



First Quarter **FINANCIAL STATEMENTS**

March 31, 2019
(Un-audited)



FAUJI FERTILIZER COMPANY LIMITED



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Investors' Education
"Jamapunji"

SAY NO TO CORRUPTION

Directors' Review

For the quarter ended March 31, 2019

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to report net earnings of Rs 3.70 billion for the period under review compared to Rs 2.27 billion for the corresponding quarter of last year.

Our manufacturing facilities delivered Sona urea output of 575 thousand tonnes during the period, which was only three percent lower than last year due to slightly longer maintenance shutdown of Plants during the period. Sona urea offtake during the period stood at 560 thousand tonnes, only 2% below the same period of 2018.

Improvement in selling prices of urea resulted in higher Sona urea revenue of Rs 18.65 billion, which registered an improvement of 26% over last year. Aggregate revenue of Rs 20.31 billion however decreased marginally by around one percent because of lower DAP sales during the period.

The increase in fuel cost, continued PKR devaluation and the upward trend in the discount rate led to higher operating and financing cost. However, effective treasury management enabled the Company to achieve highest ever first quarterly investment income of Rs 921 million, while our dividend receipts also improved to Rs 1.08 billion. The Company was thus able to achieve earning per share of Rs 2.91 with an improvement of 63 percent over last year.

In view of improved profitability, the Board is pleased to announce first interim dividend of 25% (Rs 2.50 per share), for the year 2019.

FFC has injected further equity of Rs 524 million in Thar Energy Limited (TEL) during the period. Project activities are progressing as per plan whereas TEL and sponsors are currently also engaged in the process of completing conditions precedent to the financial close.

The change in taxation structure of imported fertilizer to fixed tax regime shall result in increased taxation burden, negatively impacting profitability margins of imported products. Long outstanding subsidy receivable and unadjusted sales tax, besides the continued disparity between input and output sales tax rates are expected to further suppress Company's liquidity.

Going forward, favorable Governmental policies in terms of monetary and fiscal measures are imperative to allow the fertilizer industry to continue its trajectory towards revival after an extremely depressed and extensively regulated period of over two years. This shall also enable the Company to continue providing premium fertilizer to the local farming community besides savings in precious foreign exchange for the Country and extensive contribution to the national exchequer.

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 26, 2019

ڈائریکٹرز کا تجزیہ

بورڈ آف ڈائریکٹرز کی جانب سے ہمیں زیر جائزہ مدت کے لئے 3.70 ارب روپے کے خالص منافع کا اعلان کرتے ہوئے خوشی محسوس ہو رہی ہے جو کہ گزشتہ سال کی اسی سہ ماہی میں 2.72 ارب روپے تھا۔

ہمارے مینوفیکچرنگ پلانٹس کی اس مدت کے دوران سونا پوریا کی پیداوار 575 ہزار ٹن رہی جو کہ پلانٹس کی مرضی بندش کے باوجود پچھلے سال سے صرف 3 فیصد کم رہی۔ اسی دوران سونا پوریا کی فروخت 560 ہزار ٹن رہی جو کہ 2018 کی اسی مدت سے صرف 2 فیصد کم ہے۔

یوریا کی فروخت کی قیمتوں میں بہتری، سونا پوریا کی 18.65 ارب روپے کی آمدن کا باعث بنی جس میں گزشتہ سال کے مقابلے میں 26 فیصد بہتری آئی۔ تاہم 20.31 ارب روپے کی مجموعی آمدن میں اس دوران DAP کی کم فروخت کی وجہ سے پچھلے سال کی نسبت ایک فیصد کی معمولی کمی ہوئی۔

ایندھن کی قیمتوں میں اضافہ، روپے کی قدر میں بتدریج کمی اور شرح سود میں اضافے کا رجحان پیداواری/ترسیلی اور مالیاتی لاگت میں بڑھوتری کا باعث بنے۔ تاہم موثر مالیاتی انتظام کی بدولت کمپنی نے پہلی سہ ماہی کی بلند ترین سرمایہ کاری آمدن 921 ملین روپے حاصل کی، جبکہ منافع منقسمہ کی وصولی بھی بہتر ہو کر 1.08 ارب روپے تک رہی۔ اس طرح کمپنی نے گزشتہ سال کے مقابلے میں 63 فیصد بہتری کے ساتھ 2.91 روپے فی حصہ آمدن حاصل کی۔

منافع میں بہتری کے پیش نظر بورڈ سال 2019 کے پہلے عبوری منافع منقسمہ (Dividend) 25 فیصد (فی حصہ 2.50 روپے) کا اعلان کرتا ہے۔

کمپنی نے اس دورانے میں Thar Energy Limited (TEL) میں 524 ملین روپے کی مزید سرمایہ کاری کی۔ پروجیکٹ کی سرگرمیاں منصوبے کے مطابق آگے بڑھ رہی ہیں۔ جبکہ TEL اور اسپانسرز مالیاتی معاہدوں کی شرائط کی تکمیل میں مصروف ہیں۔

درآمدی کھاد کے لئے ٹیکس کے نظام کی فکسڈ ٹیکس رجیم میں تبدیلی کے نتیجے میں ٹیکس کا بوجھ بڑھے گا جو کہ درآمدی مصنوعات کے شرح منافع پر منفی اثرات مرتب کرے گا۔ طویل عرصے سے واجب الوصول سسڈی اور unadjusted سیلز ٹیکس کے علاوہ ان پٹ اور آؤٹ پٹ سیلز ٹیکس کی شرح میں مسلسل عدم مطابقت کی وجہ سے کمپنی کی liquidity پر مزید دباؤ متوقع ہے۔

مستقبل میں حکومت کی سازگار مالیاتی اور محصولات کی پالیسیاں بنیادی اہمیت کی حامل ہیں تاکہ کھاد کی صنعت دو سال سے زائد کے انتہائی نامناسب اور مضطرب عرصہ کے بعد اپنی بحالی کے رجحان کو برقرار رکھ سکیں۔ یہ کمپنی کو مقامی کسان برادری کو اعلیٰ کھادوں کی فراہمی برقرار رکھنے کے ساتھ ساتھ ملک کے لئے قیمتی زرمبادلہ کی بچت اور قومی خزانے کی بھرپور اعانت کے بھی قابل بنائے گی۔

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

26 اپریل 2019

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

Dr Nadeem Inayat

Mr Farhad Shaikh Mohammad

Mr Per Kristian Bakkerud

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

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

Mr Saad Amanullah Khan

Ms Bushra Naz Malik

Mr Rehan Laiq

Mr Mohammad Younus Dagha

Brig Hamad Qadir, SI(M) (Retd)

Mr Aamir Ashraf Khawaja

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, 8450001

Fax No. +92-51-8459925, E-mail: ffcw@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 & 34390122

AUDITORS

A.F.Ferguson & Co

Chartered Accountants

PIA Building, 3rd Floor, 49 Blue Area, P.O.Box 3021, Islamabad

Tel No. +92-51-2273457-60, 2604934-37, Fax No. 051-2277924, 2206473

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 Statements**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2019

	Note	Un-audited March 31, 2019	Audited December 31, 2018
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves	5	19,256,984	20,522,513
Deficit on remeasurement of investments available for sale to fair value - net of tax		(31,402)	(21,950)
		32,107,964	33,382,945
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	7,752,499	8,583,749
Deferred liabilities		4,392,287	4,578,148
		12,144,786	13,161,897
CURRENT LIABILITIES			
Trade and other payables	7	57,608,545	60,599,330
Mark-up and profit accrued		499,013	300,574
Short term borrowings - secured	8	11,675,225	28,526,484
Unpaid dividend		4,961,729	-
Unclaimed dividend		483,069	638,783
Current portion of long term borrowings - secured	6	7,237,742	7,237,742
Taxation		2,857,318	2,641,779
		85,322,641	99,944,692
TOTAL EQUITY AND LIABILITIES			
		129,575,391	146,489,534

CONTINGENCIES AND COMMITMENTS

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

	Note	Un-audited March 31, 2019	Audited December 31, 2018
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	21,387,712	21,533,696
Intangible assets		1,574,306	1,575,624
Long term investments	11	27,435,270	26,898,152
Long term loans and advances		1,144,441	1,113,854
Long term deposits and prepayments		12,883	13,604
		51,554,612	51,134,930
CURRENT ASSETS			
Stores, spares and loose tools		3,526,335	3,473,851
Stock in trade		12,770,053	12,931,714
Trade debts		1,726,802	3,678,698
Loans and advances		1,614,234	1,060,098
Deposits and prepayments		250,290	81,671
Other receivables	12	16,677,269	15,724,971
Short term investments	13	40,319,925	54,585,604
Cash and bank balances		1,135,871	3,817,997
		78,020,779	95,354,604
TOTAL ASSETS		129,575,391	146,489,534



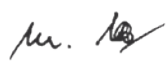
Chairman



Chief Executive



Director



Chief Financial Officer

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

For the three month period ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
		(Rupees '000)	
Turnover - net	14	20,310,641	20,557,809
Cost of sales		14,347,818	16,464,927
GROSS PROFIT		5,962,823	4,092,882
Distribution cost		2,006,835	1,925,273
		3,955,988	2,167,609
Finance cost		468,626	377,108
Other expenses		484,573	382,131
		3,002,789	1,408,370
Other income		2,000,411	2,085,757
PROFIT BEFORE TAX		5,003,200	3,494,127
Provision for taxation		1,307,000	1,229,000
PROFIT FOR THE PERIOD		3,696,200	2,265,127
Earnings per share - basic and diluted (Rupees)		2.91	1.78

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



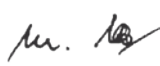
Chairman



Chief Executive



Director




Chief Financial Officer

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


For the three month period ended March 31, 2019

	March 31, 2019	March 31, 2018
	(Rupees '000)	
PROFIT FOR THE PERIOD	3,696,200	2,265,127
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	(9,452)	(82,739)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,686,748	2,182,388

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


Chairman

Chief Executive

Director

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the three month period ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	2,539,022	3,645,642
Finance cost paid		(270,187)	(207,068)
Income tax paid		(1,277,322)	(968,259)
Subsidy received on sale of fertilizer		-	199,866
		(1,547,509)	(975,461)
Net cash from operating activities		991,513	2,670,181
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(420,042)	(360,525)
Proceeds from sale of property, plant and equipment		2,848	2,544
Investment in Fauji Fresh n Freeze		-	(800,000)
Investment in Thar Energy Limited		(523,908)	-
Decrease / (increase) in other investments - net		1,327,361	(5,852,163)
Interest and profit received		553,587	456,465
Dividend received		144,061	349,419
Net cash generated from / (used in) investing activities		1,083,907	(6,204,260)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Repayments		(831,250)	(518,750)
Dividend paid		(155,714)	(3,648,678)
Net cash used in financing activities		(986,964)	(4,167,428)
Net increase / (decrease) in cash and cash equivalents		1,088,456	(7,701,507)
Cash and cash equivalents at beginning of the period		3,385,872	18,963,048
Effect of exchange rate changes		23,121	68,436
Cash and cash equivalents at end of the period		4,497,449	11,329,977
CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,135,871	1,966,913
Short term highly liquid investments		15,036,803	9,624,562
Short term borrowings - secured		(11,675,225)	(261,498)
		4,497,449	11,329,977

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



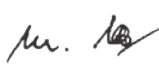
Chairman



Chief Executive



Director



Chief Financial Officer

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

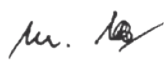
For the three month period ended March 31, 2019

	Share capital	Capital reserves	General reserves	Revenue reserves Unappropriated profit	Surplus / (deficit) on remeasurement of investments available for sale to fair value	Total
	(Rupees '000)					
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						
Profit for the period	-	-	-	2,265,127	-	2,265,127
Other comprehensive income - net of tax	-	-	-	-	(82,739)	(82,739)
	-	-	-	2,265,127	(82,739)	2,182,388
Transactions with owners of the Company						
Distributions:						
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
Balance as at January 1, 2019	12,722,382	160,000	8,802,360	11,720,153	(21,950)	33,382,945
Total comprehensive income						
Profit for the period	-	-	-	3,696,200	-	3,696,200
Other comprehensive income - net of tax	-	-	-	-	(9,452)	(9,452)
	-	-	-	3,696,200	(9,452)	3,686,748
Transactions with owners of the Company						
Distributions:						
Final dividend 2018: Rs 3.90 per share	-	-	-	(4,961,729)	-	(4,961,729)
Balance as at March 31, 2019	12,722,382	160,000	8,802,360	10,454,624	(31,402)	32,107,964

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


Chairman

Chief Executive

Director

Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

1. THE COMPANY AND ITS OPERATIONS

- 1.1** 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, cement, energy generation, food processing and banking operations.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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.

- 2.2** The disclosures in these condensed interim financial statements 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, 2018. Comparative condensed interim statement of financial position is extracted from annual financial statements as at December 31, 2018 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 unaudited condensed interim financial information of the Company for the period ended March 31, 2018.

- 2.3** These condensed interim financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

2.4 Significant accounting policies

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim financial statements 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, 2018.

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS

Standards, interpretations and amendments to published approved accounting standards that are effective and relevant comprise of:

- IFRS 15 'Revenue from contracts with customers' replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations on revenue recognition. It introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
- IFRS 16 'Leases' replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

Management of the Company has assessed the changes laid down by these standards and determined that these do not have any significant impact on these condensed interim financial statements of the Company.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation became effective for annual periods beginning on or after July 01, 2018. However, Securities and Exchange Commission of Pakistan vide S.R.O. 229(I)/2019 dated February 14, 2019 has modified the effective date as "Reporting period / year ending on or after June 30, 2019".

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Management is in the process of assessing the impact of changes laid down by this standards on its financial statements.

4. SHARE CAPITAL**AUTHORISED SHARE CAPITAL**

This represents 1,500,000,000 (2018: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2018: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited March 31, 2019	Audited December 31, 2018		Un-audited March 31, 2019	Audited December 31, 2018
(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% (2018: 44.35%) ordinary shares of the Company at the period end.

	Note	Un-audited March 31, 2019	Audited December 31, 2018
(Rupees '000)			
5. REVENUE RESERVES			
General reserves		8,802,360	8,802,360
Unappropriated profit		10,454,624	11,720,153
		19,256,984	20,522,513
6. LONG TERM BORROWINGS - SECURED			
From conventional banks	6.1	13,593,813	14,425,063
From Islamic banks	6.2	1,396,428	1,396,428
		14,990,241	15,821,491
Less: Current portion shown under current liabilities			
From conventional banks		6,191,313	6,191,313
From Islamic banks		1,046,429	1,046,429
		7,237,742	7,237,742
		7,752,499	8,583,749

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

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

6.1 Movement during the period / year is as follows:

Opening balance		14,425,063	19,910,438
Repayments during the period / year		(831,250)	(5,485,375)
Closing balance	6.1.1	13,593,813	14,425,063

6.1.1 The borrowings are secured by way of hypothecation of Company's 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 (2018: 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 (2018: December 2022).

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

6.2 Movement during the period / year is as follows:

Opening balance		1,396,428	2,492,857
Repayments during the period / year		-	(1,096,429)
Closing balance	6.2.1	1,396,428	1,396,428

6.2.1 The borrowings are secured by way of hypothecation of Company's 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 (2018: 6 month KIBOR + 0.05% to 0.40% per annum) and are repayable up to December 2020 (2018: December 2020).

7. TRADE AND OTHER PAYABLES

Trade and other payables mainly include Rs 46,502,805 thousand (2018: Rs 42,083,302 thousand) on account of Gas Infrastructure Development Cess (GIDC).

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

8. SHORT TERM BORROWINGS - SECURED

From conventional banks	8.1	9,319,206	26,205,165
From Islamic banks	8.2	2,356,019	2,321,319
		11,675,225	28,526,484

8.1 Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 36.26 billion (2018: Rs 38.96 billion) which represent the aggregate all facility agreements between the Company and respective banks. The facilities have various maturity dates upto August 31, 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 + 0.10% to 0.35% and 3 month KIBOR + 0.05% to 0.35% (2018: 1 week KIBOR + 0.03%, 1 month KIBOR + 0.10% to 0.35% and 3 month KIBOR + 0.05% to 0.35%).

8.2 Shariah compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to Rs 3.00 billion (2018: 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 May 31, 2019.

The facilities are secured by ranking hypothecation charges on assets of the Company. The per annum rates of profit is 3 month KIBOR + 0.10% (2018: 3 month KIBOR + 0.07% to 0.10%).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

		Un-audited March 31, 2019	Audited December 31, 2018
		(Rupees '000)	
9. CONTINGENCIES AND COMMITMENTS			
a) Contingencies:			
(i) Guarantees issued by banks on behalf of the Company		159,858	154,806
(ii) Claims against the Company and / or potential exposure not acknowledged as debt		50,696	50,696
(iii) Penalty of Rs 5.5 billion imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices, had been set aside by the Competition Appellate Tribunal with directions to the CCP to decide the case under guidelines provided by the Tribunal. No petition was filed by the CCP for review of the decision within the stipulated time, and this option has thus become time barred for the CCP. However, the CCP can file fresh case under the guidelines provided by the Tribunal, but the Company remains confident of successfully defending these unreasonable claims in future as well.			
		Un-audited March 31, 2019	Audited December 31, 2018
		(Rupees '000)	
b) Commitments in respect of:			
(i) Capital expenditure		2,344,827	1,919,124
(ii) Purchase of fertilizer, stores, spares and other operational items		735,511	1,528,517
(iii) Investment in Fauji Fresh n Freeze Limited		500,000	500,000
(iv) Investment in Thar Energy Limited		3,196,560	3,685,374
(v) Contracted out services		546,154	392,100
(vi) Rentals under lease agreements:			
Premises		263,565	254,827
Vehicles		93,645	88,226
10. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		21,533,696	22,312,363
Additions during the period / year	10.1	420,014	1,398,922
Written down value of disposals		(70)	(437)
Depreciation during the period / year	10.1 & 10.2	(565,928)	(2,177,152)
		21,387,712	21,533,696
10.1	Additions in and depreciation on property, plant and equipment during the three month period ended March 31, 2018 were Rs 359,374 thousand and Rs 542,148 thousand respectively.		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

	Note	Un-audited March 31, 2019	Audited December 31, 2018
		(Rupees '000)	
10.2 Depreciation charge has been allocated as follows:			
Cost of sales		545,717	2,093,326
Distribution cost		19,384	66,520
Other expenses		463	1,986
Charged to FFBL under the Company Services Agreement		364	15,320
		565,928	2,177,152
11. LONG TERM INVESTMENTS			
Investment in subsidiary companies (Unquoted) - at cost			
FFC Energy Limited		2,438,250	2,438,250
Fauji Fresh n Freeze Limited		4,835,500	4,835,500
		7,273,750	7,273,750
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 associated company (Unquoted) - at cost			
Thar Energy Limited		1,984,308	1,460,400
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		130,923	117,615
Pakistan Investment Bonds		4,762,331	4,775,643
		4,893,254	4,893,258
		31,478,077	30,954,173
Less: Current portion shown under short term investments			
Investments available for sale			
Term Deposit Receipts - from conventional banks		38,519	37,477
Pakistan Investment Bonds		4,004,288	4,018,544
	13	4,042,807	4,056,021
		27,435,270	26,898,152

12. OTHER RECEIVABLES

Other receivables include Rs 6,961,878 thousand (2018: Rs 6,961,878 thousand) on account of subsidy receivable and Rs 8,011,136 thousand (2018: Rs 7,416,084 thousand) on account of sales tax receivable from the Government.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

	Note	Un-audited March 31, 2019	Audited December 31, 2018
		(Rupees '000)	
13. SHORT TERM INVESTMENTS			
Loans and receivables - Conventional investments			
Term deposits with banks and financial institutions			
Local currency		13,000,000	26,250,000
Foreign currency		2,026,403	1,981,235
		15,026,403	28,231,235
Investments at fair value through profit or loss			
Conventional investments		20,329,231	22,107,947
Shariah compliant investments		921,484	190,401
		21,250,715	22,298,348
Current maturity of long term investments			
Investments available for sale	11	4,042,807	4,056,021
		40,319,925	54,585,604
		Un-audited March 31, 2019	Un-audited March 31, 2018
		(Rupees '000)	

14. TURNOVER - NET

Turnover	20,719,297	21,608,466
Sales tax	(408,656)	(1,003,634)
Trade discount	-	(47,023)
	(408,656)	(1,050,657)
	20,310,641	20,557,809

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

For the three month period ended March 31, 2019

	March 31, 2019	March 31, 2018
	(Rupees '000)	
15. CASH GENERATED FROM OPERATIONS		
Profit before taxation	5,003,200	3,494,127
Adjustments for:		
Depreciation	565,564	538,721
Amortization	1,346	3,237
Finance cost	485,219	370,173
Gain on disposal of property, plant and equipment	(2,778)	(2,449)
Interest and profit on loans, deposits and investments	(459,793)	(419,660)
Exchange gain - net	(39,714)	(61,501)
Gain on re-measurement of investments at fair value through profit or loss	(141,900)	(81,043)
Dividend income	(1,079,973)	(349,419)
Subsidy on sale of fertilizer	-	(1,112,094)
	(672,029)	(1,114,035)
	4,331,171	2,380,092
Changes in:		
Stores, spares and loose tools	(52,484)	154,743
Stock in trade	161,661	(925,052)
Trade debts	1,951,896	1,602,962
Loans and advances	(554,136)	122,786
Deposits and prepayments	(168,619)	(139,019)
Other receivables	(109,816)	210,089
Trade and other payables	(2,990,785)	276,119
	(1,762,283)	1,302,628
Changes in long term loans and advances	(30,587)	(35,800)
Changes in long term deposits and prepayments	721	(1,278)
	2,539,022	3,645,642

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

16. 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)

16.1 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 STATEMENTS

For the three month period ended March 31, 2019

	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, 2019 (Un-audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	92,404	-	-	92,404	-	-	-	-
Long term loans and advances	1,144,441	-	-	-	1,144,441	-	-	-	-
Long term deposits	12,378	-	-	-	12,378	-	-	-	-
Current assets									
Trade debts - net of provision	1,726,802	-	-	-	1,726,802	-	-	-	-
Loans and advances	1,453,855	-	-	-	1,453,855	-	-	-	-
Deposits	944	-	-	-	944	-	-	-	-
Other receivables	8,301,278	-	-	-	8,301,278	-	-	-	-
Short term investments	15,026,403	38,519	-	-	15,064,922	-	-	-	-
Cash and bank balances	1,135,871	-	-	-	1,135,871	-	-	-	-
	28,801,972	130,923	-	-	28,932,895	-	-	-	-
Financial assets measured at fair value									
Non - current assets									
Long term investments	-	758,043	-	-	758,043	-	758,043	-	758,043
Current assets									
Short term investments	-	4,004,288	21,250,715	-	25,255,003	21,250,715	4,004,288	-	25,255,003
	-	4,762,331	21,250,715	-	26,013,046	21,250,715	4,762,331	-	26,013,046
	28,801,972	4,893,254	21,250,715	-	54,945,941	21,250,715	4,762,331	-	26,013,046
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowing - secured	-	-	-	7,752,499	7,752,499	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	54,438,514	54,438,514	-	-	-	-
Mark-up and profit accrued	-	-	-	499,013	499,013	-	-	-	-
Short term borrowings - secured	-	-	-	11,675,225	11,675,225	-	-	-	-
Unpaid dividend	-	-	-	4,961,729	4,961,729	-	-	-	-
Unclaimed dividend	-	-	-	483,069	483,069	-	-	-	-
Current portion of long term borrowings - secured	-	-	-	7,237,742	7,237,742	-	-	-	-
	-	-	-	87,047,791	87,047,791	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

	Carrying Amount		Fair Value			
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets / liabilities	Total	Total
December 31, 2018 (Audited)						
Financial assets not measured at fair value						
Non - current assets						
Long term investments	-	80,138	-	-	80,138	-
Long term loans and advances	1,113,854	-	-	-	1,113,854	-
Long term deposits	12,378	-	-	-	12,378	-
Current assets						
Trade debts - net of provision	3,678,698	-	-	-	3,678,698	-
Loans and advances	977,826	-	-	-	977,826	-
Deposits	944	-	-	-	944	-
Other receivables	7,861,136	-	-	-	7,861,136	-
Short term investments	28,231,235	37,477	-	-	28,268,712	-
Cash and bank balances	3,817,997	-	-	-	3,817,997	-
	45,694,068	117,615	-	-	45,811,683	-
Financial assets measured at fair value						
Non - current assets						
Long term investments	-	757,099	-	-	757,099	757,099
Current assets						
Short term investments	-	4,018,544	22,298,348	-	26,316,892	26,316,892
	-	4,775,643	22,298,348	-	27,073,991	27,073,991
	45,694,068	4,893,258	22,298,348	-	72,885,674	27,073,991
Financial liabilities not measured at fair value						
Non - current liabilities						
Long term borrowing - secured	-	-	-	8,583,749	8,583,749	-
Current liabilities						
Trade and other payables	-	-	-	51,658,195	51,658,195	-
Mark-up and profit accrued	-	-	-	300,574	300,574	-
Short term borrowings - secured	-	-	-	28,526,484	28,526,484	-
Unclaimed dividend	-	-	-	638,783	638,783	-
Current portion of long term borrowings - secured	-	-	-	7,237,742	7,237,742	-
	-	-	-	96,945,527	96,945,527	-

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

For the three month period ended March 31, 2019

	March 31, 2019	March 31, 2018
	(Rupees '000)	
17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Significant transactions and balances with the related parties are as follows:		
Transactions with holding company		
Dividend paid	-	1,692,713
Sale of fertilizer	2,751	1,406
Others	73	16,180
Transactions and balances with subsidiary companies		
Equity investment	-	800,000
Guarantee against loan of subsidiary company *	377,667	566,500
Dividend receivable *	-	304,781
Balances receivable - unsecured *	1,330,507	876,844
Transactions and balances with associated undertakings / joint ventures / companies due to common ownership		
Expenses charged on account of marketing of fertilizer on behalf of associated company	75,338	236,699
Commission on sale of products	1,240	4,586
Payments under consignment account - net	6,818,630	6,206,814
Purchase of gas as feed and fuel stock	5,281,421	4,243,549
Equity investment	523,908	-
Services and materials provided	4,094	2,278
Services and materials received	375	2,598
Donations	150,114	21,822
Interest expense	43,117	476
Interest income	2,210	1,691
Dividend income	1,079,973	349,419
Dividend receivable *	1,079,973	144,061
Long term investments *	130,923	117,615
Short term borrowing *	8,855,483	8,999,317
Bank balance *	154,478	774,394
Balances receivable - unsecured *	374,437	368,036
Balances payable - unsecured *	48,552,555	45,756,527
Key management personnel		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2019: 1 and 353 (2018: 1 and 334) respectively.	1,019,264	956,818
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	107,622	104,364
Employees' Gratuity Fund Trust	218,426	168,507
Employees' Pension Fund Trust	124,559	154,914
Employees' Funds as Dividend on equity holding of 0.15% (2018: 0.15%)	-	5,812
Balance payable to Gratuity Fund Trust *	(361,391)	(525,210)
Balance payable to Pension Fund Trust *	(110,936)	(204,355)

* Comparative figures of receivable / payable balances are as at December 31, 2018.

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

For the three month period ended March 31, 2019

18. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in its meeting held on April 26, 2019 proposed first interim dividend of Rs 2.50 per share.

19. GENERAL

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

19.2 These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on April 26, 2019.

**Chairman****Chief Executive****Director****Chief Financial Officer**



**Condensed
Interim Consolidated
Financial Statements**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2019

	Note	Un-audited March 31, 2019	Audited December 31, 2018
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		3,924,155	3,371,904
Revenue reserves	5	38,024,720	41,204,109
Deficit on remeasurement of investments available for sale to fair value - net of tax		(1,375,524)	(634,072)
		53,295,733	56,664,323
Share in revaluation reserve of associates - net		960,969	753,521
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	11,850,683	12,817,467
Deferred liabilities		5,774,940	6,072,399
Land lease liability		7,036	8,857
		17,632,659	18,898,723
CURRENT LIABILITIES			
Trade and other payables		58,056,009	61,097,611
Mark-up and profit accrued		684,017	332,964
Short term borrowings - secured		12,542,956	29,366,484
Unpaid dividend		4,961,729	-
Unclaimed dividend		483,069	638,783
Current portion of long term borrowings - secured		8,623,131	8,623,131
Current portion of land lease liability		2,566	2,566
Taxation		2,868,200	2,646,531
		88,221,677	102,708,070
TOTAL EQUITY AND LIABILITIES		160,111,038	179,024,637
CONTINGENCIES AND COMMITMENTS			

9

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

	Note	Un-audited March 31, 2019	Audited December 31, 2018
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	32,170,790	32,774,970
Intangible assets		1,940,140	1,941,784
Long term investments	11	44,684,104	45,035,025
Long term loans and advances		1,144,441	1,113,854
Long term deposits and prepayments		29,456	31,095
		79,968,931	80,896,728
CURRENT ASSETS			
Stores, spares and loose tools		3,552,399	3,489,324
Stock in trade		13,255,676	13,286,402
Trade debts		3,307,916	4,850,235
Loans and advances		683,399	541,903
Deposits and prepayments		301,122	82,733
Other receivables	12	15,646,725	15,432,981
Short term investments	13	41,648,125	55,773,304
Cash and bank balances		1,492,339	4,671,027
Assets held for sale		254,406	-
		80,142,107	98,127,909
TOTAL ASSETS		160,111,038	179,024,637



Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
For the three month period ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
		(Rupees'000)	
Turnover - net	14	20,968,711	21,231,994
Cost of sales		14,845,340	17,086,988
GROSS PROFIT		6,123,371	4,145,006
Administrative expenses and distribution cost		2,160,466	2,069,286
		3,962,905	2,075,720
Finance cost		665,227	535,914
Other expenses		484,573	382,131
		2,813,105	1,157,675
Other income		948,008	1,751,642
Share of (loss) / profit of associates and joint venture		(667,158)	434,903
PROFIT BEFORE TAX		3,093,955	3,344,220
Provision for taxation		1,218,621	1,298,247
PROFIT FOR THE PERIOD		1,875,334	2,045,973

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



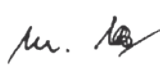
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
For the three month period ended March 31, 2019

	March 31, 2019	March 31, 2018
	(Rupees'000)	
PROFIT FOR THE PERIOD	1,875,334	2,045,973
OTHER COMPREHENSIVE INCOME		
Items that will not be subsequently reclassified to profit or loss		
Equity accounted investees - share of OCI, net of tax	(5,896)	(8,949)
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	(9,452)	(82,739)
Share of equity accounted investees - share of OCI, net of tax	(266,847)	(164,879)
	(276,299)	(247,618)
Comprehensive income taken to equity	1,593,139	1,789,406
Comprehensive income not recognised in equity		
Items that may be subsequently reclassified to profit or loss		
Share in revaluation reserve of associates - net	207,448	88,793
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,800,587	1,878,199

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



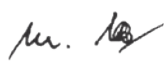
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
For the three month period ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	16	2,181,557	2,377,744
Finance cost paid		(314,174)	(248,337)
Income tax paid		(1,282,886)	(970,559)
Subsidy received on sale of fertilizer		-	199,866
		(1,597,060)	(1,019,030)
Net cash from operating activities		584,497	1,358,714
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(432,563)	(391,110)
Proceeds from sale of property, plant and equipment		2,891	2,569
Investment in Thar Energy Limited		(523,908)	-
Decrease / (increase) in other investments - net		1,186,861	(6,289,084)
Interest and profit received		730,913	665,552
Dividend received		144,061	349,419
Net cash used in investing activities		1,108,255	(5,662,654)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Repayments		(972,875)	(660,375)
Dividend paid		(155,714)	(3,648,678)
Net cash used in financing activities		(1,128,589)	(4,309,053)
Net increase / (decrease) in cash and cash equivalents		564,163	(8,612,993)
Cash and cash equivalents at beginning of the period		3,398,902	19,622,635
Effect of exchange rate changes		23,121	72,050
Cash and cash equivalents at end of the period		3,986,186	11,081,692
CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,492,339	2,118,628
Short term highly liquid investments		15,036,803	9,624,562
Short term borrowings - secured		(12,542,956)	(661,498)
		3,986,186	11,081,692

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



Chairman



Chief Executive



Director



Chief Financial Officer

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

For the three month period ended March 31, 2019

	Capital reserves					Revenue reserves		Surplus / (deficit) 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, 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									
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
Transactions with owners of the Company									
Distributions:									
Final dividend 2017: Rs 3.00 per share	-	-	-	-	-	-	(3,816,715)	-	(3,816,715)
Other changes in equity									
Transfer to statutory reserve	-	-	-	-	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
Balance as at January 1, 2019	12,722,382	40,000	120,000	1,139,654	2,072,250	8,802,360	32,401,749	(634,072)	56,664,323
Total comprehensive income									
Profit for the period	-	-	-	-	-	-	1,875,334	-	1,875,334
Other comprehensive income - net of tax	-	-	-	465,153	-	-	(5,896)	(741,452)	(282,195)
	-	-	-	465,153	-	-	1,869,438	(741,452)	1,593,139
Transactions with owners of the Company									
Distributions:									
Final dividend 2018: Rs 3.90 per share	-	-	-	-	-	-	(4,961,729)	-	(4,961,729)
Other changes in equity									
Transfer to statutory reserve	-	-	-	-	87,098	-	(87,098)	-	-
Balance as at March 31, 2019	12,722,382	40,000	120,000	1,604,807	2,159,348	8,802,360	29,222,360	(1,375,524)	53,295,733

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



Chairman



Chief Executive



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

1. THE COMPANY AND ITS OPERATIONS

- 1.1 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, cement and banking operations. FFCEL has setup a 49.5 MW wind energy power project. FFF is principally engaged in the business of processing fresh, frozen fruit, vegetables, fresh meat, frozen cooked and semi cooked food.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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.

- 2.2 The disclosures in these condensed interim financial statements 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, 2018. Comparative figures of condensed interim statement of financial position is extracted from audited financial statements as at December 31, 2018 whereas comparative figures of 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 unaudited condensed interim financial information of the Group for the period ended March 31, 2018.

- 2.3 These condensed interim financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

2.4 Significant accounting policies

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim financial statements 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, 2018.

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS

Standards, interpretations and amendments to published approved accounting standards that are effective and relevant comprise of:

- IFRS 15 'Revenue from contracts with customers' replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations on revenue recognition. It introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
- IFRS 16 'Leases' replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

Management has assessed the changes laid down by these standards and determined that these do not have any significant impact on these condensed interim financial statements of the Group.

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation became effective for annual periods beginning on or after July 01, 2018. However, Securities and Exchange Commission of Pakistan vide S.R.O. 229(I)/2019 dated February 14, 2019 has modified the effective date as "Reporting period / year ending on or after June 30, 2019".

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Management is in the process of assessing the impact of changes laid down by this standards on the Group's financial statements.

4. SHARE CAPITAL**AUTHORISED SHARE CAPITAL**

This represents 1,500,000,000 (2018: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2018: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited March 31, 2019	Audited December 31, 2018		Un-audited March 31, 2019	Audited December 31, 2018
(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

5. REVENUE RESERVES

General reserves	8,802,360	8,802,360
Unappropriated profit	29,222,360	32,401,749
	38,024,720	41,204,109

6. LONG TERM BORROWINGS - SECURED

From conventional banks			
Fauji Fertilizer Company Limited	6.1	13,593,813	14,425,063
FFC Energy Limited	6.2	5,200,323	5,194,232
Fauji Fresh n Freeze Limited	6.3	283,250	424,875
From Islamic banks			
Fauji Fertilizer Company Limited	6.4	1,396,428	1,396,428
		20,473,814	21,440,598
Less: Current portion shown under current liabilities			
From conventional banks		7,576,702	7,576,702
From Islamic banks		1,046,429	1,046,429
		8,623,131	8,623,131
		11,850,683	12,817,467

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

	Un-audited March 31, 2019	Audited December 31, 2018
	(Rupees '000)	
6.1 Movement during the period / year is as follows:		
Opening balance	14,425,063	19,910,438
Repayments during the period / year	(831,250)	(5,485,375)
Closing balance	13,593,813	14,425,063
6.2 Movement during the period / year is as follows:		
Opening balance	5,194,232	6,154,901
Repayments during the period / year	-	(988,444)
	5,194,232	5,166,457
Less: Transaction cost		
Amortized during the period / year	6,091	27,775
Closing balance	5,200,323	5,194,232
6.3 Movement during the period / year is as follows:		
Opening balance	424,875	1,237,458
Repayments during the period / year	(141,625)	(813,250)
	283,250	424,208
Less: Transaction cost		
Amortized during the period / year	-	667
Closing balance	283,250	424,875
6.4 Movement during the period / year is as follows:		
Opening balance	1,396,428	2,492,857
Repayments during the period / year	-	(1,096,429)
Closing balance	1,396,428	1,396,428

7. TRADE AND OTHER PAYABLES

Trade and other payables mainly include Rs 46,502,805 thousand (2018: Rs 42,083,302 thousand) on account of Gas Infrastructure Development Cess (GIDC).

	Un-audited March 31, 2019	Audited December 31, 2018
	(Rupees '000)	
8. SHORT TERM BORROWINGS - SECURED		
From conventional banks	10,186,937	27,045,165
From Islamic banks	2,356,019	2,321,319
	12,542,956	29,366,484

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

	Un-audited March 31, 2019	Audited December 31, 2018
	(Rupees '000)	
9. CONTINGENCIES AND COMMITMENTS		
a) Contingencies:		
(i) Guarantees issued by banks on behalf of the Company	159,858	154,806
(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	19,488,754	42,711,375
(iv) Group's share of contingencies in Fauji Cement Company Limited as at December 31, 2018 (2018: September 30, 2018)	100,597	100,597
(v) Group's share of contingencies in Askari Bank Limited as at December 31, 2018 (2018: September 30, 2018)	77,070,490	98,986,681
(vi) Penalty of Rs 5.5 billion imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices, had been set aside by the Competition Appellate Tribunal with directions to the CCP to decide the case under guidelines provided by the Tribunal. No petition was filed by the CCP for review of the decision within the stipulated time, and this option has thus become time barred for the CCP. However, the CCP can file fresh case under the guidelines provided by the Tribunal, but FFC remains confident of successfully defending these unreasonable claims in future as well.		
	Un-audited March 31, 2019	Audited December 31, 2018
	(Rupees '000)	
b) Commitments in respect of:		
(i) Capital expenditure	2,344,827	1,919,124
(ii) Purchase of fertilizer, stores, spares and other operational items	735,511	1,528,517
(iii) Investment in Thar Energy Limited	3,196,560	3,685,374
(iv) Group's share of commitments of PMP as at December 31, 2018 (2018: September 30, 2018)	28,613	5,992
(v) Contracted out services	546,154	392,100
(vi) Rentals under lease agreements:		
Premises	309,862	303,690
Vehicles	93,645	88,226

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

	Note	Un-audited March 31, 2019	Audited December 31, 2018
		(Rupees '000)	
10. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		32,774,970	34,351,610
Additions during the period / year	10.1	432,535	1,483,213
Assets classified as held for sale		(254,406)	-
Written down value of disposals / adjustments		(111)	(879)
Depreciation during the period / year	10.1 & 10.2	(782,198)	(3,058,974)
		32,170,790	32,774,970

10.1 Additions in and depreciation on property, plant and equipment during the period ended March 31, 2018 were Rs 389,959 thousand and Rs 762,115 thousand respectively.

	Un-audited March 31, 2019	Audited December 31, 2018
	(Rupees '000)	
10.2 Depreciation charge has been allocated as follows:		
Cost of sales	759,817	2,965,975
Administrative expenses and distribution cost	20,193	75,693
Other expenses	1,824	1,986
Charged to FFBL under the Company Services Agreement	364	15,320
	782,198	3,058,974

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

	Note	Un-audited March 31, 2019	Audited December 31, 2018
		(Rupees '000)	
11. LONG TERM INVESTMENTS			
Equity accounted investments	11.1	43,833,657	44,197,788
Other long term investments	11.2	850,447	837,237
		44,684,104	45,035,025
11.1 Equity accounted investments			
Investment in associated companies - under equity method			
Fauji Fertilizer Bin Qasim Limited			
Balance at the beginning		20,742,207	20,131,610
Share of (loss) / profit for the period / year		(1,114,900)	781,903
Share of OCI for the period / year		82,366	178,113
Dividend received		-	(349,419)
		19,709,673	20,742,207
Askari Bank Limited			
Balance at the beginning		17,367,437	16,528,939
Share of profit for the period / year		350,084	2,012,040
Share of OCI for the period / year		(409,312)	(1,173,542)
		17,308,209	17,367,437
Fauji Cement Company Limited			
Balance at the beginning		2,120,849	2,051,242
Share of profit for the period / year		69,434	257,107
Dividend received		-	(187,500)
		2,190,283	2,120,849
Thar Energy Limited			
Balance at the beginning		1,445,604	-
Investment during the period		523,908	1,460,400
Share of profit / (loss) for the period / year		11,867	(14,796)
		1,981,379	1,445,604
Investment in joint venture - under equity method			
Pakistan Maroc Phosphore S.A., Morocco			
Balance at the beginning		2,521,691	2,045,184
Share of profit for the period / year		16,357	320,492
Gain on translation of net assets		250,126	418,566
Dividend received		(144,061)	(262,551)
		2,644,113	2,521,691
		43,833,657	44,197,788

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

	Note	Un-audited March 31, 2019	Audited December 31, 2018
(Rupees '000)			
11.2 Other long term investments			
Investments available for sale			
Term Deposit Receipts - from conventional banks		130,923	117,615
Pakistan Investment Bonds		4,762,331	4,775,643
		4,893,254	4,893,258
Less: Current portion shown under short term investments			
Investments available for sale			
Term Deposit Receipts - from conventional banks		38,519	37,477
Pakistan Investment Bonds		4,004,288	4,018,544
	13	4,042,807	4,056,021
		850,447	837,237

12. OTHER RECEIVABLES

Other receivables include Rs 6,961,878 thousand (2018: Rs 6,961,878 thousand) on account of subsidy receivable and Rs 8,245,043 thousand (2018: Rs 7,649,706 thousand) on account of sales tax receivable from the Government.

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

13. SHORT TERM INVESTMENTS

Loans & receivables - conventional investments

Term deposits with banks and financial institutions

Local currency 14,328,200 27,437,700

Foreign currency 2,026,403 1,981,235

16,354,603 29,418,935

Investments at fair value through profit or loss

Conventional investments 20,329,231 22,107,947

Shariah compliant investments 921,484 190,401

21,250,715 22,298,348

Current maturity of long term investments

Investments available for sale 11 4,042,807 4,056,021

41,648,125 55,773,304

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

	Un-audited March 31, 2019	Un-audited March 31, 2018
	(Rupees '000)	
14. TURNOVER - NET		
Fertilizer	20,310,641	20,557,809
Power	373,659	325,273
Food	284,411	348,912
	20,968,711	21,231,994

15. SEGMENT INFORMATION

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

	Reportable segments			
	Fertilizer	Power	Food	Total
	(Rupees '000)			
March 31, 2019 (Un-audited)				
Assets				
Segment assets (Total)	100,943,414	11,513,456	3,820,511	116,277,381
Equity accounted investees	43,833,657	-	-	43,833,657
Liabilities				
Segment liabilities (Total)	97,519,732	5,797,945	2,536,659	105,854,336
Capital expenditure	420,014	12,356	165	432,535
Depreciation	565,928	148,227	68,043	782,198
December 31, 2018 (Audited)				
Assets				
Segment assets (Total)	119,466,259	11,637,464	3,723,126	134,826,849
Equity accounted investees	44,197,788	-	-	44,197,788
Liabilities				
Segment liabilities (Total)	113,419,374	5,932,197	2,255,222	121,606,793
Capital expenditure	1,398,922	50,745	33,546	1,483,213
Depreciation	2,177,152	593,686	288,136	3,058,974

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
For the three month period ended March 31, 2019

	March 31, 2019	March 31, 2018
	(Rupees '000)	
16. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	3,093,955	3,344,220
Adjustments for:		
Depreciation	781,834	758,418
Amortization	1,672	3,488
Amortization of transaction cost	6,091	7,418
Finance cost	683,339	530,258
Gain on sale of property, plant and equipment	(2,780)	(2,449)
Income on loans, deposits and investments	(483,615)	(428,454)
Share of loss / (profit) of associated companies and joint venture	667,158	(434,903)
Exchange gain - net	(41,233)	(66,394)
Gain on remeasurement of investments at fair value through profit or loss	(141,900)	(14,122)
Subsidy on sale of fertilizer	-	(1,112,094)
	1,470,566	(758,834)
	4,564,521	2,585,386
Changes in:		
Stores and spares	(63,075)	154,743
Stock in trade	30,726	(1,070,449)
Trade debts	1,542,319	1,162,047
Loans and advances	(141,496)	(59,703)
Deposits and prepayments	(218,389)	(175,296)
Other receivables	(460,678)	(421,175)
Trade and other payables	(3,041,602)	241,089
	(2,352,195)	(168,744)
Changes in long term loans and advances	(30,587)	(35,800)
Changes in long term deposits and prepayments	1,639	(1,278)
Change in liability under finance lease	(1,821)	(1,820)
	2,181,557	2,377,744

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

17. 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)

17.1 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 STATEMENTS

For the three month period ended March 31, 2019

March 31, 2019 (Un-audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	92,404	-	-	-	92,404	-	-	-
Long term loans and advances	1,144,441	-	-	-	-	1,144,441	-	-	-
Long term deposits	28,951	-	-	-	-	28,951	-	-	-
Current assets									
Trade debts - net of provision	3,307,916	-	-	-	-	3,307,916	-	-	-
Loans and advances	485,282	-	-	-	-	485,282	-	-	-
Deposits	944	-	-	-	-	944	-	-	-
Other receivables	6,976,888	-	-	-	-	6,976,888	-	-	-
Short term investments	16,354,603	38,519	-	-	-	16,393,122	-	-	-
Cash and bank balances	1,492,339	-	-	-	-	1,492,339	-	-	-
	29,791,364	130,923	-	-	-	29,922,287	-	-	-
Financial assets measured at fair value									
Non - current assets									
Long term investments	-	758,043	-	-	-	758,043	-	-	758,043
Current assets									
Short term investments	-	4,004,288	21,250,715	-	-	25,255,003	4,004,288	-	25,255,003
	-	4,762,331	21,250,715	-	-	26,013,046	4,762,331	-	26,013,046
	29,791,364	4,893,254	21,250,715	-	-	55,935,333	4,762,331	-	26,013,046
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowings - secured	-	-	-	11,850,683	11,850,683	-	-	-	-
Land lease liability	-	-	-	7,036	7,036	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	54,995,387	54,995,387	-	-	-	-
Mark-up and profit accrued	-	-	-	684,017	684,017	-	-	-	-
Short term borrowings - secured	-	-	-	12,542,956	12,542,956	-	-	-	-
Unpaid dividend	-	-	-	4,961,729	4,961,729	-	-	-	-
Unclaimed dividend	-	-	-	483,069	483,069	-	-	-	-
Current portion of land lease liability	-	-	-	2,566	2,566	-	-	-	-
Current portion of long term borrowings - secured	-	-	-	8,623,131	8,623,131	-	-	-	-
	-	-	-	94,150,574	94,150,574	-	-	-	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2019

	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, 2018 (Audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	80,138	-	-	80,138	-	-	-	-
Long term loans and advances	1,113,854	-	-	-	1,113,854	-	-	-	-
Long term deposits	29,869	-	-	-	29,869	-	-	-	-
Current assets									
Trade debts - net of provision	4,850,235	-	-	-	4,850,235	-	-	-	-
Loans and advances	422,019	-	-	-	422,019	-	-	-	-
Deposits	944	-	-	-	944	-	-	-	-
Other receivables	7,280,083	-	-	-	7,280,083	-	-	-	-
Short term investments	29,418,935	37,477	-	-	29,456,412	-	-	-	-
Cash and bank balances	4,671,027	-	-	-	4,671,027	-	-	-	-
	47,786,966	117,615	-	-	47,904,581	-	-	-	-
Financial assets measured at fair value									
Non - current assets									
Long term investments	-	757,099	-	-	757,099	-	757,099	-	757,099
Current assets									
Short term investments	-	4,018,544	22,298,348	-	26,316,892	22,298,348	4,018,544	-	26,316,892
	-	4,775,643	22,298,348	-	27,073,991	22,298,348	4,775,643	-	27,073,991
	47,786,966	4,893,258	22,298,348	-	74,978,572	22,298,348	4,775,643	-	27,073,991
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowing - secured	-	-	-	12,817,467	12,817,467	-	-	-	-
Land lease liability	-	-	-	8,857	8,857	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	52,070,762	52,070,762	-	-	-	-
Mark-up and profit accrued	-	-	-	332,964	332,964	-	-	-	-
Short term borrowings - secured	-	-	-	29,366,484	29,366,484	-	-	-	-
Unclaimed dividend	-	-	-	638,783	638,783	-	-	-	-
Current portion of land lease liability	-	-	-	2,566	2,566	-	-	-	-
Current portion of long term borrowings - secured	-	-	-	8,623,131	8,623,131	-	-	-	-
	-	-	-	103,861,014	103,861,014	-	-	-	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
For the three month period ended March 31, 2019

	March 31, 2019	March 31, 2018
	(Rupees '000)	
18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Significant transactions and balances with the related parties are as follows:		
Transactions with holding company		
Dividend paid	-	1,692,713
Sale of fertilizer	2,751	1,406
Others	73	16,330
Transactions and balances with associated undertakings / joint ventures / companies due to common directorship		
Expenses charged on account of marketing of fertilizer on behalf of associated company	75,338	236,699
Commission on sale of products	1,240	4,586
Payment under consignment account - net	6,818,630	6,206,814
Purchase of gas as feed and fuel stock	5,281,421	4,243,549
Equity investment	523,908	-
Services and materials provided	4,094	2,278
Services and materials received	375	2,598
Donation	150,114	21,822
Interest expense	56,469	476
Interest income	6,997	3,192
Dividend income	1,079,973	349,419
Dividend receivable *	1,079,973	144,061
Long term investment *	130,923	117,615
Short term borrowing *	8,855,483	8,999,317
Long term borrowing *	440,607	440,607
Bank balance *	364,396	1,030,945
Running finance *	-	48
Balance receivable *	374,437	368,036
Balance payable *	48,552,555	45,756,527
Key management personnel		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2019: 1 and 360 (2018: 1 and 344) respectively.	1,040,870	1,014,932
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	107,622	107,020
Employees' Gratuity Fund Trust	218,426	168,507
Employees' Pension Fund Trust	124,559	154,914
Employees' Funds as Dividend on equity holding of 0.15% (2018: 0.15%)	-	5,812
Balance payable to Gratuity Fund Trust *	(361,391)	(525,210)
Balance payable to Pension Fund Trust *	(110,936)	(204,355)

* Comparative figures of receivable / payable balances are as of December 31, 2018.

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

For the three month period ended March 31, 2019

19. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of FFC in its meeting held on April 26, 2019 declared first interim dividend of Rs 2.50 per share.

20. GENERAL

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

20.2 These condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of FFC on April 26, 2019.

**Chairman****Chief Executive****Director****Chief Financial Officer**

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