend on mutual funds         (54,112)         (43,357           Cash bonus on mutual funds         (57,224)         -           Guarantee fee         -         (414           Profit from joint venture and associates - net         (114,660)         (203,468           Mark-up on sub-ordinated loans         -         (2,039           (Gain) / loss on sale of property, plant and equipment         (5,017)         531           Operating profit before working capital changes         138,652         1,216,266           Changes in working capital         -         -         -
Amortization of transaction cost of long-term finance  Depreciation and amortization  Finance cost  Profit on bank balances and term deposits  Income / Dividend on mutual funds  Cash bonus on mutual funds  Guarantee fee  Profit from joint venture and associates - net  Mark-up on sub-ordinated loans  (Gain) / loss on sale of property, plant and equipment  Operating profit before working capital  August 10,556  8,260  8,260  8,260  8,260  8,260  8,260  8,260  8,260  8,260  8,260  8,260  1,914,013  1,066,148  (154,296)  (153,793  (54,112)  (43,357  (57,224)  -  (414  (114,660)  (203,468  (303)  (5017)  531  (5017)  1,216,266  Changes in working capital
Depreciation and amortization  Finance cost  Finance cost  Profit on bank balances and term deposits  Income / Dividend on mutual funds  Cash bonus on mutual funds  Guarantee fee  Profit from joint venture and associates - net  Mark-up on sub-ordinated loans  (Gain) / loss on sale of property, plant and equipment  Operating profit before working capital  Cash and associated  Rodard (154,296)  (153,793  (54,112)  (43,357  (57,224)  -  (414  (114,660)  (203,468  (5,017)  531  Operating profit before working capital changes  138,652  1,216,266
Finance cost       1,914,013       1,066,148         Profit on bank balances and term deposits       (154,296)       (153,793         Income / Dividend on mutual funds       (54,112)       (43,357         Cash bonus on mutual funds       (57,224)       -         Guarantee fee       -       (414         Profit from joint venture and associates - net       (114,660)       (203,468         Mark-up on sub-ordinated loans       -       (2,038         (Gain) / loss on sale of property, plant and equipment       (5,017)       531         Operating profit before working capital changes       138,652       1,216,266         Changes in working capital       -       -       -
Profit on bank balances and term deposits  Income / Dividend on mutual funds  Cash bonus on mutual funds  Guarantee fee  Profit from joint venture and associates - net  Mark-up on sub-ordinated loans  (Gain) / loss on sale of property, plant and equipment  Operating profit before working capital  (154,296)  (54,112)  (43,357  (57,224)  -  (414  (114,660)  (203,468  (203,468  (5,017)  531  Operating profit before working capital changes  138,652  1,216,266
Income / Dividend on mutual funds  Cash bonus on mutual funds  Guarantee fee  - (414  Profit from joint venture and associates - net  Mark-up on sub-ordinated loans  (Gain) / loss on sale of property, plant and equipment  Operating profit before working capital changes  Changes in working capital
Cash bonus on mutual funds  Guarantee fee  Profit from joint venture and associates - net  Mark-up on sub-ordinated loans  (Gain) / loss on sale of property, plant and equipment  Operating profit before working capital changes  Changes in working capital
Guarantee fee - (414  Profit from joint venture and associates - net (114,660) (203,468  Mark-up on sub-ordinated loans - (2,039  (Gain) / loss on sale of property, plant and equipment (5,017) 531  Operating profit before working capital changes 138,652 1,216,266  Changes in working capital
Profit from joint venture and associates - net  Mark-up on sub-ordinated loans  (Gain) / loss on sale of property, plant and equipment  Operating profit before working capital changes  Changes in working capital
Mark-up on sub-ordinated loans  (Gain) / loss on sale of property, plant and equipment  (5,017)  Operating profit before working capital changes  Changes in working capital
(Gain) / loss on sale of property, plant and equipment (5,017) 531  Operating profit before working capital changes 138,652 1,216,266  Changes in working capital
Operating profit before working capital changes 138,652 1,216,266 Changes in working capital
Changes in working capital
Stores and spares (69,978) 30,308
Stock-in-trade (12,223,741) (345,585
Trade debts 1,763,408 (65,950
Advances (276,538) (227,338)
Trade deposits and short-term prepayments 8,936 (22,181
Other receivables 1,686,137 (1,802,028
Sales tax receivable (1,132,197) (543,768
Trade and other payables 997,814 (3,854,325)
<b>(9,246,159)</b> (6,830,867)
Cash used in operations (9,107,507) (5,614,601

#### 16 RELATED PARTY TRANSACTIONS

Fauji Fertilizer Company Limited (FFCL) has 49.88% share holding in FFBL (2018: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2018: 18.29%) in the Holding Company. The Group has related parties which comprise of a joint venture, entities under common directorship, directors, key management personnel and employees' funds. Transactions with related parties and the balances outstanding at the period end are given below. The carrying value of investment in joint venture and associates are disclosed in note 9 to the condensed interim consolidated financial statements.

	2019	2018
	(Rup	ees '000)
Transactions with Fauji Foundation (FF):		
Dividend paid	-	128,132
Services provided	-	154
Payable at the period end	3,118	3,118 *
Transactions with associated undertakings due to common directorship:		
Services and material acquired	93,683	246,919
Receipts under consignment account (FFCL)	6,844,003	6,212,283
Commission charged to the Holding Company	1,240	4,586
Balance receivable at the period end - unsecured (FFCL)	747,799	2,292,909 *
Dividend paid	<del>-</del>	349,419
Dividend received from associates	460,947	-
Profit on bank balances with AKBL	17,248	21,078
Long-term loans (AKBL)	-	500,000
Mark-up on long-term loans (AKBL)	11,271	387
Finance cost charged on behalf of AKBL	19,565	-
Utilities expenses on behalf of AKBL	582 633	3,541
Mark-up payable on long-term loans (AKBL) at the period end Balances at bank (AKBL)	419,814	431,728 *
Transactions with Fauji Foundation Hospital	104	431,720
Interest and Guarantee fee from FWE-I & FWE-II	104	2,453
Transactions with Foundation Gas	298	171
Balance of loans to associates - FWE-I & FWE-II	-	11,288
		11,200
Transactions with joint venture:	0.700.500	4 007 405
Purchase of raw materials	6,796,500	4,097,195
Expenses incurred on behalf of joint venture	3,240	4,378
Balance payable at the period end - secured Balance receivable at the period end - unsecured	7,970,298 17,528	7,091,973 * 302,355 *
Dividend received	2,946	502,555
	2,340	-
Other related parties:		
Contribution to Provident Fund	24,685	25,054
Payment to Gratuity Fund	8,896	-
Payment to Workers' (Profit) Participation Fund & Workers Welfare Fund	139,502	43,328
Balance payable - (WWF and WPPF) unsecured	599,936	701,555 *
Payable to Gratuity Fund	164,624 283	150,183 * 472
Fauji Security Services (Pvt) Limited		
Remuneration of key management personnel	124,046	98,743

<sup>\*</sup> Balance of accounts appearing as comparatives are as at December 31, 2018 (audited).



#### 17 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments.

	Fertilizer	Food	Meat	Power	Elimination-net	Consolidated
			(Rup	ees' 000)		
March 31, 2019						
Revenue	3,499,359	1,385,876	408,041	3,669,019	(2,084,892)	6,877,403
(Loss) / Profit after tax	(1,867,255)	(609,502)	(342,015)	708,944	(306,318)	(2,372,404)
March 31, 2018						
Revenue	10,282,860	1,949,730	179,751	3,456,812	(1,844,858)	14,024,295
(Loss) / Profit after tax	(449,379)	(564,151)	(289,206)	703,144	185,826	(413,766)
March 31, 2019						
Assets	84,912,612	11,943,843	7,844,897	32,475,299	(10,851,431)	126,325,220
Liabilities	73,516,521	11,260,284	7,156,406	20,001,437	(2,663,109)	109,527,797
December 31, 2018						
Assets	80,363,984	13,166,900	7,697,138	34,263,300	(10,850,912)	124,640,410
Liabilities	66,466,528	11,413,902	6,666,632	22,498,383	(2,441,494)	104,603,951

#### 18 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 18.1 Financial risk factors

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

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

#### 18.2 Fair Value estimation

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

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

	Level 1	Level 2	Level 3
		(Rupees' 000)	
March 31, 2019 - un-audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	2,109,330	•	•
December 31, 2018 - audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	5,345,646	-	-

#### 19 GENERAL

- **19.1** Figures have been rounded off to the nearest thousand rupees.
- **19.2** These condensed interim consolidated financial statements were authorized for issue on April 24, 2019 by the Board of Directors of the Holding Company.

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CHAIRMAN CHIEF EXECUTIVE

DIRECTOR

**CHIEF FINANCIAL OFFICER** 





