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Directors' Review

For the First Quarter ended March 31, 2018

Dear Members,

On behalf of the Board of Directors, we are pleased to report net earnings of Rs 2.27 billion for the first quarter ended March 31, 2018.

Annual maintenance turnaround of Plant II Goth Machhi was carried out as per plan during the period, which resulted in aggregate Sona urea production of 591 thousand tonnes compared to 638 thousand tonnes recorded last year.

Normalization of urea market during second half of 2017 resulted in revival of customary urea demand and the Company recorded an offtake of 573 thousand tonnes, 52% above last year. The Company created a new benchmark of aggregate fertilizer revenue (including subsidy) of Rs 21.67 billion compared to Rs 12.60 billion earned last year, resulting in a gross profit of Rs 5.21 billion, 25% higher than last year. Distribution cost however increased to Rs 1.93 billion in line with higher marketing of DAP fertilizer whereas, saving of 30% was recorded in finance cost which stood at Rs 377 million while investment income of Rs 624 million was 95% higher than last year due to better cash availability. Dividend income which is beyond the control of the Company declined by 67% to Rs 349 million. Despite increase in distribution cost and reduction in dividend receipts, FFC recorded earnings per share of Rs 1.78 compared to Rs 1.72 earned last year.

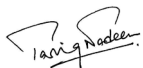
In order to maintain a steady stream of income for our shareholders, the Board is pleased to announce first interim dividend of 17.50% (Rs 1.75 per share), for the year 2018.

High gas cost / GIDC besides delay in receipt of subsidy from the Government and outstanding adjustment of sales tax continue to pressurize Company margins. Persistent urea price capping by the Government under the above circumstances poses further risk to sustained profitability by the Company.

We are pleased to inform that FFC has signed the Shareholders' Agreement for 30% equity stake in Thar Energy Limited, a coal based power project under the CPEC, being set up in collaboration with local and international project partners. The Board is confident that returns from the project will augment FFC's profitability besides enhancing shareholders' wealth.

We are further pleased to announce that the penalty of Rs 5.5 billion imposed by Competition Commission of Pakistan (CCP) for alleged unreasonable increase in urea prices has been set aside by the Tribunal. CCP has been directed to decide the case under the guidelines provided by the Tribunal. In case the CCP contests the decision of the Tribunal at higher levels, the Company remains confident on defending these unreasonable allegations at superior forums as well.

On behalf of the Board,



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



Lt Gen Tariq Khan
HI (M), (Retired)
Chief Executive & Managing Director

Rawalpindi
April 25, 2018

ڈائریکٹرز کا تجزیہ

بورڈ آف ڈائریکٹرز کی جانب سے ہمیں یہ اعلان کرتے ہوئے خوش محسوس ہو رہی ہے کہ کمپنی نے 31 مارچ 2018 کو ختم ہونے والے پہلے سہ ماہی میں 12.27 ارب روپے کا خالص منافع کمایا ہے۔

منصوبے کے مطابق پلانٹ II گوگھ ماچھی کا سالانہ مرمت اور بحالی (Turnaround) کا کام پہلی سہ ماہی کے دوران کیا گیا جس کے نتیجے میں مجموعی سونا پور یا پیداوار 591 ہزار ٹن رہی جو کہ مقابلتا پچھلے سال 638 ہزار ٹن تھی۔

سال 2017 کی دوسری ششماہی میں پوری مارکیٹ کے استحکام کی بدولت یورپا کی روایتی طلب بحال ہونا شروع ہوئی اور کمپنی نے 2018 کی پہلی سہ ماہی میں پچھلے سال سے 52 فیصد اضافے کے ساتھ 573 ہزار ٹن یورپا فروخت کیا۔ کمپنی نے بشمول سبسڈی پچھلے سال کے 12.60 ارب روپے کے مقابلے میں 21.67 ارب روپے کی مجموعی آمدن کا نیا معیار قائم کیا، جو کہ 5.21 ارب روپے کے خام منافع (Gross Profit) کا باعث بنی، جو گزشتہ سال سے 25 فیصد زیادہ رہا۔ تاہم DAP کھاد کی زیادہ فروخت کی وجہ سے نقل و حمل (Distribution Cost) کی لاگت میں اضافہ ہوا، جبکہ مالیاتی لاگت (Finance Cost) 30 فیصد بچت کے ساتھ 377 ملین روپے رہی۔ اور فنڈز (Cash) کی بہتر دستیابی کے سبب سرمایہ کاری کی آمدن (Investment Income) پچھلے سال سے 95 فیصد اضافے کے ساتھ 624 ملین روپے رہی۔ منافع منقسمہ کی آمدن (Dividend Income)، جو کمپنی کے کنٹرول سے باہر ہے، 67 فیصد کی کے ساتھ 349 ملین روپے رہی۔ نقل و حمل کی لاگت میں اضافے اور منافع منقسمہ کی آمدن میں کمی کے باوجود FFC نے 1.78 روپے فی حصہ آمدن ریکارڈ کی جو کہ پچھلے سال کی اسی مدت میں 1.72 روپے فی حصہ تھی۔

حصص داران کے لئے مستحکم ذریعہ آمدن کو برقرار رکھنے کے پیش نظر بورڈ سال 2018 کے پہلے عبوری منافع منقسمہ (Dividend) 17.50 فیصد (فی حصہ 1.75 روپے) کا اعلان کرتا ہے۔

گیس/GIDC کی زیادہ لاگت، حکومت سے سبسڈی کی وصولی میں تاخیر اور سیلز ٹیکس کی عدم ایڈجسٹمنٹ، کمپنی کے منافع جات (Margins) کو ہاؤ میں رکھے ہوئے ہیں۔ مندرجہ بالا حالات میں حکومت کی جانب سے یورپا کی قیمتوں پر مسلسل کنٹرول کمپنی کے منافع کے لئے مزید خطرے کا باعث ہے۔

ہمیں یہ بتاتے ہوئے خوش محسوس ہو رہی ہے کہ FFC نے تھرانرژئی لمیٹڈ (Thar Energy Limited) میں 30 فیصد شراکت داری کے معاہدے پر دستخط کئے ہیں جو کہ CPEC کے تحت مقامی اور بین الاقوامی شراکت داروں کے تعاون سے کوئلے سے بجلی پیدا کرنے والا منصوبہ ہے۔ بورڈ پر امید ہے کہ اس منصوبے سے حاصل ہونے والا منافع FFC کے منافع میں بڑھوتری کے علاوہ حصص داران کی دولت میں بھی اضافے کا باعث ہوگا۔

ہمیں مزید یہ اعلان کرتے ہوئے خوش محسوس ہو رہی ہے کہ یورپا کی قیمتوں میں مبینہ غیر معقول اضافے کے سبب Competition Commission of Pakistan (CCP) کی جانب سے 5.5 ارب روپے کا عائد کردہ جرمانہ ٹریبونل (Tribunal) نے منسوخ (Set aside) کر دیا ہے۔ CCP کو مزید ہدایت کی گئی ہے کہ اس کیس کا فیصلہ ٹریبونل (Tribunal) کی دی گئی ہدایت کے تحت کرے۔ CCP کی جانب سے اس فیصلے کو اعلیٰ عدالتوں میں چیلنج کرنے کی صورت میں کمپنی ان بے بنیاد الزامات کا اعلیٰ عدالتی فورمز پر بھی مثبت طور پر دفاع کرنے کے لئے پُر اعتماد ہے۔


بورڈ کی جانب سے



لیفٹیننٹ جنرل طارق خان

ہلال امتیاز (ملٹری)، (ریٹائرڈ)

چیف ایگزیکٹو اور مینجنگ ڈائریکٹر



لیفٹیننٹ جنرل سید طارق ندیم گیلانی

ہلال امتیاز (ملٹری)، (ریٹائرڈ)

چیئر مین

راولپنڈی

25 اپریل 2018

Company Information

BOARD OF DIRECTORS

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

Chairman

Lt Gen Tariq Khan, HI(M), (Retd)

Chief Executive & Managing Director

Mr Qaiser Javed

Dr Nadeem Inayat

Engr Rukhsana Zuberi

Mr Farhad Shaikh Mohammad

Mr Per Kristian Bakkerud

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

Maj Gen Wasim Sadiq, HI(M) (Retd)

Mr Manzoor Ahmed

Mr Shoaib Mir

Mian Asad Hayaud Din

Maj Gen Javaid Iqbal Nasar, HI(M) (Retd)

CHIEF FINANCIAL OFFICER

Mr Mohammad Munir Malik

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

E-mail: munir_malik@ffc.com.pk

COMPANY SECRETARY

Brig Ashfaq Ahmed, 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, +92-51-8450001

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



PLANTSITES

Goth Machhi, Sadiqabad

(Distt: Rahim Yar Khan), Pakistan

Tel No. +92-68-5954550-64, Fax No. +92-68-5954510-11

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 & +92-51-34390122

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 Shahra-e-Faisal, Karachi – 74400

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



Condensed
Interim Financial Information

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves	5	14,624,886	16,176,474
Surplus on remeasurement of investments available for sale to fair value - net		210,784	293,523
		27,718,052	29,352,379
NON - CURRENT LIABILITIES			
Long term borrowings	6	15,052,741	15,571,491
Deferred liabilities		4,596,730	4,697,189
		19,649,471	20,268,680
CURRENT LIABILITIES			
Trade and other payables	7	39,662,591	39,218,435
Mark-up and profit accrued	8	360,747	190,707
Short term borrowings	9	261,498	11,539,083
Current portion of long term borrowings		6,831,804	6,831,804
Taxation		1,590,980	1,229,780
		48,707,620	59,009,809
TOTAL EQUITY AND LIABILITIES		96,075,143	108,630,868
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes 1 to 30 form an integral part of this condensed interim financial information.

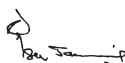
	Note	Un-audited March 31, 2018	Audited December 31, 2017
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	11	22,129,224	22,312,363
Intangible assets		1,582,932	1,585,018
Long term investments	12	28,591,116	27,868,846
Long term loans and advances	13	1,001,759	965,959
Long term deposits and prepayments	14	15,174	13,896
		53,320,205	52,746,082
CURRENT ASSETS			
Stores, spares and loose tools		3,341,374	3,496,117
Stock in trade	15	1,320,165	395,113
Trade debts		2,118,625	3,721,587
Loans and advances	16	1,511,130	1,633,916
Deposits and prepayments	17	216,811	77,792
Other receivables	18	14,633,882	13,964,851
Short term investments	19	17,646,038	30,882,685
Cash and bank balances	20	1,966,913	1,712,725
		42,754,938	55,884,786
TOTAL ASSETS		96,075,143	108,630,868



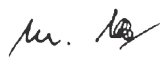
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the period ended March 31, 2018

	Note	March 31, 2018	March 31, 2017
		(Rupees '000)	
Sales	21	20,557,809	11,190,349
Cost of sales	22	16,464,927	8,588,999
GROSS PROFIT		4,092,882	2,601,350
Distribution cost		1,925,273	1,675,645
		2,167,609	925,705
Finance cost		377,108	527,266
Other expenses	23	382,131	308,855
		1,408,370	89,584
Other income	24	2,085,757	2,770,547
NET PROFIT BEFORE TAXATION		3,494,127	2,860,131
Provision for taxation		1,229,000	668,000
NET PROFIT AFTER TAXATION		2,265,127	2,192,131
Earnings per share - basic and diluted (Rupees)	25	1.78	1.72

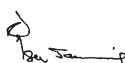
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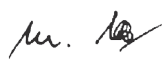
Chairman



Chief Executive



Director



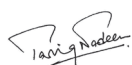
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended March 31, 2018

	March 31, 2018	March 31, 2017
	(Rupees '000)	
Net profit after taxation	2,265,127	2,192,131
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Deficit on re-measurement of investments available for sale to fair value - net of tax	(82,739)	(30,594)
Total comprehensive income for the period	2,182,388	2,161,537

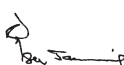
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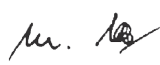
Chairman



Chief Executive



Director



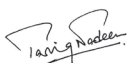
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the period ended March 31, 2018

	Note	March 31, 2018	March 31, 2017
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	26	3,645,642	1,063,078
Finance cost paid		(207,068)	(407,424)
Income tax paid		(968,259)	(968,403)
Subsidy received on sale of fertilizer		199,866	1,615,738
		(975,461)	239,911
Net cash generated from operating activities		2,670,181	1,302,989
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(360,525)	(554,421)
Proceeds from sale of property, plant and equipment		2,544	9,394
Investment in subsidiary - FFF		(800,000)	-
Decrease in other investments - net		101,527	30,806
Interest and profit received		456,465	478,389
Dividends received		349,419	232,946
Net cash (used in) / generated from investing activities		(250,570)	197,114
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Draw-downs		-	-
Repayments		(518,750)	(581,250)
Dividends paid		(3,648,678)	(3,124,092)
Net cash used in financing activities		(4,167,428)	(3,705,342)
Net decrease in cash and cash equivalents		(1,747,817)	(2,205,239)
Cash and cash equivalents at beginning of the period		18,963,048	(6,041,304)
Effect of exchange rate changes		68,436	678
Cash and cash equivalents at end of the period		17,283,667	(8,245,865)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	1,966,913	757,064
Short term highly liquid investments		15,578,252	5,875,199
Short term borrowings	9	(261,498)	(14,878,128)
		17,283,667	(8,245,865)

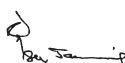
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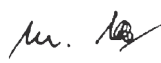
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended March 31, 2018

	Share capital	Capital reserves	Revenue reserves		Surplus on remeasurement of investments available for sale to fair value	Total
			General reserve	Unappropriated profit		
			(Rupees '000)			
Balance as at January 1, 2017	12,722,382	160,000	6,802,360	8,039,603	486,950	28,211,295
Total comprehensive income for the period						
Profit after taxation	-	-	-	2,192,131	-	2,192,131
Other comprehensive income - net of tax	-	-	-	-	(30,594)	(30,594)
	-	-	-	2,192,131	(30,594)	2,161,537
Distribution to owners - recorded directly in equity						
Final dividend 2016: Rs 2.75 per share	-	-	-	(3,498,655)	-	(3,498,655)
Other changes in equity						
Transfer to general reserve	-	-	2,000,000	(2,000,000)	-	-
Balance as at March 31, 2017	12,722,382	160,000	8,802,360	4,733,079	456,356	26,874,177
Balance as at January 1, 2018	12,722,382	160,000	8,802,360	7,374,114	293,523	29,352,379
Total comprehensive income for the period						
Profit after taxation	-	-	-	2,265,127	-	2,265,127
Other comprehensive income - net of tax	-	-	-	-	(82,739)	(82,739)
	-	-	-	2,265,127	(82,739)	2,182,388
Distribution to owners - recorded directly in equity						
Final dividend 2017: Rs 3.00 per share	-	-	-	(3,816,715)	-	(3,816,715)
Balance as at March 31, 2018	12,722,382	160,000	8,802,360	5,822,526	210,784	27,718,052

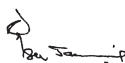
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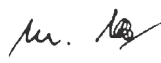
Chairman



Chief Executive



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended March 31, 2018

1. Fauji Fertilizer Company Limited (the Company) is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Act, 2017) 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. 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 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, 2017. Comparative condensed interim statement of financial position is extracted from annual financial statements as at December 31, 2017 whereas comparative condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from un-audited condensed interim financial information of the Company for the period ended March 31, 2017.

This condensed interim financial information is un-audited and is being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

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, 2017, except for the following: The newly enacted Companies Act, 2017 which has replaced the previous Companies Ordinance, 1984 has specified additional disclosures in the financial statements. These requirements are applicable to the Company's complete set of financial statements for the year ending December 31, 2018 and where applicable to the condensed interim financial information. Accordingly the Company has presented the required disclosures in this condensed interim financial information and represented certain comparatives. However, there was no change in the reported amounts of profit or loss or the amounts presented in the statement of financial position.

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2017: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2017: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited March 31, 2018	Audited December 31, 2017		Un-audited March 31, 2018	Audited December 31, 2017
(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
1,272,238,247	1,272,238,247		12,722,382	12,722,382

- 4.1 Fauji Foundation held 44.35% (2017: 44.35%) ordinary shares of the Company at the period end.

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

5. REVENUE RESERVES

General reserve	8,802,360	8,802,360
Unappropriated profit	5,822,526	7,374,114
	14,624,886	16,176,474

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
(Rupees '000)			
6. LONG TERM BORROWINGS			
Long term borrowings - secured			
From conventional banks	6.1	19,391,688	19,910,438
From Islamic banks	6.2	2,492,857	2,492,857
		21,884,545	22,403,295
Less: Current portion shown under current liabilities			
From conventional banks		5,735,375	5,735,375
From Islamic banks		1,096,429	1,096,429
		6,831,804	6,831,804
		15,052,741	15,571,491
6.1 Movement during the period / year is as follows:			
Opening balance		19,910,438	19,448,312
Draw-downs during the period / year		-	7,000,000
Repayments during the period / year		(518,750)	(6,537,874)
Closing balance	6.1.1	19,391,688	19,910,438

6.1.1 The borrowings are secured by way of 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 + 0.10% to 0.40% per annum and 3 month KIBOR + 0.15% to 0.40% per annum (2017: 6 month KIBOR + 0.10% to 0.40% per annum and 3 month KIBOR + 0.15% to 0.40% per annum and are repayable up to December 2022. (2017: December 2022).

	Note	Un-audited March 31, 2018	Audited December 31, 2017
(Rupees '000)			
6.2 Movement during the period / year is as follows:			
Opening balance		2,492,857	3,639,286
Repayments during the period / year		-	(1,146,429)
Closing balance	6.2.1	2,492,857	2,492,857

6.2.1 The borrowings are secured by way of hypothecation of Company assets including plant, machinery, tools & spares ranking pari passu with each other with 25% margin and lien over Pakistan Investment Bonds (PIBs), with nil margin.

These carry profit rates ranging between 6 month KIBOR + 0.05% to 0.40% per annum (2017: 6 month KIBOR + 0.05% to 0.40% per annum) and are repayable up to December 2020. (2017: December 2020).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
(Rupees '000)			
7. TRADE AND OTHER PAYABLES			
Creditors	7.1	28,205,871	23,834,180
Accrued liabilities		3,890,691	3,989,362
Consignment account with			
Fauji Fertilizer Bin Qasim Limited - unsecured		2,786,073	902,616
Deposits		155,532	155,564
Retention money		134,207	165,149
Advances from customers		1,842,972	7,667,633
Workers' Welfare Fund		1,265,174	1,200,499
Workers' Profit Participation Fund		93,147	-
Payable to gratuity fund		267,058	397,886
Payable to pension fund		246,126	362,311
Unclaimed dividend		605,328	437,291
Other liabilities		170,412	105,944
		39,662,591	39,218,435

7.1 Creditors include Rs 27,478,043 thousand (2017: Rs 22,944,401 thousand) on account of Gas Infrastructure Development Cess (GIDC).

	Note	Un-audited March 31, 2018	Audited December 31, 2017
(Rupees '000)			
8. MARK-UP AND PROFIT ACCRUED			
On borrowings from conventional banks		307,487	165,612
On borrowings from Islamic banks		53,260	25,095
		360,747	190,707
9. SHORT TERM BORROWINGS			
Short term borrowings - secured			
From conventional banks	9.1	235,488	11,039,083
From Islamic banks	9.2	26,010	500,000
		261,498	11,539,083

9.1 Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 29.81 billion (2017: Rs 35.21 billion) which represent the aggregate all facility agreements between the Company and respective banks. The facilities have various maturity dates upto February 28, 2019.

The facilities are secured by pari passu / ranking hypothecation charges on assets of the Company besides lien over US \$ / Pak Rupees Term Deposits / PIBs in certain cases. The per annum rates of mark-up range between 1 month KIBOR + 0.15% to 0.35% and 3 month KIBOR + 0.05% to 0.50% (2017: 1 month KIBOR + 0.15% to 0.35% and 3 month KIBOR + 0.03% to 0.50%).

9.2 Shariah compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to Rs 3.50 billion (2017: Rs 3.50 billion) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto December 31, 2018.

The facilities are secured by ranking hypothecation charges on assets of the Company. The per annum rates of profit range between 3 month KIBOR + 0.07% to 0.10% (2017: 3 month KIBOR + 0.07% to 0.10%).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended March 31, 2018

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

10. CONTINGENCIES AND COMMITMENTS

(a) Contingencies:

(i) Guarantees issued by banks on behalf of the Company	19,503	16,668
(ii) Claims against the Company and / or potential exposure not acknowledged as debt	50,696	50,696
(iii) The Competition Commission of Pakistan (CCP) had imposed a penalty of Rs 5.5 billion in 2013 on the Company for alleged unreasonable increase in urea prices, against which the Company had filed an appeal with the Competition Appellate Tribunal (Tribunal). The Tribunal has set aside the penalty and remanded the case back to CCP with the direction to decide the case afresh under the guidelines provided by the Tribunal. The CCP however, has the option to contest the case before the Supreme Court but the Company continues to be confident of successfully contesting the unreasonable allegations at all appellate forums.		

Note	Un-audited March 31, 2018	Audited December 31, 2017
	(Rupees '000)	

(b) Commitments in respect of:

(i) Capital expenditure	2,253,271	2,498,658
(ii) Purchase of fertilizer, stores, spares and other operational items	740,366	2,821,573
(iii) Investment in Fauji Fresh n Freeze Limited	200,000	1,000,000
(iv) Rentals under lease agreements:		
Premises	337,819	312,656
Vehicles	93,906	83,674

11. PROPERTY, PLANT AND EQUIPMENT

Opening written down value		22,312,363	21,232,732
Additions during the period / year	11.1	359,374	3,275,533
Written down value of disposals		(95)	(14,131)
Depreciation during the period / year	11.1 & 11.2	(542,418)	(2,181,771)
		22,129,224	22,312,363

11.1 Additions in and depreciation on property, plant and equipment during the period ended March 31, 2017 were Rs 552,919 thousand and Rs 544,890 thousand respectively.

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

11.2 Depreciation charge has been allocated as follows:

Cost of sales	519,557	2,093,416
Distribution cost	18,616	70,233
Other expenses	548	1,850
Charged to FFBL under the Company Services Agreement	3,697	16,272
	542,418	2,181,771

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
		(Rupees '000)	
12. LONG TERM INVESTMENTS			
Investment in subsidiary companies - at cost			
FFC Energy Limited		2,438,250	2,438,250
Fauji Fresh n Freeze Limited		3,995,500	3,195,500
Investment in associated companies (Quoted) - at cost			
Fauji Cement Company Limited		1,500,000	1,500,000
Fauji Fertilizer Bin Qasim Limited		4,658,919	4,658,919
Askari Bank Limited		10,461,921	10,461,921
		16,620,840	16,620,840
Investment in joint venture (Unquoted) - at cost			
Pakistan Maroc Phosphore S.A., Morocco		705,925	705,925
Investments available for sale			
Term Deposit Receipts - from conventional banks		119,982	108,894
Pakistan Investment Bonds		6,793,856	6,912,055
		6,913,838	7,020,949
		30,674,353	29,981,464
Less: Current portion shown under short term investments			
Investments available for sale			
Term Deposit Receipts - from conventional banks		28,915	28,834
Pakistan Investment Bonds		2,054,322	2,083,784
	19	2,083,237	2,112,618
		28,591,116	27,868,846
13. LONG TERM LOANS AND ADVANCES			
Loans and advances - considered good:			
Interest bearing		761,547	743,781
Non-interest bearing		595,244	565,890
		1,356,791	1,309,671
Less: Amount due within twelve months, shown under current loans and advances			
Interest bearing		147,423	143,964
Non-interest bearing		207,609	199,748
	16	355,032	343,712
		1,001,759	965,959
14. LONG TERM DEPOSITS AND PREPAYMENTS			
Non-interest bearing deposits		12,378	12,378
Prepayments		2,796	1,518
		15,174	13,896
15. STOCK IN TRADE			
Raw materials		170,720	112,015
Work in process		126,810	139,292
Finished goods			
Manufactured urea		498,755	143,806
Purchased fertilizer		423,195	-
		921,950	143,806
Stock in transit		100,685	-
		1,320,165	395,113

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
		(Rupees '000)	
16. LOANS AND ADVANCES			
Current portion of long term loans and advances	13	355,032	343,712
Loans and advances to employees - unsecured			
- considered good, non-interest bearing		86,563	17,351
Advances to subsidiary companies - interest bearing			
FFC Energy Limited (FFCEL)	16.1	139,841	190,713
Fauji Fresh n Freeze Limited (FFF)	16.2	800,000	932,000
Advances to suppliers - considered good		129,694	150,140
		<u>1,511,130</u>	<u>1,633,916</u>

16.1 This represents aggregate unsecured advance to, FFCEL, subsidiary company under a revolving credit facility upto an amount of Rs 1,500,000 thousand to meet debt servicing obligations and other working capital requirements. This carries mark-up at 1 month KIBOR + 60bps.

16.2 This represents aggregate unsecured advance to, FFF, subsidiary company under a revolving credit facility upto an amount of Rs 1,000,000 thousand to meet debt servicing obligations and other working capital requirements. This carries mark-up at 1 month KIBOR + 100bps.

	Un-audited March 31, 2018	Audited December 31, 2017
	(Rupees '000)	
17. DEPOSITS AND PREPAYMENTS		
Non-interest bearing deposits	944	944
Prepayments	215,867	76,848
	<u>216,811</u>	<u>77,792</u>
18. OTHER RECEIVABLES		
Accrued income on investments, bank deposits and advances		
From Pakistan Investment Bonds	149,285	339,890
From conventional banks	2,919	63,621
From Islamic banks	7,807	1
From subsidiaries - conventional	173,181	157,090
Sales tax receivable	6,119,011	5,210,457
Sales tax receivable related to Pak Saudi Fertilizers Limited	42,486	42,486
Advance tax	322,368	322,368
Dividend receivable	-	500,000
Subsidy receivable from Government agencies	7,676,131	6,763,903
Receivable from Workers' Profit Participation Fund - unsecured	-	461,996
Receivable from subsidiary companies		
FFC Energy Limited - unsecured	64,306	32,916
Fauji Fresh n Freeze Limited - unsecured	38	240
Receivable from Fauji Fertilizer Bin Qasim Limited - unsecured	40,023	37,162
Other receivables		
Considered good	36,327	32,721
Considered doubtful	2,232	2,232
Provision for doubtful receivables	(2,232)	(2,232)
	<u>36,327</u>	<u>32,721</u>
	<u>14,633,882</u>	<u>13,964,851</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
(Rupees '000)			
19. SHORT TERM INVESTMENTS			
Loans and receivables - Conventional investments			
Term deposits with banks and financial institutions			
Local currency		8,000,000	26,000,000
Foreign currency		1,609,111	1,530,343
		9,609,111	27,530,343
Investments at fair value through profit or loss			
Conventional investments		5,738,472	1,038,628
Shariah compliant investments		215,218	201,096
		5,953,690	1,239,724
Current maturity of long term investments			
Investments available for sale	12	2,083,237	2,112,618
		17,646,038	30,882,685
20. CASH AND BANK BALANCES			
At banks			
Local Currency			
Current Account - Conventional banking		1,123,062	1,274,235
Current Account - Islamic Banking		281,432	256,491
Deposit Account - Conventional banking	20.2	560,491	173,658
Deposit Account - Islamic Banking	20.3	1,887	5,955
		1,966,872	1,710,339
Foreign Currency			
Deposit Account - Conventional banking		18	627
Cash in hand		23	1,759
		1,966,913	1,712,725

20.1 Balances with banks include Rs 124,287 thousand (2017: Rs 122,798 thousand) in respect of security deposits received.

20.2 Balances with conventional banks carry mark-up ranging from 3.75% to 6.10% (2017: 3.75% to 5.70%) per annum.

20.3 Balances with Islamic banks carry profit ranging from 1.75% to 4.50% (2017: 1.75% to 4.50%) per annum.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended March 31, 2018

	March 31, 2018	March 31, 2017
	(Rupees '000)	
21. SALES		
Manufactured urea - local	17,995,834	10,330,118
Purchased and packaged fertilizers	7,456,165	2,132,420
	25,451,999	12,462,538
Sales tax	(4,847,168)	(908,356)
Trade discount	(47,022)	(363,833)
	(4,894,190)	(1,272,189)
	20,557,809	11,190,349
22. COST OF SALES		
Raw materials consumed	6,094,703	6,346,047
Fuel and power	2,078,210	2,206,110
Chemicals and supplies	74,692	81,895
Salaries, wages and benefits	1,716,670	1,577,045
Training and employees welfare	167,384	178,949
Rent, rates and taxes	5,257	3,972
Insurance	46,610	36,136
Travel and conveyance	100,934	87,303
Repairs and maintenance	554,544	205,247
Depreciation and amortization	521,862	524,456
Communication and other expenses	297,784	302,989
	11,658,650	11,550,149
Opening stock - work in process	139,292	96,785
Closing stock - work in process	(126,810)	(112,050)
	12,482	(15,265)
Cost of goods manufactured	11,671,132	11,534,884
Opening stock - manufactured urea	143,807	3,675,771
Closing stock - manufactured urea	(498,755)	(8,304,039)
	(354,948)	(4,628,268)
Cost of sales - manufactured urea	11,316,184	6,906,616
Opening stock - purchased fertilizers	-	372,893
Purchase of fertilizers for resale	5,571,938	1,543,098
Closing stock - purchased fertilizers	(423,195)	(233,608)
Cost of sales - purchased fertilizers	5,148,743	1,682,383
	16,464,927	8,588,999
23. OTHER EXPENSES		
Research and development	185,755	114,762
Workers' Profit Participation Fund	131,701	152,711
Workers' Welfare Fund	64,675	41,382
	382,131	308,855

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended March 31, 2018

	March 31, 2018	March 31, 2017
	(Rupees '000)	
24. OTHER INCOME		
Government subsidy	1,112,094	1,408,870
Income from financial assets	561,451	278,126
Income from associated companies	349,419	1,048,598
Income / (loss) from non - financial assets	7,035	(436)
Other income	55,758	35,389
	2,085,757	2,770,547
25. EARNINGS PER SHARE		
Net profit after tax	2,265,127	2,192,131
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)	1.78	1.72
26. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	3,494,127	2,860,131
Adjustments for:		
Depreciation	538,721	540,088
Amortization	3,237	4,041
Finance cost	370,173	527,896
(Gain) / loss on disposal of property, plant and equipment	(2,449)	4,653
Income on loans, deposits and investments	(419,660)	(264,336)
Exchange gain - net	(61,501)	(1,308)
Gain on re-measurement of investments at fair value through profit or loss	(81,043)	(20,431)
Dividend Income	(349,419)	(1,048,598)
Government subsidy on sale of fertilizer	(1,112,094)	(1,408,870)
	(1,114,035)	(1,666,865)
	2,380,092	1,193,266
Changes in working capital:		
Decrease / (increase) in current assets:		
Stores, spares and loose tools	154,743	(137,235)
Stock in trade	(925,052)	(4,527,977)
Trade debts	1,602,962	975,265
Loans and advances	122,786	(200,723)
Deposits and prepayments	(139,019)	(105,454)
Other receivables	210,089	(1,250,118)
Increase in current liabilities:		
Trade and other payables	276,119	5,098,550
	1,302,628	(147,692)
Changes in long term loans and advances	(35,800)	17,134
Changes in long term deposits and prepayments	(1,278)	370
	3,645,642	1,063,078

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended March 31, 2018

27. FINANCIAL INSTRUMENTS

Fair value of Financial Instruments

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

27.1 Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended March 31, 2018

	Carrying Amount			Fair Value					
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees '000)									
March 31, 2018 (Un-audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	4,830,601	-	-	4,830,601	-	4,830,601	-	4,830,601
Long term loans and advances	1,001,759	-	-	-	1,001,759	-	-	-	-
Long term deposits	12,378	-	-	-	12,378	-	-	-	-
Current assets									
Trade debits - net of provision	2,118,625	-	-	-	2,118,625	-	-	-	-
Loans and advances	1,381,436	-	-	-	1,381,436	-	-	-	-
Deposits	944	-	-	-	944	-	-	-	-
Other receivables	8,150,017	-	-	-	8,150,017	-	-	-	-
Short term investments	9,609,111	2,083,237	5,953,690	-	17,646,038	5,953,690	2,083,237	-	8,036,927
Cash and bank balances	1,966,913	-	-	-	1,966,913	-	-	-	-
	24,241,183	6,913,838	5,953,690	-	37,108,711	5,953,690	6,913,838	-	12,867,528
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowing	-	-	-	15,052,741	15,052,741	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	36,461,298	36,461,298	-	-	-	-
Mark-up and profit accrued	-	-	-	360,747	360,747	-	-	-	-
Short term borrowings	-	-	-	261,498	261,498	-	-	-	-
Current portion of long term borrowings	-	-	-	6,831,804	6,831,804	-	-	-	-
	-	-	-	58,968,088	58,968,088	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended March 31, 2018

	Carrying Amount			Fair Value					
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees '000)									
December 31, 2017 (Audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	4,908,331	-	-	4,908,331	-	4,908,331	-	4,908,331
Long term loans and advances	965,959	-	-	-	965,959	-	-	-	-
Long term deposits	12,378	-	-	-	12,378	-	-	-	-
Current assets									
Trade debts - net of provision	3,721,587	-	-	-	3,721,587	-	-	-	-
Loans and advances	1,483,776	-	-	-	1,483,776	-	-	-	-
Deposits	944	-	-	-	944	-	-	-	-
Other receivables	7,927,544	-	-	-	7,927,544	-	-	-	-
Short term investments	27,530,343	2,112,618	1,239,724	-	30,882,685	1,239,724	2,112,618	-	3,352,342
Cash and bank balances	1,712,725	-	-	-	1,712,725	-	-	-	-
	43,355,256	7,020,949	1,239,724	-	51,615,929	1,239,724	7,020,949	-	8,260,673
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowings	-	-	-	15,571,491	15,571,491	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	30,350,303	30,350,303	-	-	-	-
Mark-up and profit accrued	-	-	-	190,707	190,707	-	-	-	-
Short term borrowings	-	-	-	11,539,083	11,539,083	-	-	-	-
Current portion of long term borrowings	-	-	-	6,831,804	6,831,804	-	-	-	-
	-	-	-	64,483,388	64,483,388	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended March 31, 2018

	March 31, 2018	March 31, 2017
	(Rupees '000)	
28. 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
Investment in subsidiary - FFF	800,000	-
Dividend receivable *	-	500,000
Balances receivable - unsecured *	1,177,366	1,312,959
Transactions with associated undertaking / companies due to common ownership		
Expenses charged on account of marketing of fertilizer on behalf of associated company	236,699	297,212
Commission on sale of products	4,586	4,217
Payments under consignment account	6,206,814	14,070,098
Purchase of gas as feed and fuel stock	4,243,549	4,895,576
Sale of fertilizers	1,406	-
Donations	21,822	30,789
Others	16,180	116
Dividend income	349,419	1,048,598
Dividend paid	1,692,713	1,551,653
Short term investment *	-	500,000
Long term investments *	119,982	108,894
Short term borrowing *	480	694,857
Running finance *	43,357	133,819
Balances receivable - unsecured *	47,052	45,352
Balances payable - unsecured *	31,025,348	24,596,243
Key management personnel - Restated		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2018: 1 and 334 (2017: 1 and 343) respectively	956,818	911,080
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	104,364	97,411
Employees' Gratuity Fund Trust	168,507	118,014
Employees' Pension Fund Trust	154,914	89,283
Employees' Funds as Dividend on equity holding of 0.15% (2017: 0.07%)	5,812	2,416
Balance payable to Gratuity Fund Trust *	(267,058)	(397,886)
Balance payable to Pension Fund Trust *	(246,126)	(362,311)

* Comparative figures of receivable / payable balances are as at December 31, 2017.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended March 31, 2018

29. POST BALANCE SHEET EVENT

The Board of Directors of the Company in its meeting held on April 25, 2018 proposed first interim dividend of Rs 1.75 per share.

30. GENERAL

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

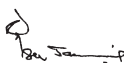
30.2 This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on April 25, 2018.



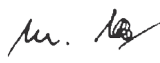
Chairman



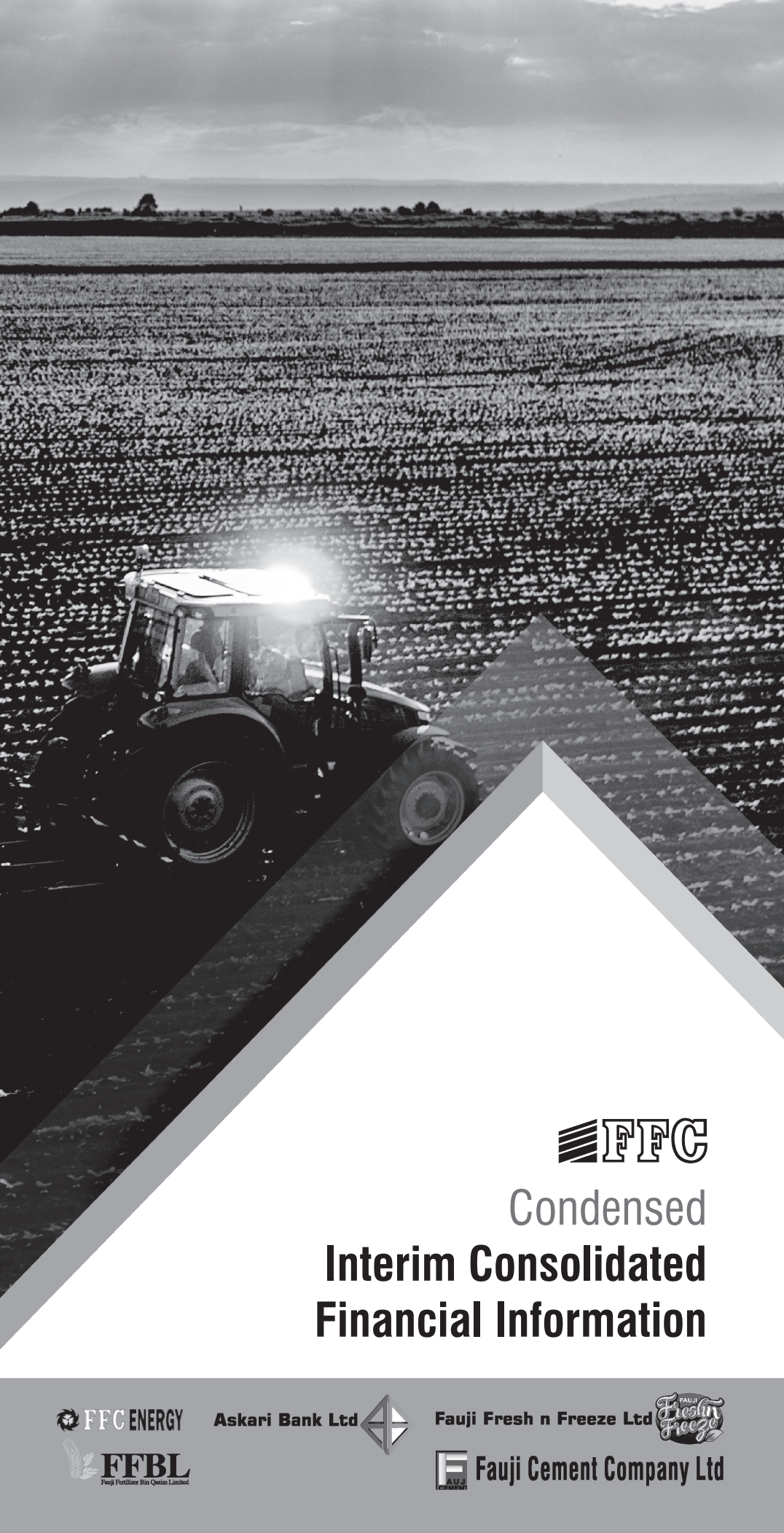
Chief Executive



Director



Chief Financial Officer



Condensed
**Interim Consolidated
Financial Information**



Fauji Fresh n Freeze Ltd



Fauji Cement Company Ltd

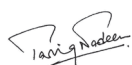
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
		(Rupees '000)	
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		2,470,763	2,101,184
Revenue reserves	5	33,467,030	35,360,005
Surplus on remeasurement of investments available for sale to fair value - net		430,820	934,733
		49,090,995	51,118,304
Share in revaluation reserve of associates - net		848,685	759,892
NON - CURRENT LIABILITIES			
Long term borrowings	6	20,509,200	21,162,157
Deferred liabilities		5,923,140	5,973,370
Liability against assets subject to finance lease		6,620	8,440
		26,438,960	27,143,967
CURRENT LIABILITIES			
Trade and other payables	7	40,135,096	39,725,970
Mark-up and profit accrued	8	503,717	216,140
Short term borrowings	9	661,498	11,939,083
Current portion of long term borrowings		8,633,497	8,633,497
Current portion of land lease liability		2,566	2,566
Taxation		1,593,753	1,230,841
		51,530,127	61,748,097
TOTAL EQUITY AND LIABILITIES		127,908,767	140,770,260
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes 1 to 30 form an integral part of this condensed interim consolidated financial information.

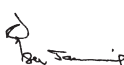
	Note	Un-audited March 31, 2018	Audited December 31, 2017
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	11	33,979,334	34,351,610
Intangible assets		1,949,046	1,951,383
Long term investments	12	45,573,019	45,665,306
Long term loans and advances	13	1,001,759	965,959
Long term deposits and prepayments	14	32,451	31,173
		82,535,609	82,965,431
CURRENT ASSETS			
Stores, spares and loose tools		3,357,156	3,511,899
Stock in trade	15	1,711,104	640,655
Trade debts		3,655,877	4,817,924
Loans and advances	16	645,230	585,527
Deposits and prepayments	17	259,120	83,824
Other receivables	18	14,835,005	13,735,003
Short term investments	19	18,791,038	31,657,685
Cash and bank balances	20	2,118,628	2,772,312
		45,373,158	57,804,829
TOTAL ASSETS		127,908,767	140,770,260



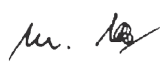
Chairman



Chief Executive



Director

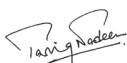


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
For the period ended March 31, 2018

	Note	March 31, 2018	March 31, 2017
		(Rupees'000)	
Sales	21	21,231,994	11,563,344
Cost of sales	22	17,086,988	8,943,796
GROSS PROFIT		4,145,006	2,619,548
Administrative expenses and distribution cost		2,069,286	1,754,730
		2,075,720	864,818
Finance cost		535,914	738,211
Other expenses	23	382,131	308,855
		1,157,675	(182,248)
Other income	24	1,751,642	1,747,091
Share of profit of associates and joint venture		434,903	282,612
NET PROFIT BEFORE TAXATION		3,344,220	1,847,455
Provision for taxation		1,298,247	671,860
NET PROFIT AFTER TAXATION		2,045,973	1,175,595

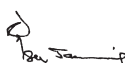
The annexed notes 1 to 30 form an integral part of this condensed interim consolidated financial information.



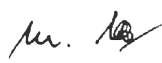
Chairman



Chief Executive



Director

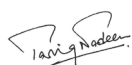


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
For the period ended March 31, 2018

	March 31, 2018	March 31, 2017
	(Rupees'000)	
Net profit after taxation	2,045,973	1,175,595
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss		
Equity accounted investees - share of OCI, net of tax	(8,949)	(87,484)
Items that may be subsequently reclassified to profit or loss		
Deficit on re-measurement of investments available for sale to fair value - net of tax	(82,739)	(30,594)
Share of equity accounted investees - share of OCI, net of tax	(164,879)	(320,599)
	(247,618)	(351,193)
Comprehensive income taken to equity	1,789,406	736,918
Comprehensive income not recognised in equity		
Items that may be subsequently reclassified to profit or loss	88,793	114,076
Total comprehensive income for the period	1,878,199	850,994

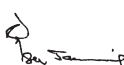
The annexed notes 1 to 30 form an integral part of this condensed interim consolidated financial information.



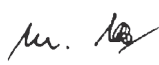
Chairman



Chief Executive



Director



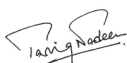
Chief Financial Officer

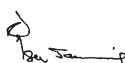
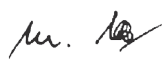
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the period ended March 31, 2018

	Note	March 31, 2018	March 31, 2017
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	26	2,377,744	448,373
Finance cost paid		(248,337)	(451,875)
Income tax paid		(970,559)	(664,885)
Subsidy received on sale of fertilizer		199,866	1,615,738
		(1,019,030)	498,978
Net cash generated from operating activities		1,358,714	947,351
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(391,110)	(598,295)
Proceeds from sale of property, plant and equipment		2,569	294,667
Decrease in investments - net		(335,394)	(192,321)
Interest and profit received		665,552	486,279
Dividend received		349,419	232,946
Net cash (used in) / generated from investing activities		291,036	223,276
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Draw-downs		-	-
Repayments		(660,375)	(581,250)
Dividends paid		(3,648,678)	(3,124,092)
Net cash used in financing activities		(4,309,053)	(3,705,342)
Net decrease in cash and cash equivalents		(2,659,303)	(2,534,715)
Cash and cash equivalents at beginning of the period		19,622,635	(6,073,964)
Effect of exchange rate changes		72,050	678
Cash and cash equivalents at end of the period		17,035,382	(8,608,001)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	2,118,628	1,037,314
Short term highly liquid investments		15,578,252	5,875,199
Short term borrowings	9	(661,498)	(15,520,514)
		17,035,382	(8,608,001)

The annexed notes 1 to 30 form an integral part of this condensed interim consolidated financial information.


Chairman

Chief Executive

Director

Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the period ended March 31, 2018

	Capital reserves				Revenue reserves		Surplus on remeasurement of available for sale investments to fair value	Total	
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserve	General reserve	Unappropriated profit		
	(Rupees '000)								
Balance as at January 1, 2017	12,722,382	40,000	120,000	251,153	985,519	6,802,360	27,069,130	2,726,211	50,716,755
Total comprehensive income for the period									
Profit after taxation	-	-	-	-	-	-	1,175,595	-	1,175,595
Other comprehensive income - net of tax	-	-	-	(40,338)	-	-	(87,484)	(310,855)	(438,677)
	-	-	-	(40,338)	-	-	1,088,111	(310,855)	736,918
Distribution to owners - recorded directly in equity									
Final dividend 2016: Rs 2.75 per share	-	-	-	-	-	-	(3,498,655)	-	(3,498,655)
Other changes in equity									
Transfer to general reserve	-	-	-	-	-	2,000,000	(2,000,000)	-	-
Transfer to statutory reserve	-	-	-	-	111,404	-	(111,404)	-	-
	-	-	-	-	111,404	2,000,000	(2,111,404)	-	-
Balance as at March 31, 2017	12,722,382	40,000	120,000	210,815	1,096,923	8,802,360	22,547,182	2,415,356	47,955,018
Balance as at January 1, 2018	12,722,382	40,000	120,000	372,893	1,568,291	8,802,360	26,557,645	934,733	51,118,304
Total comprehensive income for the period									
Profit after taxation	-	-	-	-	-	-	2,045,973	-	2,045,973
Other comprehensive income - net of tax	-	-	-	256,295	-	-	(8,949)	(503,913)	(256,567)
	-	-	-	256,295	-	-	2,037,024	(503,913)	1,789,406
Distribution to owners - recorded directly in equity									
Final dividend 2017: Rs 3.00 per share	-	-	-	-	-	-	(3,816,715)	-	(3,816,715)
Other changes in equity									
Transfer to general reserve	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	113,284	-	(113,284)	-	-
	-	-	-	-	113,284	-	(113,284)	-	-
Balance as at March 31, 2018	12,722,382	40,000	120,000	629,188	1,681,575	8,802,360	24,664,670	430,820	49,090,995

The annexed notes 1 to 30 form an integral part of this condensed interim consolidated financial information.


Chairman


Chief Executive


Director


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the period ended March 31, 2018

- Fauji Fertilizer Company Limited (the Group) comprises of Fauji Fertilizer Company Limited (FFC / parent company) and its subsidiaries, FFC Energy Limited (FFCEL) and Fauji Fresh n Freeze (FFF). These companies are incorporated in Pakistan as public limited companies. The shares of FFC are quoted on Pakistan Stock Exchange. The principal activity of FFC is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, other manufacturing and banking operations. FFCEL has setup a 49.5 MW wind energy power project. FFF will principally be engaged in the business of processing fresh, frozen fruit, vegetables, fresh meat, frozen cooked and semi cooked food.
- 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 applicable framework for banks also includes the Banking Companies Ordinance 1962 and the provisions of and directives issued by the State Bank of Pakistan.

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 Group for the year ended December 31, 2017. Comparative condensed interim statement of financial position is extracted from annual financial statements as at December 31, 2017 whereas comparative condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from un-audited condensed interim financial information of the Group for the period ended March 31, 2017.

This condensed interim financial information is un-audited and is being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

- 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 Group for the year ended December 31, 2017, except for the following:

The newly enacted Companies Act, 2017 which has replaced the previous Companies Ordinance, 1984 has specified additional disclosures in the financial statements. These requirements are applicable to the Group's complete set of financial statements for the year ending December 31, 2018 and where applicable to the condensed interim financial information. Accordingly the Group has presented the required disclosures in this condensed interim financial information and represented certain comparatives. However, there was no change in the reported amounts of profit or loss or the amounts presented in the statement of financial position.

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2017: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2017: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited March 31, 2018	Audited December 31, 2017		Un-audited March 31, 2018	Audited December 31, 2017
(Numbers 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
1,272,238,247	1,272,238,247		12,722,382	12,722,382

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the period ended March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
		(Rupees '000)	
5. REVENUE RESERVES			
General reserve		8,802,360	8,802,360
Unappropriated profit		24,664,670	26,557,645
		<u>33,467,030</u>	<u>35,360,005</u>
6. LONG TERM BORROWINGS			
Loans from banking companies (secured)			
From conventional banks			
Fauji Fertilizer Company Limited	6.1	19,391,688	19,910,438
FFC Energy Limited	6.2	6,162,119	6,154,901
Fauji Fresh n Freeze Limited	6.3	1,096,033	1,237,458
From Islamic banks			
Fauji Fertilizer Company Limited	6.4	2,492,857	2,492,857
		<u>29,142,697</u>	<u>29,795,654</u>
Less: Current portion shown under current liabilities			
From conventional banks		7,537,068	7,537,068
From Islamic banks		1,096,429	1,096,429
		<u>8,633,497</u>	<u>8,633,497</u>
		<u>20,509,200</u>	<u>21,162,157</u>
6.1 Movement during the period / year is as follows:			
Opening balance		19,910,438	19,448,312
Draw-downs during the period / year		-	7,000,000
Repayments during the period / year		(518,750)	(6,537,874)
Closing balance		<u>19,391,688</u>	<u>19,910,438</u>
6.2 Movement during the period / year is as follows:			
Opening balance		6,154,901	6,981,494
Draw-downs during the period / year		-	-
Repayments during the period / year		-	(858,914)
		<u>6,154,901</u>	<u>6,122,580</u>
Less: Transaction cost			
Initial transaction cost		-	-
Amortized during the period / year		7,218	32,321
		<u>7,218</u>	<u>32,321</u>
Closing balance		<u>6,162,119</u>	<u>6,154,901</u>
6.3 Movement during the period / year is as follows:			
Opening balance		1,237,458	1,908,350
Draw-downs during the period / year		-	-
Repayments during the period / year		(141,625)	(671,625)
		<u>1,095,833</u>	<u>1,236,725</u>
Less: Transaction cost			
Initial transaction cost		-	-
Amortized during the period / year		200	733
		<u>200</u>	<u>733</u>
Closing balance		<u>1,096,033</u>	<u>1,237,458</u>
6.4 Movement during the period / year is as follows:			
Opening balance		2,492,857	3,639,286
Repayments during the period / year		-	(1,146,429)
Closing balance		<u>2,492,857</u>	<u>2,492,857</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the period ended March 31, 2018

	Un-audited March 31, 2018	Audited December 31, 2017
	(Rupees '000)	
7. TRADE AND OTHER PAYABLES		
Creditors	28,399,345	24,003,117
Accrued liabilities	4,025,285	4,174,070
Consignment account with Fauji Fertilizer Bin Qasim Limited - unsecured	2,786,073	902,616
Sales tax payable - net	76,679	63,075
Deposits	155,532	155,564
Retention money	137,948	168,890
Advances from customers	1,856,537	7,678,561
Workers' Welfare Fund	1,265,174	1,200,499
Workers' Profit Participation Fund	93,147	-
Payable to gratuity fund	276,188	405,493
Payable to pension fund	246,126	362,311
Payable to provident fund	-	18,187
Unclaimed dividend	605,328	437,291
Other liabilities	211,734	156,296
	40,135,096	39,725,970

- 7.1 Creditors include Rs 27,478,043 thousand (2017: Rs 22,944,401 thousand) on account of Gas Infrastructure Development Cess (GIDC).

	Un-audited March 31, 2018	Audited December 31, 2017
	(Rupees '000)	
8. MARK-UP AND PROFIT ACCRUED		
On borrowings from conventional banks	450,457	191,045
On borrowings from Islamic banks	53,260	25,095
	503,717	216,140
9. SHORT TERM BORROWINGS		
Short term borrowings - secured		
From conventional banks	635,488	11,439,083
From Islamic banks	26,010	500,000
	661,498	11,939,083
10. CONTINGENCIES AND COMMITMENTS		
(a) Contingencies:		
(i) Guarantees issued by banks on behalf of the Group companies	19,503	16,668
(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	36,304,943	35,703,594
(iv) Group's share of contingencies in Fauji Cement Company Limited as at December 31, 2017 (2017: September 30, 2017)	278,434	272,518
(v) Group's share of contingencies in Askari Bank Limited as at December 31, 2017 (2017: September 30, 2017)	141,210,035	136,769,301
(vi) The Competition Commission of Pakistan (CCP) had imposed a penalty of Rs 5.5 billion in 2013 on FFC for alleged unreasonable increase in urea prices, against which FFC had filed an appeal with the Competition Appellate Tribunal (Tribunal). The Tribunal has set aside the penalty and remanded the case back to CCP with the direction to decide the case afresh under the guidelines provided by the Tribunal. The CCP however, has the option to contest the case before the Supreme Court but the Company continues to be confident of successfully contesting the unreasonable allegations at all appellate forums.		

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
For the period ended March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
(Rupees '000)			
(b) Commitments in respect of:			
(i) Capital expenditure		2,253,271	2,498,658
(ii) Purchase of fertilizer, stores, spares and other operational items		740,366	2,821,573
(iii) Group's share of commitments of PMP as at December 31, 2017 (2017: September 30, 2017)		15,308	17,133
(iv) Rentals under lease agreements:			
Premises		386,682	364,085
Vehicles		93,906	83,674
11. PROPERTY PLANT AND EQUIPMENT			
Opening written down value		34,351,610	34,295,455
Additions during the period / year	11.1	389,959	3,399,664
Written down value of disposals / adjustments		(120)	(286,357)
Depreciation during the period / year	11.1 & 11.2	(762,115)	(3,057,152)
		33,979,334	34,351,610

11.1 Additions in and depreciation on property, plant and equipment during the period ended March 31, 2017 were Rs 596,793 thousand and Rs 763,763 thousand respectively.

	Un-audited March 31, 2018	Audited December 31, 2017
	(Rupees '000)	
11.2 Depreciation charge has been allocated as follows:		
Cost of sales	736,956	2,959,733
Distribution cost	20,914	79,297
Other expenses	548	1,850
Charged to FFBL under the Company Services Agreement	3,697	16,272
	762,115	3,057,152

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the period ended March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
		(Rupees '000)	
12. LONG TERM INVESTMENTS			
Equity accounted investments	12.1	40,742,418	40,756,975
Other long term investments	12.2	4,830,601	4,908,331
		<u>45,573,019</u>	<u>45,665,306</u>
12.1 Equity accounted investments			
Investment in associated company - under equity method			
Fauji Fertilizer Bin Qasim Limited			
Balance at the beginning		20,131,610	19,735,481
Share of profit for the period / year		(120,513)	945,641
Share of OCI for the period / year		95,497	(269,977)
Dividend received		(349,419)	(279,535)
		<u>19,757,175</u>	<u>20,131,610</u>
Askari Bank Limited			
Balance at the beginning		16,528,939	17,148,611
Share of profit for the period / year		451,175	2,202,716
Share of OCI for the period / year		(339,887)	(1,462,968)
Dividend received		-	(1,359,420)
		<u>16,640,227</u>	<u>16,528,939</u>
Fauji Cement Company Limited			
Balance at the beginning		2,051,242	2,063,119
Share of profit for the period / year		55,927	166,248
Dividend received		-	(178,125)
		<u>2,107,169</u>	<u>2,051,242</u>
Investment in joint venture - under equity method			
Pakistan Maroc Phosphore S.A., Morocco			
Balance at the beginning		2,045,184	1,860,912
Share of profit for the period / year		48,314	220,728
Gain on translation of net assets		144,349	70,174
Dividend received		-	(106,630)
		<u>2,237,847</u>	<u>2,045,184</u>
		<u>40,742,418</u>	<u>40,756,975</u>
12.2 Other long term investments			
Investment available for sale			
Term Deposit Receipts - from conventional banks		119,982	108,894
Pakistan Investment Bonds		6,793,856	6,912,055
		<u>6,913,838</u>	<u>7,020,949</u>
Less: Current portion shown under short term investments			
Investments available for sale			
Term Deposit Receipts - from conventional banks		28,915	28,834
Pakistan Investment Bonds		2,054,322	2,083,784
	19	<u>2,083,237</u>	<u>2,112,618</u>
		<u>4,830,601</u>	<u>4,908,331</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the period ended March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
		(Rupees '000)	
13. LONG TERM LOANS AND ADVANCES			
Loans and advances - considered good;			
Interest bearing		761,547	743,781
Non-interest bearing		595,244	565,890
		1,356,791	1,309,671
Less: Amount due within twelve months, shown under current loans and advances			
Interest bearing		147,423	143,964
Non-interest bearing		207,609	199,748
	16	355,032	343,712
		1,001,759	965,959
14. LONG TERM DEPOSITS AND PREPAYMENTS			
Non-interest bearing deposits		29,655	29,655
Prepayments		2,796	1,518
		32,451	31,173
15. STOCK IN TRADE			
Raw materials		323,512	113,885
Work in process		126,810	165,182
Finished goods			
Manufactured product		767,195	391,881
Purchased product		423,195	-
		1,190,390	391,881
Stock in transit		100,685	-
Provision for slow moving stock		(30,293)	(30,293)
		1,711,104	640,655
16. LOANS AND ADVANCES			
Current portion of long term loans and advances	13	355,032	343,712
Loans and advances to employees - unsecured - considered good, non-interest bearing		118,694	43,911
Advances to suppliers - considered good		171,504	197,904
		645,230	585,527
17. DEPOSITS AND PREPAYMENTS			
Non-interest bearing deposits		944	944
Prepayments		258,176	82,880
		259,120	83,824

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the period ended March 31, 2018

	Note	Un-audited March 31, 2018	Audited December 31, 2017
(Rupees '000)			
18. OTHER RECEIVABLES			
Accrued income on investments and bank deposits			
From Pakistan Investment Bonds		149,285	339,890
From conventional banks		9,775	64,074
From Islamic banks		7,807	1
Sales tax receivable - net		6,348,193	5,424,515
Sales tax receivable related to Pak Saudi Fertilizers Limited		42,486	42,486
Advance tax		367,096	363,558
Subsidy receivable from Government agencies		7,676,131	6,763,903
Receivable from Workers' Profit Participation Fund - unsecured		-	461,996
Receivable from Fauji Fertilizer Bin Qasim Limited - unsecured		40,023	37,162
Other receivables			
Considered good		194,209	237,418
Considered doubtful		2,232	2,232
Provision for doubtful receivables		(2,232)	(2,232)
		194,209	237,418
		14,835,005	13,735,003
19. SHORT TERM INVESTMENTS			
Loans & receivables - Conventional instruments			
Term deposits with banks and financial institutions			
Local currency		9,145,000	26,775,000
Foreign currency		1,609,111	1,530,343
Investments at fair value through profit or loss			
Conventional investments		5,738,472	1,038,628
Shariah compliant investments		215,218	201,096
Current maturity of long term investments			
Investments available for sale	12.2	2,083,237	2,112,618
		18,791,038	31,657,685
20. CASH AND BANK BALANCES			
At banks			
Local Currency			
Current Account - Conventional banking		1,045,158	1,275,256
Current Account - Islamic Banking		281,432	256,491
Deposit Account - Conventional banking	20.2	702,072	1,232,160
Deposit Account - Islamic Banking	20.3	1,887	5,955
		2,030,549	2,769,862
Foreign Currency			
Deposit Account - Conventional banking		18	627
Cash in transit		88,000	-
Cash in hand		61	1,823
		2,118,628	2,772,312

20.1 Balances with banks include Rs 124,287 thousand (2017: Rs 122,798 thousand) in respect of security deposits received.

20.2 Balances with conventional banks carry mark-up ranging from 3.75% to 6.10% (2017: 3.75% to 5.70%) per annum.

20.3 Balances with Islamic banks carry profit ranging from 1.75% to 4.50% (2017: 1.75% to 4.50%) per annum.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the period ended March 31, 2018

	March 31, 2018	March 31, 2017
	(Rupees '000)	
21. SALES		
Fertilizers	20,557,809	11,190,349
Power	325,273	318,841
Food	348,912	54,154
	21,231,994	11,563,344
22. COST OF SALES		
Raw materials consumed	6,348,615	6,458,601
Fuel and power	2,100,242	2,224,082
Chemicals and supplies	74,692	81,895
Salaries, wages and benefits	1,776,862	1,623,186
Training and employees welfare	167,384	178,949
Rent, rates and taxes	6,002	4,613
Insurance	58,102	48,075
Travel and conveyance	104,746	90,828
Repairs and maintenance	619,404	266,922
Depreciation and amortization	739,261	741,247
Communication and other expenses	305,767	314,434
	12,301,077	12,032,832
Opening stock - work in process	139,292	96,785
Closing stock - work in process	(126,810)	(112,050)
	12,482	(15,265)
Cost of goods manufactured	12,313,559	12,017,567
Opening stock - manufactured	391,881	3,740,503
Closing stock - manufactured	(767,195)	(8,514,499)
	(375,314)	(4,773,996)
Cost of sales - manufactured	11,938,245	7,243,571
Opening stock - purchased	-	375,050
Purchase for resale	5,571,938	1,559,339
Closing stock - purchased	(423,195)	(234,164)
Cost of sales - purchased	5,148,743	1,700,225
	17,086,988	8,943,796

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
For the period ended March 31, 2018

	March 31, 2018	March 31, 2017
	(Rupees '000)	
23. OTHER EXPENSES		
Research and development	185,755	114,762
Workers' Profit Participation Fund	131,701	152,711
Workers' Welfare Fund	64,675	41,382
	382,131	308,855
24. OTHER INCOME		
Government subsidy	1,112,094	1,408,870
Income from financial assets	573,859	293,612
Income / (loss) from non-financial assets	7,035	(436)
Other income	58,654	45,045
	1,751,642	1,747,091

25. SEGMENT INFORMATION

The detail of utilization of the Company assets by the segments as well as related liabilities is as follows:

	Reportable segments			
	Fertilizers	Power	Food	Total
	(Rupees '000)			
March 31, 2018 (Un-audited)				
Assets				
Segment assets (Total)	71,500,589	11,669,945	3,995,815	87,166,349
Equity accounted investees	40,742,418	-	-	40,742,418
Liabilities				
Segment liabilities (Total)	68,506,295	6,797,894	2,664,898	77,969,087
Capital expenditure	359,374	11,799	18,786	389,959
Depreciation	542,418	148,409	71,288	762,115
December 31, 2017 (Audited)				
Assets				
Segment assets (Total)	84,220,721	12,096,205	3,696,359	100,013,285
Equity accounted investees	40,756,975	-	-	40,756,975
Liabilities				
Segment liabilities (Total)	78,741,872	7,187,161	2,963,031	88,892,064
Capital expenditure	3,275,533	56,344	67,787	3,399,664
Depreciation	2,181,771	594,511	280,870	3,057,152

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
For the period ended March 31, 2018

	March 31, 2018	March 31, 2017
	(Rupees '000)	
26. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	3,344,220	1,847,455
Adjustments for:		
Depreciation	758,418	758,961
Amortization	3,488	4,041
Amortization of transaction cost	7,418	8,787
Finance cost	530,258	738,841
(Gain) / loss on sale of property, plant and equipment	(2,449)	4,653
Income on loans, deposits and investments	(428,454)	(279,823)
Share of profit of associate and joint venture	(434,903)	(282,612)
Exchange gain - net	(66,394)	(1,308)
Gain on remeasurement of investments at fair value through profit or loss	(14,122)	(4,414)
Government subsidy on sale of fertilizer	(1,112,094)	(1,408,870)
	(758,834)	(461,744)
	2,585,386	1,385,711
Changes in working capital:		
Decrease / (increase) in current assets:		
Stores and spares	154,743	(137,235)
Stock in trade	(1,070,449)	(4,671,790)
Trade debts	1,162,047	1,067,942
Loans and advances	(59,703)	150
Deposits and prepayments	(175,296)	(140,891)
Other receivables	(421,175)	(1,701,253)
Increase in current liabilities:		
Trade and other payables	241,089	4,628,114
	(168,744)	(954,963)
Changes in long term loans and advances	(35,800)	17,134
Changes in long term deposits and prepayments	(1,278)	(150)
Change in liability under finance lease	(1,820)	641
	2,377,744	448,373

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the period ended March 31, 2018

27. FINANCIAL INSTRUMENTS

Fair value of Financial Instruments

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Group is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: 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 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

27.1 Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the period ended March 31, 2018

	Carrying Amount			Fair Value					
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
					(Rupees '000)				
March 31, 2018 (Un-audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	4,830,601	-	-	4,830,601	-	4,830,601	-	4,830,601
Long term loans and advances	1,001,759	-	-	-	1,001,759	-	-	-	-
Long term deposits	29,655	-	-	-	29,655	-	-	-	-
Current assets									
Trade debts - net of provision	3,655,877	-	-	-	3,655,877	-	-	-	-
Loans and advances	473,726	-	-	-	473,726	-	-	-	-
Deposits	944	-	-	-	944	-	-	-	-
Other receivables	8,077,230	-	-	-	8,077,230	-	-	-	-
Short term investments	10,754,111	2,083,237	5,953,690	-	18,791,038	5,953,690	2,083,237	-	8,036,927
Cash and bank balances	2,118,628	-	-	-	2,118,628	-	-	-	-
	26,111,930	6,913,838	5,953,690	-	38,979,458	5,953,690	6,913,838	-	12,867,528
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowing	-	-	-	20,509,200	20,509,200	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	36,936,706	36,936,706	-	-	-	-
Mark-up and profit accrued	-	-	-	503,717	503,717	-	-	-	-
Short term borrowings	-	-	-	661,498	661,498	-	-	-	-
Current portion of long term borrowings	-	-	-	8,633,497	8,633,497	-	-	-	-
	-	-	-	67,244,618	67,244,618	-	-	-	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
For the period ended March 31, 2018

	Carrying Amount			Other financial assets / liabilities	Total	Fair Value			
	Loans and receivables	Available for sale investments	Fair value through profit or loss			Level 1	Level 2	Level 3	Total
(Rupees '000)									
December 31, 2017 (Audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	4,908,331	-	-	4,908,331	-	4,908,331	-	4,908,331
Long term loans and advances	965,959	-	-	-	965,959	-	-	-	-
Long term deposits	29,655	-	-	-	29,655	-	-	-	-
Current assets									
Trade debts - net of provision	4,817,924	-	-	-	4,817,924	-	-	-	-
Loans and advances	387,623	-	-	-	387,623	-	-	-	-
Deposits	944	-	-	-	944	-	-	-	-
Other receivables	7,442,448	-	-	-	7,442,448	-	-	-	-
Short term investments	28,305,343	2,112,618	1,239,724	-	31,657,685	1,239,724	2,112,618	-	3,352,342
Cash and bank balances	2,772,312	-	-	-	2,772,312	-	-	-	-
	44,722,208	7,020,949	1,239,724	-	52,982,881	1,239,724	7,020,949	-	8,260,673
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowings	-	-	-	21,162,157	21,162,157	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	30,783,835	30,783,835	-	-	-	-
Mark-up and profit accrued	-	-	-	216,140	216,140	-	-	-	-
Short term borrowings	-	-	-	11,939,083	11,939,083	-	-	-	-
Current portion of long term borrowings	-	-	-	8,633,497	8,633,497	-	-	-	-
				72,734,712	72,734,712				

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
For the period ended March 31, 2018

March 31, 2018	March 31, 2017
(Rupees '000)	

28. 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**

Expenses charged on account of marketing of
fertilizer on behalf of associated company

Commission on sale of products

Payment under consignment account

Purchase of gas as feed and fuel stock

Sale of fertilizers

Donation

Others

Dividend income

Dividends paid

Short term investment *

Long term investment *

Short term borrowing *

Bank balance *

Running finance *

Balance receivable *

Balance payable *

236,699	297,212
4,586	4,217
6,206,814	14,070,098
4,243,549	4,895,576
1,406	-
21,822	30,789
16,330	116
349,419	1,048,598
1,692,713	1,551,653
-	500,000
119,982	108,894
252,505	694,857
127,729	116,536
43,357	133,819
47,052	45,352
31,025,348	24,596,243

Key management personnel - Restated

Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2018: 1 and 358 (2017: 1 and 365) respectively

1,014,932	949,480
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Contribution and balances with staff retirement funds

Employees' Provident Fund Trust

Employees' Gratuity Fund Trust

Employees' Pension Fund Trust

Employees' Funds as Dividend on equity holding of 0.15% (2017: 0.07%)

Balance payable to Gratuity Fund Trust *

Balance payable to Pension Fund Trust *

107,020	97,411
168,507	118,014
154,914	89,283
5,812	2,416
(276,188)	(405,493)
(246,126)	(362,311)

*Comparative figures of receivable / payable balances are as of December 31, 2017.

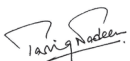
29. POST BALANCE SHEET EVENT

The Board of Directors of FFC in its meeting held on April 25, 2018 declared first interim dividend of Rs 1.75 per share.

30. GENERAL

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

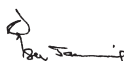
30.2 This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of FFC on April 25, 2018.



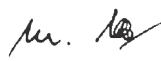
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Chief Executive



Director



Chief Financial Officer

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