

Quarterly Financial Statements

March 31, 2016
(Un-audited)



FAUJI FERTILIZER COMPANY LIMITED



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Directors' Review

For the period ended March 31, 2016

Dear Members,

On behalf of the Board of Directors, I am pleased to report net earnings of Rs. 2.728 billion during the three months period ended March 31, 2016.

Sona urea production of 614 thousand tonnes by the three plants was in line with the corresponding quarter, despite maintenance turnaround of Plant I Goth Machhi, due to improved operating efficiency of 120% and improved gas supply due to restoration of originally allocated FFC gas quota.

Poor farm economics, declining international prices and market uncertainty caused by non-implementation of the Prime Minister's 'Kissan Package', negatively impacted the domestic urea market with a decrease of around 49% compared to last year, resulting in highest ever industry urea inventory of around 1.2 million tonnes at the close of the period.

Sona urea sales during the period were recorded at 357 thousand tonnes by the Company, 43% below the same period of 2015, with aggregate sales revenue including offtake of imported fertilizers of Rs. 11.65 billion compared to Rs. 20.41 billion last year. The adverse market conditions resulted in significant absorption of gas costs by the Company to offload inventories, while financing costs increased to Rs. 561 million, around three times the borrowing cost for the same period of last year, further pressurizing Company profitability, with per share earnings of Rs. 2.14 for the quarter, 54% lower than last year.

With a view to maintaining a regular income stream for the shareholders, the Board is pleased to announce first interim dividend of 18.50 % (Rs. 1.85 per share), for the year 2016.

Pakistan's fertilizer industry is subjected to one of the highest rates of gas in the world, resulting in competitive disadvantageous position in the international market. Delayed implementation of the 'Kissan Package' and poor farm economics continue to pose additional risks to the already shrinking margins of the Company. Favourable Governmental policies would therefore play a pivotal role in sustained growth of the farming community through a competitive indigenous fertilizer industry.

On behalf of the Board,



Rawalpindi
April 26, 2016

Chairman
Lt Gen Khalid Nawaz Khan
HI (M), Sitara-i-Esar (Retired)

ڈائریکٹرز کا تجزیہ

بورڈ آف ڈائریکٹرز کی جانب سے مجھے یہ اعلان کرتے ہوئے خوشی محسوس ہو رہی ہے کہ آپ کی کمپنی نے 31 مارچ 2016 کو ختم ہونے والا سہ ماہی میں 2.728 ارب روپے کا منافع کمایا ہے۔

کمپنی کی سونا یوریا کی مجموعی پیداوار 614 ہزار ٹن رہی جو کہ باوجود پلانٹ 1 گوٹھ مچھی کی Turnaround کے پچھلے سال کے برابر تھی جس کی وجہ پلانٹس کی 120 فیصد پیداواری کارکردگی اور کمپنی کی طے شدہ گیس کوٹ کی بحالی کے باعث گیس کی بہتر فراہمی رہی۔

کمزور زرعی معیشت، بین الاقوامی قیمتوں میں کمی اور وزیراعظم کے "کسان پیکیج" پر عمل درآمد نہ ہونے کی وجہ سے یوریا کی مقامی مارکیٹ پر منفی اثرات ظاہر ہوئے۔ اور مقامی منڈی میں یوریا کی کھپت پچھلے سال سے 49 فیصد کم رہی۔ جس کی وجہ سے مذکورہ مدت کے اختتام پر مارکیٹ میں یوریا Inventory تاریخ کی بلند ترین سطح تقریباً 1.2 ملین ٹن رہی۔

مذکورہ سہ ماہی کے دوران 357 ہزار ٹن سونا یوریا کی فروخت سے کمپنی کی مجموعی کھاد فروخت، بشمول درآمدی کھادوں کے، 11.65 ارب روپے رہی جو کہ پچھلے سال کے 20.41 ارب روپے کی فروخت سے 43 فیصد کم رہی۔ مارکیٹ میں منفی حالات کے باعث کمپنی کو کھاد کی فروخت بڑھانے کے لئے گیس کے اضافی اخراجات کا بڑا حصہ خود برداشت کرنا پڑا۔ جبکہ قرضہ جات کے اخراجات (Borrowing Cost) پچھلے سال کی اسی مدت کے مقابلے میں تقریباً 3 گنا اضافے کیساتھ 561 ملین روپے ہو کر کمپنی منافع پر مزید دباؤ کا باعث بنے۔ اور نتیجتاً کمپنی کافی حصہ منافع پچھلے سال کی نسبت 54 فیصد کم ہو کر 2.14 روپے رہا۔ تاہم حصہ داروں کی آمدن کو برقرار رکھنے کے پیش نظر بورڈ سال 2016 کے پہلے عبوری Dividend 18.50 فیصد (فی حصہ 1.85 روپے) کا اعلان کرتا ہے۔

پاکستانی کھاد کی صنعت کو گیس دنیا کے مہنگے ترین ریٹس پر فراہم کی جا رہی ہے۔ جبکہ کسان پیکیج پر عمل درآمد میں تاخیر اور کمزور زرعی معیشت کمپنی کے منافع کیلئے مزید خطرات کا باعث ہے۔ چنانچہ سازگار حکومتی پالیسیاں کھاد کی صنعت اور کسان برادری دونوں کی پیداوار بڑھانے کے لئے انتہائی ضروری ہیں۔

بورڈ کی جانب سے



لیفٹیننٹ جنرل خالد نواز خان

ہلال امتیاز (ملٹری)، ستارہ ایثار (ریٹائرڈ)

چیئرمین

راولپنڈی

26 اپریل 2016

Company Information

BOARD OF DIRECTORS

Lt Gen Khalid Nawaz Khan, HI(M), Sitara-i-Esar (Retd)

Chairman

Lt Gen Shafqaat Ahmed, HI(M) (Retd)

Chief Executive & Managing Director

Mr Qaiser Javed

Dr Nadeem Inayat

Engr Rukhsana Zuberi

Mr Farhad Shaikh Mohammad

Maj Gen Muhammad Farooq Iqbal, HI(M) (Retd)

Mr Shahid Ghaffar

Ms Nargis Ghaloo

Maj Gen Mumtaz Ahmad Bajwa, HI(M) (Retd)

Mr Per Kristian Bakkerud

Mr Khizar Hayat Gondal

Brig Raashid Wali Janjua, SI(M) (Retd)

CHIEF FINANCIAL OFFICER

Mohammad Munir Malik

Tel No. +92-51-8456101, Fax No. +92-51-8459961

E-mail: munir_malik@ffc.com.pk

COMPANY SECRETARY

Brig Sher Shah, SI(M) (Retd)

Tel No. +92-51-8453101, Fax No. +92-51-8459931

E-mail: secretary@ffc.com.pk

REGISTERED OFFICE

156 The Mall, Rawalpindi Cantt, Pakistan

Website: www.ffc.com.pk

Tel No. +92-51-111-332-111, 8450001

Fax No. +92-51-8459925, E-mail: ffcwrp@ffc.com.pk



PLANTSITES

Goth Machhi, Sadiqabad

(Distt: Rahim Yar Khan), Pakistan

Tel No. +92-68-5786420-9, Fax No. +92-68-5786401

Mirpur Mathelo

(Distt: Ghotki), Pakistan

Tel No. +92-723-661500-09, Fax No. +92-723-661462

MARKETING DIVISION

Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat, Lahore, Pakistan

Tel No. +92-42-36369137-40, Fax No. +92-42-36366324

KARACHI OFFICE

B-35, KDA Scheme No.1, Karachi, Pakistan

Tel No. +92-21-34390115-16, Fax No. +92-21-34390117 & 34390122

AUDITORS

KPMG Taseer Hadi & Co

Chartered Accountants

6th Floor, State Life Building, Jinnah Avenue, Islamabad, Pakistan

Tel No. +92-51-2823558, Fax No. +92-51-2822671

SHARES REGISTRAR

Central Depository Company of Pakistan Limited

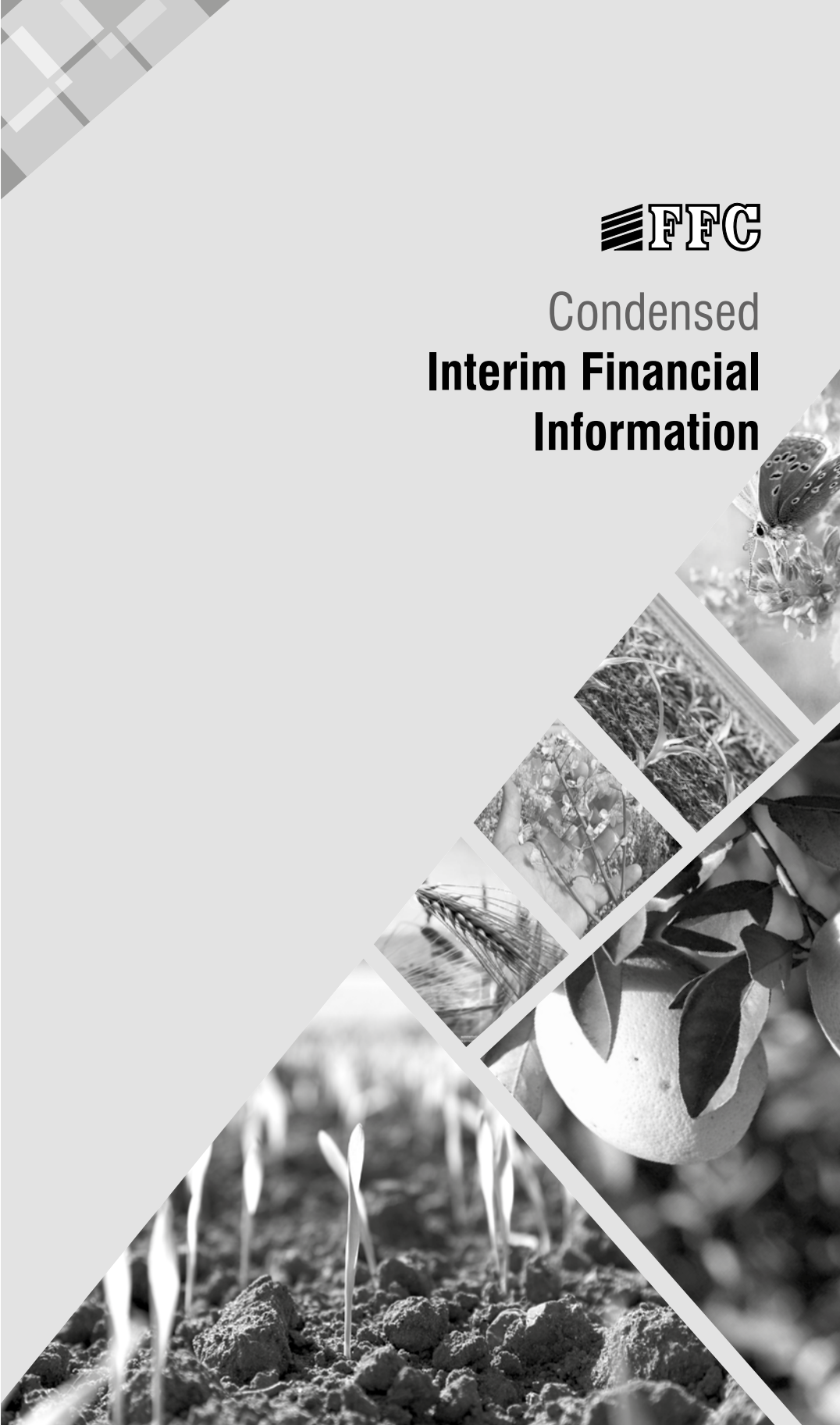
Share Registrar Department

CDC House, 99 - B, Block - B, S.M.C.H.S., Main Shahr-e-Faisal, Karachi – 74400

Tel No. +92-0800-23275, Fax: +92-21-34326053



Condensed
**Interim Financial
Information**



Condensed Interim Balance Sheet

As at March 31, 2016

	Note	Un-audited March 31, 2016	Audited December 31, 2015
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves	5	12,271,416	13,894,676
Surplus on remeasurement of investments available for sale to fair value		648,528	534,407
		25,802,326	27,311,465
NON - CURRENT LIABILITIES			
Long term borrowings	6	15,761,349	15,892,599
Deferred liabilities		4,631,917	4,600,324
		20,393,266	20,492,923
CURRENT LIABILITIES			
Trade and other payables	7	8,881,798	8,113,918
Interest and mark - up accrued		528,658	268,094
Short term borrowings	8	13,548,451	18,020,602
Current portion of long term borrowings		4,891,089	4,509,839
Taxation		639,960	1,413,048
		28,489,956	32,325,501
		74,685,548	80,129,889
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

		Un-audited March 31, 2016	Audited December 31, 2015
	Note		
		(Rupees '000)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	21,581,328	21,381,702
Intangible assets		1,574,573	1,576,720
Long term investments	11	29,207,886	29,129,475
Long term loans and advances		866,859	814,298
Long term deposits and prepayments		12,763	13,001
		53,243,409	52,915,196

CURRENT ASSETS

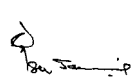
Stores, spares and loose tools		3,315,894	3,395,762
Stock in trade		9,278,703	5,100,020
Trade debts		1,884,102	1,773,698
Loans and advances		1,046,691	1,024,594
Deposits and prepayments		186,490	39,323
Other receivables		2,511,611	2,807,262
Short term investments	12	2,405,477	10,334,720
Cash and bank balances		813,171	2,739,314
		21,442,139	27,214,693
		74,685,548	80,129,889



Chairman



Chief Executive



Director

Condensed Interim Profit and Loss Account (Un-audited)

For the period ended March 31, 2016

	Note	March 31, 2016	March 31, 2015
		(Rupees '000)	
Sales	13	11,645,996	20,408,682
Cost of sales	14	8,593,699	12,104,764
GROSS PROFIT		3,052,297	8,303,918
Distribution cost		1,517,397	1,581,298
		1,534,900	6,722,620
Finance cost		561,255	195,554
Other expenses	16	372,946	734,134
		600,699	5,792,932
Other income	17	2,738,095	2,445,348
NET PROFIT BEFORE TAXATION		3,338,794	8,238,280
Provision for taxation		611,000	2,331,000
NET PROFIT AFTER TAXATION		2,727,794	5,907,280
Earnings per share - basic and diluted (Rupees)	15	2.14	4.64

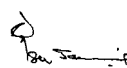
The annexed notes 1 to 21 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the period ended March 31, 2016

	March 31, 2016	March 31, 2015
	(Rupees '000)	
Net profit after taxation	2,727,794	5,907,280
Other comprehensive income for the period		
Items that may be subsequently reclassified to profit or loss		
Surplus on remeasurement of investments available for sale to fair value - net	114,121	163,963
Total comprehensive income for the period	2,841,915	6,071,243

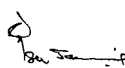
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Chairman



Chief Executive



Director

Condensed Interim Cash Flow Statement (Un-audited)

For the period ended March 31, 2016

	Note	March 31, 2016	March 31, 2015
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	18	(3,845,661)	7,889,827
Finance cost paid		(282,127)	(109,971)
Income tax paid		(1,352,495)	(3,062,041)
Subsidy received on sale of fertilizer		1,432,798	-
Net cash (used in) / generated from operating activities		(4,047,485)	4,717,815
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(706,893)	(1,648,562)
Proceeds from sale of property, plant and equipment		9,441	5,746
Investments - net		460,432	1,126,514
Interest received		527,451	704,967
Dividends received		1,420,970	1,048,257
Net cash generated from investing activities		1,711,401	1,236,922
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - Disbursements		500,000	-
- Repayments		(250,000)	-
Dividends paid		(2,866,472)	(3,108,201)
Net cash used in financing activities		(2,616,472)	(3,108,201)
Net (decrease) / increase in cash and cash equivalents		(4,952,556)	2,846,536
Cash and cash equivalents at beginning of the period		(5,864,224)	15,281,142
Effect of exchange rate changes		(18,564)	16,489
Cash and cash equivalents at end of the period		(10,835,344)	18,144,167
CASH AND CASH EQUIVALENTS			
Cash and bank balances		813,171	2,130,242
Short term highly liquid investments		1,899,936	17,122,766
Short term running finance		(13,548,451)	(1,108,841)
		(10,835,344)	18,144,167

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

Condensed Interim Statement of Changes In Equity (Un-audited)

For the period ended March 31, 2016

	Revenue reserves				Surplus on remeasurement of investments available for sale to fair value	
	Share capital	Capital reserves	General reserve	Unappropriated profit		Total
	(Rupees '000)					
Balance as at January 1, 2015	12,722,382	160,000	6,802,360	5,681,225	303,564	25,669,531
Total comprehensive income for the period						
Profit after taxation	-	-	-	5,907,280	-	5,907,280
Other comprehensive income - net of tax	-	-	-	-	163,963	163,963
Total comprehensive income for the period - net of tax	-	-	-	5,907,280	163,963	6,071,243
Distribution to owners - recorded directly in equity						
Final dividend 2014: Rs 3.50 per share	-	-	-	(4,452,834)	-	(4,452,834)
Balance as at March 31, 2015	12,722,382	160,000	6,802,360	7,135,671	467,527	27,287,940
Balance as at January 1, 2016	12,722,382	160,000	6,802,360	7,092,316	534,407	27,311,465
Total comprehensive income for the period						
Profit after taxation	-	-	-	2,727,794	-	2,727,794
Other comprehensive income - net of tax	-	-	-	-	114,121	114,121
Total comprehensive income for the period - net of tax	-	-	-	2,727,794	114,121	2,841,915
Distribution to owners - recorded directly in equity						
Final dividend 2015: Rs 3.42 per share	-	-	-	(4,351,054)	-	(4,351,054)
Balance as at March 31, 2016	12,722,382	160,000	6,802,360	5,469,056	648,528	25,802,326

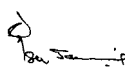
The annexed notes 1 to 21 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended March 31, 2016

1. Fauji Fertilizer Company Limited (the Company) is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Ordinance, 1984) and its shares are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at 156 - The Mall, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, other manufacturing, energy generation, food processing and banking operations.
2. This condensed interim financial information of the Company for the period ended March 31, 2016 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 Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in this condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended December 31, 2015. Comparative condensed interim balance sheet is extracted from annual financial statements as of December 31, 2015 whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial information of the Company for the period ended March 31, 2015.

This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Pakistan Stock Exchange.

3. The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of financial statements of the Company for the year ended December 31, 2015.

4. SHARE CAPITAL**AUTHORISED SHARE CAPITAL**

This represents 1,500,000,000 (2015: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2015: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

March 31, 2016	December 31, 2015		Un-audited March 31, 2016	Audited December 31, 2015
(Number of shares)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs 10 each, issued for consideration in cash	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs 10 each, issued as fully paid bonus shares	10,157,423	10,157,423
<u>1,272,238,247</u>	<u>1,272,238,247</u>		<u>12,722,382</u>	<u>12,722,382</u>

Notes To The Condensed Interim Financial Information

For the period ended March 31, 2016

	Note	Un-audited March 31, 2016	Audited December 31, 2015
(Rupees '000)			
5. REVENUE RESERVES			
General reserve		6,802,360	6,802,360
Unappropriated profit		5,469,056	7,092,316
		<u>12,271,416</u>	<u>13,894,676</u>
6. LONG TERM BORROWINGS			
Long term borrowings - secured	6.1	20,652,438	20,402,438
Less: Current portion shown under current liabilities		4,891,089	4,509,839
		<u>15,761,349</u>	<u>15,892,599</u>
6.1 Movement in this account during the period / year is as follows:			
Opening balance		20,402,438	4,280,000
Draw - downs during the period / year		500,000	18,621,000
Repayments during the period / year		(250,000)	(2,498,562)
Closing balance	6.2	<u>20,652,438</u>	<u>20,402,438</u>
6.2 The finances are secured by way of equitable mortgage / hypothecation of Company assets including plant, machinery, tools & spares and other moveable properties including stocks and book debts, ranking pari passu with each other with 25% margin and lien over Pakistan Investment Bonds (PIBs) with 10% margin.			
These carry mark-up ranging between 6 month KIBOR + 0.05% to 0.65% per annum and 3 Month KIBOR + 0.40% (December 31, 2015: 6 month KIBOR + 0.05 % to 0.50% and 3 Month KIBOR + 0.40% per annum) and are repayable up to March 2021 (December 31, 2015: December 2020).			
		Un-audited March 31, 2016	Audited December 31, 2015
(Rupees '000)			
7. TRADE AND OTHER PAYABLES			
Creditors		1,190,089	1,475,991
Accrued liabilities		2,576,454	2,588,789
Consignment account with			
Fauji Fertilizer Bin Qasim Limited - unsecured		958,712	547,401
Sales tax payable - net		-	949,766
Deposits		215,298	252,533
Retention money		207,650	143,480
Advances from customers		44,466	87,541
Workers' Welfare Fund		1,296,844	1,226,298
Workers' Profit Participation Fund		145,903	-
Payable to Gratuity Fund		-	133,690
Unclaimed dividend		2,098,530	613,948
Payable to Fauji Fresh n Freeze Limited		-	30,317
Other liabilities		147,852	64,164
		<u>8,881,798</u>	<u>8,113,918</u>

Notes To The Condensed Interim Financial Information

For the period ended March 31, 2016

8. SHORT TERM BORROWINGS

Short term running finance / istisna facilities are available from various banking companies under mark-up / profit arrangements amounting to Rs. 13.87 billion (2015: Rs. 18.79 billion) which represent the aggregate of sale prices of all mark-up / profit agreements between the Company and respective banks. The facilities have various maturity dates upto July 31, 2017.

The facilities are secured by pari passu / ranking hypothecation charges on assets of the Company besides lien over Term Deposits / PIBs in certain cases. The per annum rates of mark-up range between 1 month KIBOR + 0.10% to 0.35%, 3 month KIBOR + 0.10% to 0.65% and 6 month KIBOR + 0.10% (2015: 1 month KIBOR + 0.05% to 0.35%, 3 month KIBOR + 0.10% to 0.50% and nil).

Un-audited March 31, 2016	Audited December 31, 2015
(Rupees '000)	

9. CONTINGENCIES AND COMMITMENTS**(a) Contingencies:**

(i) Guarantees issued by banks on behalf of the Company	22,280	15,010
(ii) Claims against the Company and / or potential exposure not acknowledged as debt	50,696	50,696
(iii) The Competition Commission of Pakistan has imposed a penalty of Rs 5.5 billion on the Company for alleged unreasonable increase in urea prices in 2011. However, the fact remains that price increase was essentially caused by extended gas curtailment and delayed urea imports by the Government of Pakistan resulting in product shortage leading to market imbalance and price hike. The Company has filed an appeal against the above penalty before the Competition Appellate Tribunal. Based on legal advice from the Company's legal advisor, the Company is confident that there are reasonable grounds for a favourable decision.		

Note	Un-audited March 31, 2016	Audited December 31, 2015
(Rupees '000)		

(b) Commitments in respect of:

(i) Capital expenditure	1,063,095	1,029,026
(ii) Purchase of fertilizer, stores, spares and other revenue items	822,617	540,496
(iii) Rentals under lease agreements:		
Premises	261,186	240,986
Vehicles	88,882	92,415

10. PROPERTY, PLANT AND EQUIPMENT

Opening written down value		21,381,702	20,093,898
Additions during the period / year	10.1	706,893	3,272,345
Written down value of disposals		(15)	(14,468)
Depreciation during the period / year		(507,252)	(1,970,073)
Closing written down value		21,581,328	21,381,702

10.1 Additions in and depreciation on property, plant and equipment during the period ended March 31, 2015 were Rs 1,648,562 thousand and Rs 480,803 thousand respectively.

Notes To The Condensed Interim Financial Information

For the period ended March 31, 2016

	Note	Un-audited March 31, 2016	Audited December 31, 2015
		(Rupees '000)	
11. LONG TERM INVESTMENTS			
Investment in subsidiaries - at cost			
FFC Energy Limited (FFCEL)		2,438,250	2,438,250
Fauji Fresh n Freeze Limited (FFFL)		1,435,500	1,435,500
Investment in associates - at cost			
Fauji Cement Company Limited (FCCL)		1,500,000	1,500,000
Fauji Fertilizer Bin Qasim Limited (FFBL)		4,658,919	4,658,919
Askari Bank Limited (AKBL)		10,461,921	10,461,921
		16,620,840	16,620,840
Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A., Morocco (PMP)		705,925	705,925
Investments available for sale			
Term Deposit Receipts (TDRs)		113,450	114,758
Pakistan Investment Bonds (PIBs)		8,410,174	8,230,410
Term Finance Certificates (TFCs)		-	99,917
		8,523,624	8,445,085
		29,724,139	29,645,600
Less: Current portion shown under short term investments	12		
Investments available for sale			
Term Deposit Receipts (TDRs)		34,396	29,574
Pakistan Investment Bonds (PIBs)		481,857	486,551
		516,253	516,125
		29,207,886	29,129,475
12. SHORT TERM INVESTMENTS			
Loans and receivables			
Term deposits with banks and financial institutions			
Local currency		300,000	8,239,000
Foreign currency		1,402,896	1,396,192
Investments at fair value through profit or loss - Held for trading		186,328	183,403
Current maturity of long term investments - Available for sale	11	516,253	516,125
		2,405,477	10,334,720

Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended March 31, 2016

13. SALES

Sales include Rs 1,000,047 thousand (2015: Rs 1,192,542 thousand) in respect of sale of purchased fertilizers, and are exclusive of sales tax and discount of Rs 2,168,261 thousand (2015: Rs 2,927,854 thousand) and Rs 505,078 thousand (2015: Nil) respectively.

	March 31, 2016	March 31, 2015
	(Rupees '000)	
14. COST OF SALES		
Raw materials consumed	7,331,148	6,280,086
Fuel and power	2,140,243	1,913,092
Chemicals and supplies	86,387	67,904
Salaries, wages and benefits	1,498,120	1,291,108
Training and employees welfare	187,461	171,657
Rent, rates and taxes	3,141	5,794
Insurance	51,139	44,379
Travel and conveyance	66,783	80,687
Repairs and maintenance	542,349	389,477
Depreciation and amortisation	484,866	481,751
Communication and other expenses	328,756	356,986
Provision for slow moving spares	-	-
Opening stock - work in process	106,097	64,860
Closing stock - work in process	(100,800)	(91,241)
Cost of goods manufactured	12,725,690	11,056,540
Opening stock - manufactured urea	2,172,446	584,930
Closing stock - manufactured urea	(7,161,613)	(452,553)
	(4,989,167)	132,377
Cost of sales - manufactured urea	7,736,523	11,188,917
Opening stock - purchased fertilizers	2,756,037	21,504
Purchase of fertilizers for resale	-	1,186,541
	2,756,037	1,208,045
Closing stock - purchased fertilizers	(1,898,861)	(292,198)
Cost of sales - purchased fertilizers	857,176	915,847
	8,593,699	12,104,764
15. EARNINGS PER SHARE		
Net profit after tax (Rupees '000)	2,727,794	5,907,280
Weighted average number of shares in issue during the period - (Number '000)	1,272,238	1,272,238
Basic and diluted earnings per share (Rupees)	2.14	4.64

Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended March 31, 2016

	March 31, 2016	March 31, 2015
	(Rupees '000)	
16. OTHER EXPENSES		
Research and development	122,961	120,883
Workers' Profit Participation Fund	179,439	442,576
Workers' Welfare Fund	70,546	170,675
	<u>372,946</u>	<u>734,134</u>
17. OTHER INCOME		
Income from sales under Government subsidy	144,790	-
Income from financial assets		
Income on loans, deposits and investments	296,850	713,168
Gain / (loss) on re-measurement of investments	12,925	(2,426)
Exchange (loss) / gain	(318)	18,512
Income from associates		
Dividend from FFBL	1,420,970	1,048,257
Dividend from AKBL	679,710	543,768
Dividend from FCCL	164,063	93,750
Income from non - financial assets		
Gain on disposal of property, plant and equipment	9,426	5,711
Commission on sale of FFBL products	2,119	2,015
Other income		
Scrap sales	1,362	3,664
Others	6,198	18,929
	<u>2,738,095</u>	<u>2,445,348</u>
18. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	3,338,794	8,238,280
Adjustments for:		
Depreciation and amortisation	509,399	516,082
Finance cost	561,255	195,554
Gain on sale of property, plant and equipment	(9,426)	(5,711)
Income on loans, deposits and investments	(296,850)	(492,620)
Exchange loss / (gain) - net	318	(18,512)
Gain on remeasurement of investment at fair value through profit or loss	(12,925)	(2,426)
Dividend Income	(2,264,743)	(1,685,775)
Government subsidy on sale of fertilizer	(144,790)	-
	<u>(1,657,762)</u>	<u>(1,493,408)</u>
	1,681,032	6,744,872
Changes in working capital:		
Decrease / (increase) in current assets		
Stores, spares and loose tools	79,868	(92,968)
Stock in trade	(4,178,683)	(55,033)
Trade debts	(110,404)	(257,277)
Loans and advances	(22,097)	(44,276)
Deposits and prepayments	(147,167)	(693,772)
Other receivables	(379,185)	207,688
(Decrease) / increase in current liabilities		
Trade and other payables	(716,702)	2,067,386
	<u>(5,474,370)</u>	<u>1,131,748</u>
Changes in long term loans and advances	(52,561)	14,149
Changes in long term deposits and prepayments	238	(942)
	<u>(3,845,661)</u>	<u>7,889,827</u>

Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended March 31, 2016

March 31, 2016	March 31, 2015
(Rupees '000)	

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions and balances with the related parties are as follows:

Transactions with subsidiary companies

Guarantee against loan of subsidiary company	5,450,000	5,450,000
Balance receivable - unsecured	649,344	648,229*
Balance payable - unsecured	-	45,663*

Transactions with associated undertakings / companies due to common directorship

Expenses charged on account of marketing of fertilizer on behalf of associated company	171,310	91,129
Commission on sale of products	2,119	2,015
Payments under consignment account	4,666,755	6,825,596
Purchase of gas as feed and fuel stock	11,110,466	7,804,030
Services and materials received	-	559
Donations	-	5,000
Dividend income	2,264,743	1,685,775
Dividend paid	1,929,692	1,974,832
Short term investment	-	5,403,000*
Investments in TDRs issued by associated company	113,450	111,442*
Short term borrowing	596,648	989,970*
Bank balance	-	4,802*
Running finance	123,704	-*
Balance receivable - unsecured	54,390	58,648*
Balance payable - unsecured	2,494,386	2,586,607*

Other related parties

Remuneration of Chief Executive and Executives:

Remuneration including benefits and perquisites of chief executive and other executives. No of persons 2016: 1 and 872 (2015: 1 and 730) respectively.	1,343,848	1,142,690
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Payments to:

Employees' Provident Fund Trust	95,463	85,697
Employees' Gratuity Fund Trust	278,084	74,893
Employees' Pension Fund Trust	97,701	459,371
Dividend paid	30,640	11,430

Others:

Balance receivable from / (payable to) Gratuity Fund Trust	111,312	(133,690)*
Balance receivable from Pension Fund Trust	343,930	268,136 *

* Comparative figures of receivable / payable balances are as of December 31, 2015.

20. POST BALANCE SHEET EVENT

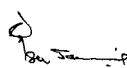
The Board of Directors of the Company in its meeting held on April 26, 2016 proposed first interim dividend of Rs 1.85 per share.

21. GENERAL**21.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.**21.2** This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on April 26, 2016.

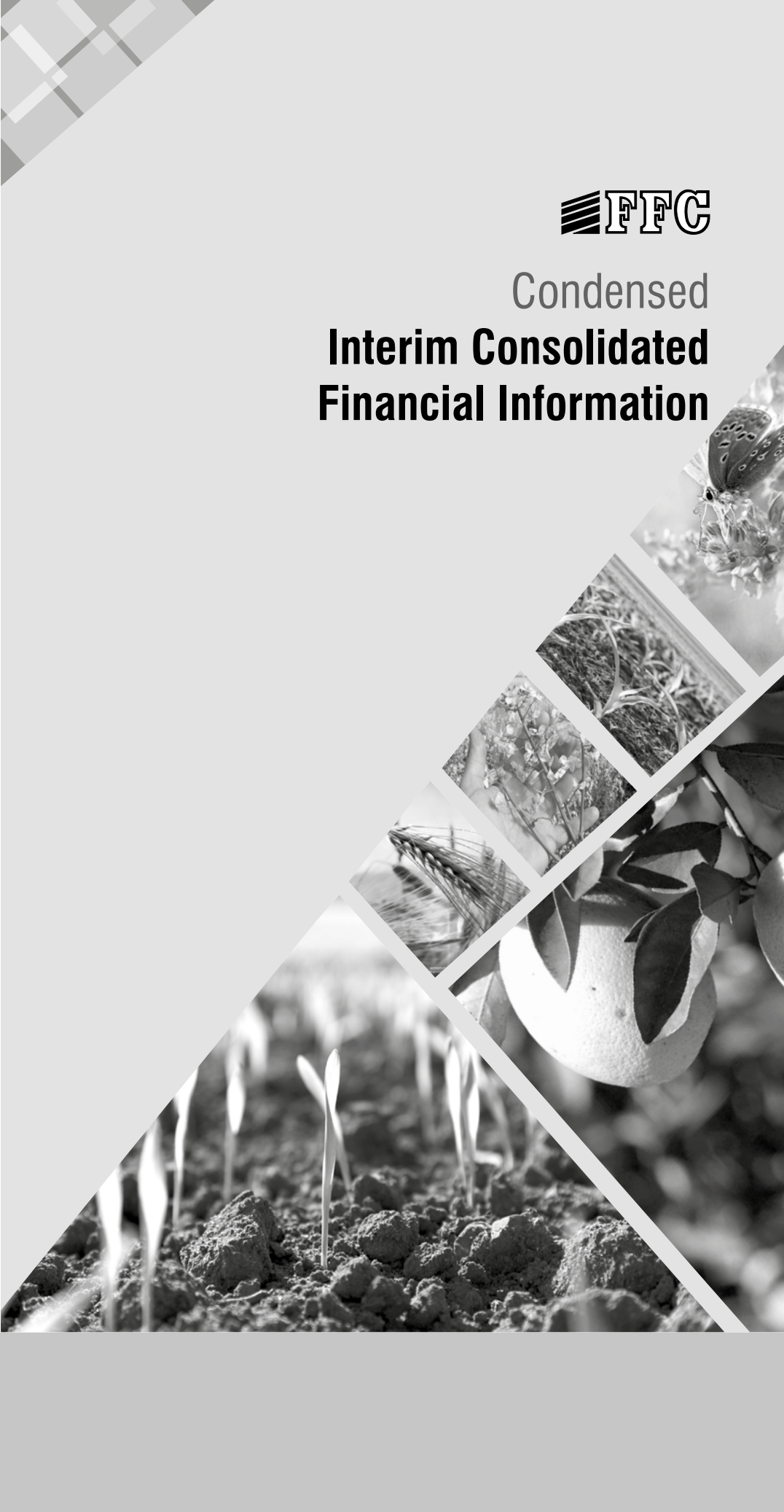

Chairman



Chief Executive



Director



A collage of black and white images arranged diagonally across the page. The images include a butterfly, a hand holding a plant, a bird, and a seedling in soil. The collage is set against a light gray background with a dark gray geometric pattern in the top left corner.

Condensed Interim Consolidated Balance Sheet

As at March 31, 2016

	Note	Un-audited March 31, 2016	Audited December 31, 2015
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	3	12,722,382	12,722,382
Capital reserves		828,617	853,511
Revenue reserves	4	30,044,537	33,626,176
Surplus on remeasurement of investments available for sale to fair value - net		2,313,677	2,230,710
		45,909,213	49,432,779
NON - CURRENT LIABILITIES			
Long term borrowings	5	24,621,465	24,746,264
Deferred liabilities		5,424,200	5,306,671
Liability against assets subject to finance lease		6,100	5,459
		30,051,765	30,058,394
CURRENT LIABILITIES			
Trade and other payables		9,385,262	8,540,491
Interest and mark - up accrued		747,276	408,068
Short term borrowings		13,580,272	18,020,602
Current portion of long term borrowings		6,183,001	5,801,752
Taxation		646,061	1,418,207
		30,541,872	34,189,120
		106,502,850	113,680,293

CONTINGENCIES AND COMMITMENTS

6

The annexed notes 1 to 17 form an integral part of this condensed interim consolidated financial information.

<u>Note</u>	<u>Un-audited March 31, 2016</u>	<u>Audited December 31, 2015</u>
	(Rupees '000)	

ASSETS

NON - CURRENT ASSETS

Property, plant and equipment	7	35,264,026	35,228,277
Intangible assets		1,937,742	1,940,047
Long term investments	8	46,022,056	46,702,026
Long term loans and advances		866,859	814,298
Long term deposits and prepayments		24,843	25,081
		<u>84,115,526</u>	<u>84,709,729</u>

CURRENT ASSETS

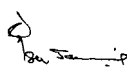
Stores, spares and loose tools		3,315,894	3,395,762
Stock in trade		9,331,263	5,127,591
Trade debts		2,487,127	2,198,576
Loans and advances		616,593	527,907
Deposits and prepayments		226,472	40,120
Other receivables		1,778,889	3,083,753
Short term investments	9	3,640,477	11,187,720
Cash and bank balances		990,609	3,409,135
		<u>22,387,324</u>	<u>28,970,564</u>
		<u>106,502,850</u>	<u>113,680,293</u>



Chairman



Chief Executive



Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the period ended March 31, 2016

	Note	March 31, 2016	March 31, 2015
		(Rupees '000)	
Sales		11,963,907	20,674,049
Cost of sales	10	8,963,481	12,294,856
GROSS PROFIT		3,000,426	8,379,193
Administrative expenses and distribution cost		1,564,299	1,615,121
		1,436,127	6,764,072
Finance cost		805,923	498,344
Other expenses	12	372,946	740,133
		257,258	5,525,595
Other income	13	493,474	772,408
Share of profit of associates and joint venture		723,088	588,807
NET PROFIT BEFORE TAXATION		1,473,820	6,886,810
Provision for taxation		704,405	2,332,579
NET PROFIT AFTER TAXATION		769,415	4,554,231
Earnings per share - basic and diluted (Rupees)	11	0.60	3.58

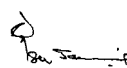
The annexed notes 1 to 17 form an integral part of this condensed interim consolidated financial information.



Chairman



Chief Executive



Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the period ended March 31, 2016

	March 31, 2016	March 31, 2015
	(Rupees'000)	
Net profit after taxation	769,415	4,554,231
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Exchange difference on translation of investment in foreign company	(24,894)	(56,921)
Share of other comprehensive income of associates and joint ventures	(31,154)	-
Surplus on remeasurement of investments available for sale to fair value - net	114,121	163,963
	58,073	107,042
Total comprehensive income for the period	827,488	4,661,273

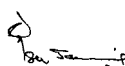
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Chairman



Chief Executive



Director

Condensed Interim Consolidated Cash Flows Statement (Un-audited)

For the period ended March 31, 2016

	Note	March 31, 2016	March 31, 2015
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	14	(3,777,537)	7,635,880
Finance cost paid		(448,152)	(109,997)
Income tax paid		(1,359,022)	(3,063,049)
Subsidy received on sale of fertilizer		1,432,798	-
		(374,376)	(3,173,046)
Net cash (used in) / generated from operating activities		(4,151,913)	4,462,834
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(760,434)	(2,052,637)
Proceeds from sale of property, plant and equipment		9,441	5,746
Decrease in investments		485,211	1,126,514
Interest received		550,259	714,256
Dividends received		1,420,970	1,048,257
Net cash generated from investing activities		1,705,447	842,136
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - disbursements		500,000	527,000
- repayments		(250,000)	-
Payment of Finance Lease		-	(76)
Dividends paid		(2,866,472)	(3,108,201)
Net cash used in financing activities		(2,616,472)	(2,581,277)
Cash and cash equivalents at beginning of the period		(4,341,404)	16,157,977
Effect of exchange rate changes		(18,564)	16,489
Cash and cash equivalents at end of the period		(9,422,906)	18,898,159
CASH AND CASH EQUIVALENTS			
Cash and bank balances		990,609	2,884,234
Short term highly liquid investments		3,134,936	17,122,766
Short term running finances		(13,548,451)	(1,108,841)
		(9,422,906)	18,898,159

The annexed notes 1 to 17 form an integral part of this condensed interim consolidated financial information.



Chairman



Chief Executive



Director

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the period ended March 31, 2016

	Attributable to equity holders of Fauji Fertilizer Company Limited								
	Capital reserves					Revenue reserves		Surplus on remeasurement of available for sale investments to fair value	
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserve	General reserve	Unappropriated profit		Total
	(Rupees '000)								
Balance at January 1, 2015	12,722,382	40,000	120,000	451,592	-	6,802,360	23,230,168	303,564	43,670,066
Total comprehensive income for the period									
Profit for the period after taxation	-	-	-	-	-	-	4,554,231	-	4,554,231
Other comprehensive income - net of tax	-	-	-	(56,921)	-	-	-	163,963	107,042
Total comprehensive income for the period - net of tax	-	-	-	(56,921)	-	-	4,554,231	163,963	4,661,273
Distributions to owners - recorded directly in equity									
Final dividend 2014: Rs 3.50 per share	-	-	-	-	-	-	(4,452,834)	-	(4,452,834)
Balance as at March 31, 2015	12,722,382	40,000	120,000	394,671	-	6,802,360	23,331,565	467,527	43,878,505
Balance at January 1, 2016	12,722,382	40,000	120,000	264,730	428,781	6,802,360	26,823,816	2,230,710	49,432,779
Total comprehensive income for the period									
Profit for the period after taxation	-	-	-	-	-	-	769,415	-	769,415
Other comprehensive income - net of tax	-	-	-	(24,894)	-	-	-	82,967	58,073
Total comprehensive income for the period - net of tax	-	-	-	(24,894)	-	-	769,415	82,967	827,488
Distributions to owners - recorded directly in equity									
Final dividend 2015: Rs 3.42 per share	-	-	-	-	-	-	(4,351,054)	-	(4,351,054)
Balance as at March 31, 2016	12,722,382	40,000	120,000	239,836	428,781	6,802,360	23,242,177	2,313,677	45,909,213

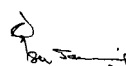
The annexed notes 1 to 17 form an integral part of this condensed interim consolidated financial information.



Chairman



Chief Executive



Director

Notes To The Condensed Interim Consolidated Financial Information (Un-audited)

For the period ended March 31, 2016

1. Fauji Fertilizer Company Limited (the Company) is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Ordinance, 1984) and its shares are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at 156 - The Mall, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, other manufacturing, energy generation, food processing and banking operations.
2. This condensed interim consolidated financial report is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial report of the Group for the period ended March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The applicable financial framework for banks also includes the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP).

This condensed interim consolidated financial report does not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2015. Comparative condensed interim consolidated balance sheet is extracted from annual audited financial statements for the year ended December 31, 2015 whereas comparative condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity are stated from un-audited condensed interim financial report for the period ended March 31, 2015.

3. SHARE CAPITAL**AUTHORISED SHARE CAPITAL**

This represents 1,500,000,000 (2015: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2015: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

March 31, 2016	December 31, 2015		Un-audited March 31, 2016	Audited December 31, 2015
(Number of shares)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs.10 each issued for consideration in cash	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs.10 each issued as fully paid bonus shares	10,157,423	10,157,423
<u>1,272,238,247</u>	<u>1,272,238,247</u>		<u>12,722,382</u>	<u>12,722,382</u>

Notes To The Condensed Interim Consolidated Financial Information

For the period ended March 31, 2016

	Note	Un-audited March 31, 2016	Audited December 31, 2015
		(Rupees '000)	
4. REVENUE RESERVES			
General reserve		6,802,360	6,802,360
Unappropriated profit		23,242,177	26,823,816
		<u>30,044,537</u>	<u>33,626,176</u>
5. LONG TERM BORROWINGS			
Loans from banking companies - secured	5.1	20,652,438	20,402,438
Long term loan - FFCEL (secured)	5.2	7,714,324	7,708,074
Long term loan - FFFL	5.3	2,437,704	2,437,504
		<u>30,804,466</u>	<u>30,548,016</u>
Less: Current portion shown under current liabilities		6,183,001	5,801,752
		<u>24,621,465</u>	<u>24,746,264</u>
5.1 Movement in this account during the period / year is as follows:			
Opening balance		20,402,438	4,280,000
Draw - downs during the period / year		500,000	18,621,000
Repayments during the period / year		(250,000)	(2,498,562)
Closing balance		<u>20,652,438</u>	<u>20,402,438</u>
5.2 Movement in this account during the period / year is as follows:			
Long term financing from financial institutions		7,862,065	7,862,065
Less: Transaction Cost			
Initial transaction cost		(269,797)	(269,797)
Amortised during the period / year		122,056	115,806
Closing balance		<u>7,714,324</u>	<u>7,708,074</u>
5.3 Movement in this account during the period / year is as follows:			
MCB Bank Limited		1,590,000	1,590,000
Allied Bank Limited		849,750	849,750
Less: Transaction Cost		(2,046)	(4,000)
Amortised during the period / year		-	1,754
Closing balance		<u>2,437,704</u>	<u>2,437,504</u>

Notes To The Condensed Interim Consolidated Financial Information

For the period ended March 31, 2016

	Un-audited March 31, 2016	Audited December 31, 2015	
	(Rupees '000)		
6. CONTINGENCIES AND COMMITMENTS			
(a) Contingencies:			
(i) Guarantees issued by banks on behalf of the Group companies	22,280	15,010	
(ii) Claims against FFC and/or potential exposure not acknowledged as debt	50,696	50,696	
(iii) Group's share of contingencies in Fauji Fertilizer Bin Qasim Limited	19,750,305	19,492,012	
(iv) Group's share of contingencies in Fauji Cement Company Limited as at December 31, 2015 (2015: March 31, 2015)	12,715	8,975	
(v) Group's share of contingencies in Askari Bank Limited as at December 31, 2015 (2015: March 31, 2015)	76,426,113	66,345,597	
(vi) The Competition Commission of Pakistan has imposed a penalty of Rs 5.5 billion on FFC for alleged unreasonable increase in urea prices during the year 2011. However, the fact remains that price increase was essentially caused by extended gas curtailment and delayed urea imports by the Government of Pakistan resulting in product shortage leading to market imbalance and price hike. FFC has filed an appeal against the above penalty before the Competition Appellate Tribunal. Based on legal advice from the FFC's legal advisor, FFC is confident that there are reasonable grounds for a favourable decision.			
	Note	Un-audited March 31, 2016	Audited December 31, 2015
		(Rupees '000)	
(b) Commitments in respect of:			
(i) Capital expenditure		1,063,095	1,067,085
(ii) Purchase of fertilizer, stores, spares and other operational items		822,617	540,496
(iii) Group's share of commitments of PMP as at December 31, 2015 (2015: March 31, 2015)		2,798	4,040
(iv) Rentals under lease agreements:			
Premises		306,091	285,891
Vehicles		88,882	92,415
7. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		35,228,277	33,104,620
Additions during the period / year	7.1	760,434	4,729,287
Written down value of disposals		(15)	(14,468)
Depreciation during the period / year		(724,670)	(2,591,162)
		35,264,026	35,228,277

7.1 Additions in and depreciation on property, plant and equipment during the period ended March 31, 2015 were Rs 2,052,637 thousand and Rs 635,174 thousand respectively.

Notes To The Condensed Interim Consolidated Financial Information

For the period ended March 31, 2016

	Note	Un-audited March 31, 2016	Audited December 31, 2015
		(Rupees '000)	
8. LONG TERM INVESTMENTS			
Equity accounted investments	8.1	38,014,685	38,773,066
Other long term investments	8.2	8,007,371	7,928,960
		<u>46,022,056</u>	<u>46,702,026</u>
8.1 Equity accounted investments			
Investment in associated company - under equity method			
Fauji Fertilizer Bin Qasim Limited (FFBL)			
Balance at the beginning		20,787,172	19,479,310
Share of profit / OCI for the period / year		(27,557)	2,705,538
Dividend received		(1,420,970)	(1,397,676)
		<u>19,338,645</u>	<u>20,787,172</u>
Askari Bank Limited (AKBL)			
Balance at the beginning		14,541,280	11,859,580
Share of profit / OCI for the period / year		430,099	3,769,236
Dividend received		-	(1,087,536)
		<u>14,971,379</u>	<u>14,541,280</u>
Fauji Cement Company Limited (FCCL)			
Balance at the beginning		1,896,273	1,824,000
Share of profit / OCI for the period / year		113,670	306,648
Dividend received		-	(234,375)
		<u>2,009,943</u>	<u>1,896,273</u>
Investment in joint venture - under equity method			
Pakistan Maroc Phosphore S.A., Morocco (PMP)			
Balance at the beginning		1,548,341	1,290,236
Share of profit for the period / year		171,271	355,539
Loss on translation of net assets		(24,894)	(97,434)
		<u>1,694,718</u>	<u>1,548,341</u>
		<u>38,014,685</u>	<u>38,773,066</u>
8.2 Other long term investments			
Investments available for sale			
Term Deposit Receipts (TDRs)		113,450	114,758
Pakistan Investment Bonds (PIBs)		8,410,174	8,230,410
Term Finance Certificates (TFCs)		-	99,917
		<u>8,523,624</u>	<u>8,445,085</u>
Less: Current portion shown under short term investments	9		
Investments available for sale			
Term Deposit Receipts (TDRs)		34,396	29,574
Pakistan Investment Bonds (PIBs)		481,857	486,551
		<u>516,253</u>	<u>516,125</u>
		<u>8,007,371</u>	<u>7,928,960</u>

Notes To The Condensed Interim Consolidated Financial Information

For the period ended March 31, 2016

	Note	Un-audited March 31, 2016 (Rupees '000)	Audited December 31, 2015 (Rupees '000)
9. SHORT TERM INVESTMENTS			
Loans and receivables			
Term deposits with banks and financial institutions			
Local currency		1,535,000	9,092,000
Foreign currency		1,402,896	1,396,192
Investments at fair value through profit or loss - Held for trading		186,328	183,403
Current maturity of long term investments	8.2	516,253	516,125
		3,640,477	11,187,720
		Un-audited March 31, 2016 (Rupees '000)	Un-audited March 31, 2015 (Rupees '000)
10 COST OF SALES			
Raw materials consumed		7,342,341	6,280,086
Fuel and power		2,154,456	1,913,092
Chemicals and supplies		86,387	67,904
Salaries, wages and benefits		1,542,732	1,300,552
Training and employees welfare		187,461	172,298
Rent, rates and taxes		4,289	5,794
Insurance		66,414	61,485
Travel and conveyance		69,432	80,687
Repairs and maintenance		620,194	400,018
Depreciation and amortisation		701,425	634,111
Communication and other expenses		334,691	356,986
Opening stock - work in process		106,097	64,860
Closing stock - work in process		(100,800)	(91,241)
Cost of goods manufactured		13,115,119	11,246,632
Opening stock - manufactured fertilizers		2,200,017	584,930
Closing stock - manufactured fertilizers		(7,208,831)	(452,553)
		(5,008,814)	132,377
Cost of sales - manufactured fertilizers		8,106,305	11,379,009
Opening stock - purchased fertilizers		2,756,037	21,504
Purchase of fertilizers for resale		-	1,186,541
		2,756,037	1,208,045
Closing stock - purchased fertilizers		(1,898,861)	(292,198)
Cost of sale - purchased fertilizers		857,176	915,847
		8,963,481	12,294,856
11. EARNINGS PER SHARE			
Net profit after tax (Rupees '000)		769,415	4,554,231
Weighted average number of shares in issue during the period - (Number '000)		1,272,238	1,272,238
Basic and diluted earnings per share (Rupees)		0.60	3.58

Notes To The Condensed Interim Consolidated Financial Information (Un-audited)

For the period ended March 31, 2016

	March 31, 2016	March 31, 2015
	(Rupees '000)	
12. OTHER EXPENSES		
Research and development	122,961	126,883
Workers' Profit Participation Fund	179,439	442,576
Workers' Welfare Fund	70,546	170,674
	<u>372,946</u>	<u>740,133</u>
13. OTHER INCOME		
Income from sales under Government subsidy	144,790	-
Income from financial assets		
Income on loans, deposits and investments	317,074	724,066
Gain on re-measurement of investments	12,925	(2,426)
Exchange (loss) / gain	(433)	18,512
Income from non - financial assets		
Gain on disposal of property, plant and equipment	9,426	5,711
Commission on sale of FFBL products	2,119	2,015
Other income		
Scrap sales	1,362	3,664
Others	6,211	20,866
	<u>493,474</u>	<u>772,408</u>

Notes To The Condensed Interim Consolidated Financial Information (Un-audited)

For the period ended March 31, 2016

	March 31, 2016	March 31, 2015
	(Rupees '000)	
14. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	1,473,820	6,886,810
Adjustments for:		
Depreciation and amortisation	726,975	670,453
Finance cost	805,923	498,344
Income on loans, deposits and investments	(317,074)	(501,907)
Share of profit of associate and joint venture	(723,088)	(588,807)
Gain on sale of property, plant and equipment	(9,426)	(5,711)
Exchange loss / (gain)	433	(18,927)
Gain on remeasurement of investments at fair value through profit or loss	(12,925)	(2,426)
Government subsidy on sale of fertilizer	(144,790)	-
	326,028	51,019
	1,799,848	6,937,829
Changes in working capital		
Decrease / (increase) in current assets:		
Stores and spares	79,868	(92,968)
Stock in trade	(4,203,672)	(124,091)
Trade debts	(288,551)	(182,997)
Loans and advances	(88,686)	(47,885)
Deposits and prepayments	(186,352)	(700,182)
Other receivables	(197,858)	139,082
(Decrease) / increase in current liabilities:		
Trade and other payables	(639,811)	1,693,885
	(5,525,062)	684,844
Changes in long term loans and advances	(52,561)	14,149
Changes in long term deposits and prepayments	238	(942)
	(3,777,537)	7,635,880

Notes To The Condensed Interim Consolidated Financial Information (Un-audited)

For the period ended March 31, 2016

	March 31, 2016	March 31, 2015
	(Rupees '000)	
15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Significant transactions and balances with the related parties are as follows:		
Transactions with associated undertakings / companies due to common directorship		
Dividend paid	1,929,692	1,974,832
Purchase of gas as feed and fuel stock	11,110,466	7,804,030
Expenses charged on account of marketing of fertilizer	171,310	91,129
Commission on sale of products	2,119	2,015
Donations	-	5,000
Dividend income	2,264,743	1,685,775
Payment under consignment account	4,666,755	6,825,596
Services received	1,864	559
Short term investment	1,235,000	5,403,000 *
Long term investment	113,450	111,442 *
Short term borrowing	596,648	989,970 *
Long term borrowing	742,925	742,925 *
Bank balance	152,046	538,541 *
Running finance	123,704	- *
Balance receivable	54,390	597,189 *
Balance payable	2,494,386	3,329,533 *
Other related parties		
Remuneration of Chief Executive and Executives:		
Remuneration including benefits and perquisites of Chief Executive and Executives, No. of persons 2016: 1 and 911 (2015: 1 and 739).	1,387,539	1,165,075
Payments to:		
Employees' Provident Fund Trust	95,463	85,697
Employees' Gratuity Fund Trust	278,084	74,893
Employees' Pension Fund Trust	97,701	459,371
Dividend paid	30,640	11,430
Others:		
Balance receivable from Gratuity Fund Trust	111,312	(133,690) *
Balance receivable from Pension Fund Trust	343,930	268,136 *

*Comparative figures of receivable / payable balances are as of December 31, 2015.

16. POST BALANCE SHEET EVENT

The Board of Directors of FFC in its meeting held on April 26, 2016 proposed first interim dividend of Rs 1.85 per share.

17. GENERAL

17.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

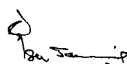
17.2 This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of FFC on April 26, 2016.



Chairman



Chief Executive



Director

INVESTORS' EDUCATION

In pursuance of SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors:

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