



First Quarter
**FINANCIAL
STATEMENTS**

March 31, 2020
(Un-audited)

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SAY NO TO CORRUPTION

Company Information

BOARD OF DIRECTORS

Mr. Waqar Ahmed Malik

Chairman

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

Chief Executive & Managing Director

Dr. Nadeem Inayat

Mr. Farhad Shaikh Mohammad

Mr. Per Kristian Bakkerud

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

Mr. Saad Amanullah Khan

Mr. Rehan Laiq

Mr. Syed Iqtidar Saeed

Ms. Maryam Aziz

Mr. Farrukh Ahmad Hamidi

Maj Gen Naseer Ali Khan, HI (M) (Retd)

Mr. Sher Alam Mahsud

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 Asrat Mahmood, 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: ffcrrp@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

Directors' Review

For the quarter ended March 31, 2020

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to report net earnings of Rs 4.26 billion for the period under review compared to Rs 3.70 billion last year depicting an increase of 15%.

The Company operations continued without any disruption amid the Corona Virus pandemic owing to instigation of business continuity plans and maintaining highest standards of occupational health and safety. FFC achieved highest ever first quarter Sona Urea production of 649 thousand tonnes with a combined operating efficiency of 127%.

Consequent to the Company's persistent engagement with the Government, the GIDC on gas has been prospectively reduced effective from January 28, 2020. FFC has also reduced Urea selling price for the benefit of the farming community, despite the fact that Company had been absorbing major part of this levy over the years. Sona urea sales were recorded at 586 thousand tonnes compared to 560 thousand tonnes last year. Aggregate revenue of Rs 20.63 billion was achieved which was higher by around 2% as compared to Rs 20.31 billion during the corresponding period of 2019.

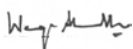
Efficient treasury management enabled the Company to create a new benchmark of highest ever first quarterly investment income of Rs 1.62 billion. The earnings per share of the Company thus stood at Rs 3.35 compared to Rs 2.91 earned last year.

In view of encouraging results, the Board is pleased to announce first interim dividend of 25% (Rs 2.50 per share) for the year 2020.

The Company proactively engaged with the provincial governments for continuity of the fertilizer supply chain to the farmers to ensure food security in the country. The Company also adopted effective measures to safeguard the health and safety of employees through implementing social distancing practices, including work from home, use of personal protective equipment with due regard to the wellbeing of colleagues and the society at large and with attendance of skeleton staff only in office premises. Through the commitment of the employees and state of the art technology, the Company was able to achieve its targets without encountering any hurdles in operational and support activities.

Looking ahead, the ongoing pandemic is expected to result in economic slowdown and possible recession. Favorable Governmental policies providing stimulus to the overall economy and the agriculture sector are of utmost importance to sustained food supply and economic stability in the Country.

On behalf of the Board,



Waqar Ahmed Malik
Chairman

Rawalpindi
April 27, 2020



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

ڈائریکٹرز کا تجزیہ

بورڈ آف ڈائریکٹرز کی جانب سے یہ اعلان کرتے ہوئے ہمیں خوشی محسوس ہو رہی ہے کہ کمپنی نے زیر جائزہ مدت کے دوران 4.26 ارب روپے کا خالص منافع کمایا جو کہ گزشتہ برس کے 3.70 ارب روپے کے مقابلے میں 15 فیصد اضافے کو ظاہر کرتا ہے۔

کاروباری تسلسل کے منصوبوں کے نفاذ اور ملازمین کی صحت اور حفاظت کے اعلیٰ معیار کو برقرار رکھنے کی وجہ سے، کرونا وائرس کی عالمی وباء کے باوجود، کمپنی کے کاروباری معاملات بغیر کسی تعطل کے جاری رہے۔ FFC نے 127 فیصد کی مجموعی پیداواری صلاحیت کے ساتھ پہلی سہ ماہی کی تاریخی بلند ترین 649 ہزار ٹن سونا یوریا کی پیداوار حاصل کی۔

کمپنی کے حکومت کے ساتھ مسلسل روابط کے نتیجے میں، 28 جنوری 2020 سے گیس پر GIDC کے نرخ کم کر دیئے گئے۔ FFC نے بھی کاشتکار برادری کے فائدے کے لیے یوریا کی قیمت فروخت میں کمی کر دی ہے اس حقیقت کے باوجود کہ کمپنی سالہا سال سے اس محصول کا بڑا حصہ خود برداشت کرتی رہی ہے۔ سونا یوریا کی فروخت 586 ہزار ٹن ریکارڈ کی گئی جو کہ پچھلے سال مقابلے میں 560 ہزار ٹن تھی۔ 20.63 ارب روپے کی مجموعی آمدنی حاصل کی گئی جو کہ 2019 کے اسی عرصے کے دوران حاصل کیے گئے 20.31 ارب روپے کی آمدنی کے مقابلے میں تقریباً 2 فیصد زیادہ ہے۔

فئڈز کے عمدہ نظم و نسق کے باعث کمپنی نے 1.62 ارب روپے کی سرمایہ کاری آمدنی حاصل کرتے ہوئے سال کی پہلی سہ ماہی کے لیے نیا معیار قائم کر دیا۔ اس طرح کمپنی کی فی حصہ آمدن 3.35 روپے رہی جو کہ گزشتہ سال 2.91 روپے فی حصہ تھی۔ حوصلہ افزاء نتائج کے پیش نظر، بورڈ سال 2020 کے لیے پہلے عبوری منافع منقسمہ 25 فیصد (2.50 روپے فی حصہ) کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے۔

کمپنی نے ملک میں غذائی تحفظ کو یقینی بنانے کے لئے کاشتکاروں کو کھاد کی رسد کے تسلسل کے لئے صوبائی حکومتوں کے ساتھ فعال رابطے استوار رکھے۔ کمپنی نے سماجی فاصلے کے طریقوں پر عمل کرتے ہوئے ملازمین کی صحت اور حفاظت کے لئے موثر اقدامات بھی اٹھائے جن میں گھر بیٹھے دفتری کام، ساتھیوں اور بڑے پیمانے پر معاشرے کی بہتری کو مد نظر رکھتے ہوئے ذاتی حفاظتی سامان کا استعمال اور دفتر کے احاطے میں صرف اہم ترین ملازمین کی موجودگی شامل ہیں۔ ملازمین کے عزم اور جدید ٹیکنالوجی کے ذریعے، کمپنی عملیاتی اور دیگر سرگرمیوں میں کسی رکاوٹ کا سامنا کیے بغیر اپنے اہداف حاصل کرنے میں کامیاب رہی۔

مستقبل میں، کرونا وائرس کی وباء کے باعث معاشی سرگرمیوں میں سست روی کا خدشہ ہے۔ مجموعی معیشت اور زرعی شعبے کو تقویت فراہم کرنے کے لیے موزوں حکومتی پالیسیاں انتہائی اہمیت کی حامل ہیں تاکہ ملک میں خوراک کی فراہمی اور معاشی استحکام کو برقرار رکھا جاسکے۔

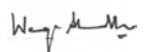


لیفٹیننٹ جنرل طارق خان

بلال امتیاز (ملٹری)، (ریٹائرڈ)

چیف ایگزیکٹو اور مینجنگ ڈائریکٹر

بورڈ کی جانب سے



وقار احمد ملک

چیئر مین

راولپنڈی

27 اپریل 2020



**Condensed Interim
Financial Statements**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2020

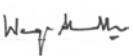
	Note	Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves	5	22,825,248	22,697,960
Surplus / (deficit) on remeasurement of investments to fair value - net		171,882	(13,641)
		35,879,512	35,566,701
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	5,860,000	6,472,500
Deferred liabilities		4,611,222	4,412,445
Lease liabilities		58,853	62,360
		10,530,075	10,947,305
CURRENT LIABILITIES			
Trade and other payables	7	75,871,684	76,009,303
Mark-up and profit accrued		620,968	676,361
Short term borrowings - secured	8	9,867,400	21,802,953
Unclaimed dividend		456,910	541,447
Current portion of long term borrowings - secured	6	4,492,500	4,711,250
Current portion of lease liabilities		37,430	42,581
Taxation		3,284,974	3,091,959
		94,631,866	106,875,854
TOTAL EQUITY AND LIABILITIES		141,041,453	153,389,860

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, 2020	Audited December 31, 2019
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	22,301,957	22,212,099
Intangible assets		1,575,535	1,576,796
Long term investments	11	32,844,981	31,087,989
Long term loans and advances		1,236,102	1,200,037
Long term deposits and prepayments		14,763	12,378
		57,973,338	56,089,299
CURRENT ASSETS			
Stores, spares and loose tools		4,238,492	3,810,669
Stock in trade		7,001,408	6,795,374
Trade debts		9,789,405	13,460,069
Loans and advances		1,209,151	1,795,136
Deposits and prepayments		73,068	50,583
Other receivables	12	18,004,736	17,653,231
Short term investments	13	41,568,274	48,040,470
Cash and bank balances		1,183,581	5,695,029
		83,068,115	97,300,561
TOTAL ASSETS		141,041,453	153,389,860



Chairman



Chief Executive



Director



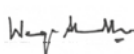
Chief Financial Officer

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

For the three month period ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
		(Rupees '000)	
Turnover - net	14	20,626,340	20,310,641
Cost of sales		13,135,891	14,347,818
GROSS PROFIT		7,490,449	5,962,823
Distribution cost		2,074,695	2,006,835
		5,415,754	3,955,988
Finance cost		672,786	468,626
Other expenses		562,527	484,573
		4,180,441	3,002,789
Other income		1,719,621	2,000,411
PROFIT BEFORE TAX		5,900,062	5,003,200
Provision for taxation		1,638,000	1,307,000
PROFIT FOR THE PERIOD		4,262,062	3,696,200
Earnings per share - basic and diluted (Rupees)		3.35	2.91

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



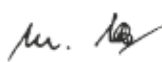
Chairman



Chief Executive



Director



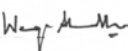
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

For the three month period ended March 31, 2020

	March 31, 2020	March 31, 2019
	(Rupees '000)	
PROFIT FOR THE PERIOD	4,262,062	3,696,200
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to profit or loss		
Surplus / (deficit) on re-measurement of investments to fair value - net of tax	185,523	(9,452)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,447,585	3,686,748

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


Chairman

Chief Executive

Director

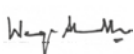
Chief Financial Officer

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

For the three month period ended March 31, 2020

	Revenue reserves				Surplus / (deficit) on remeasurement of investments to fair value - net	Total
	Share capital	Capital reserves	General reserves	Unappropriated profit		
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 loss - 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
Balance as at January 1, 2020	12,722,382	160,000	8,802,360	13,895,600	(13,641)	35,566,701
Total comprehensive income						
Profit for the period	-	-	-	4,262,062	-	4,262,062
Other comprehensive income - net of tax	-	-	-	-	185,523	185,523
	-	-	-	4,262,062	185,523	4,447,585
Transactions with owners of the Company						
Distributions:						
Final dividend 2019: Rs 3.25 per share	-	-	-	(4,134,774)	-	(4,134,774)
Balance as at March 31, 2020	12,722,382	160,000	8,802,360	14,022,888	171,882	35,879,512

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



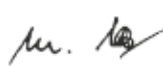
Chairman



Chief Executive



Director



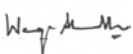
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)


For the three month period ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	9,598,760	2,539,022
Finance cost paid		(728,179)	(270,187)
Income tax paid		(1,246,208)	(1,277,322)
		(1,974,387)	(1,547,509)
Net cash generated from operating activities		7,624,373	991,513
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(654,033)	(420,042)
Proceeds from sale of property, plant and equipment		5,259	2,848
Investment in Thar Energy Limited		-	(523,908)
Other investments - net		(1,384,638)	130,724
Interest and profit received		297,065	553,587
Dividend received		-	144,061
Net cash used in investing activities		(1,736,347)	(112,730)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - repayments		(831,250)	(831,250)
Repayment of lease liabilities		(9,693)	-
Dividend paid		(4,219,311)	(155,714)
Net cash used in financing activities		(5,060,254)	(986,964)
Net increase / (decrease) in cash and cash equivalents		827,772	(108,181)
Cash and cash equivalents at beginning of the period		31,886,368	25,671,431
Effect of exchange rate changes		170,315	23,121
Cash and cash equivalents at end of the period		32,884,455	25,586,371
CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,183,581	1,135,871
Short term highly liquid investments		41,568,274	36,125,725
Short term borrowings - secured		(9,867,400)	(11,675,225)
		32,884,455	25,586,371

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, 2020

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, 2019. Comparative condensed interim statement of financial position is extracted from annual financial statements as at December 31, 2019 whereas comparative condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial information of the Company for the three month period ended March 31, 2019.

- 2.3 These condensed interim financial statements are un-audited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the 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, 2019.

3. Impact assessment of COVID-19 (Coronavirus)

Late in 2019 news first emerged from China about the COVID-19 (Coronavirus). In the first few months of 2020 the virus had spread globally, and its negative impact has gained momentum. Management considers this pandemic to be an evolving situation at the time of issuing these condensed interim financial statements. To date, no discernible impact is attracted on the amounts being reported in the Company's condensed interim financial statement as at March 31, 2020. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

4. SHARE CAPITAL**AUTHORISED SHARE CAPITAL**

This represents 1,500,000,000 (2019: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2019: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited March 31, 2020	Audited December 31, 2019		Un-audited March 31, 2020	Audited December 31, 2019
(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% (2019: 44.35%) ordinary shares of the Company at the period end.

	Note	Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)			
5. REVENUE RESERVES			
General reserves		8,802,360	8,802,360
Unappropriated profit		14,022,888	13,895,600
		22,825,248	22,697,960
6. LONG TERM BORROWINGS - SECURED			
From conventional banks	6.1	10,002,500	10,833,750
From Islamic banks	6.2	350,000	350,000
		10,352,500	11,183,750
Less: Current portion shown under current liabilities			
From conventional banks		4,142,500	4,361,250
From Islamic banks		350,000	350,000
		4,492,500	4,711,250
		5,860,000	6,472,500
6.1 Movement during the period / year is as follows:			
Opening balance		10,833,750	14,425,062
Draw-downs during the period / year		-	2,600,000
Repayments during the period / year		(831,250)	(6,191,312)
Closing balance	6.1.1	10,002,500	10,833,750

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

- 6.1.1** These borrowings are secured by way of hypothecation of Company assets including plant, machinery, tools & spares and other moveable properties, ranking pari passu with each other with 25% margin.

These carry mark-up ranging between 6 month KIBOR + 0.15% to 0.40% per annum and 3 month KIBOR + 0.15% to 0.40% per annum (2019: 6 month KIBOR + 0.15% to 0.40% per annum and 3 month KIBOR + 0.15% to 0.40% per annum) and are repayable up to December 2024 (2019: December 2024).

Note	Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)		

6.2 Movement during the period / year is as follows:

Opening balance	350,000	1,396,429
Repayments during the period / year	-	(1,046,429)
Closing balance	350,000	350,000

6.2.1

- 6.2.1** These borrowings are secured by way of hypothecation of Company assets including plant, machinery, tools & spares and other moveable properties, ranking pari passu with each other with 25% margin.

These carry profit rates ranging between 6 month KIBOR + 0.15% to 0.40% per annum (2019: 6 month KIBOR + 0.15% to 0.40% per annum) and are repayable up to December 2020 (2019: December 2020).

7. TRADE AND OTHER PAYABLES

These include Rs 62,543,074 thousand (2019: Rs 61,064,027 thousand) on account of Gas Infrastructure Development Cess (GIDC) payable.

Note	Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)		

8. SHORT TERM BORROWINGS - SECURED

From conventional banks	8.1	7,879,344	19,113,608
From Islamic banks	8.2	1,988,056	2,689,345
		9,867,400	21,802,953

- 8.1** Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 40,760,000 thousand (2019: Rs 40,760,000 thousand) which the aggregate of all facility agreements between the Company and respective banks. The facilities have represent various maturity dates upto December 15, 2020.

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 0.25% (2019: 1 month KIBOR + 0.10% to 0.35% and 3 month KIBOR + 0.05% to 0.25%).

- 8.2** Shariah compliant short term borrowing is available from a banking company under profit arrangement against a facility amounting to Rs 2,000,000 thousand (2019: Rs 2,900,000 thousand). The facility has a maturity date of May 31, 2020.

The facility is secured by ranking hypothecation charge on assets of the Company and lien over debt instruments. The per annum rate of profit is 3 month KIBOR (2019: 3 month KIBOR + 0.05% to 0.12%).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)	

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

(i) Guarantees issued by banks on behalf of the Company	4,943,401	3,994,314
(ii) Claims against the Company and / or potential exposure not acknowledged as debt	50,696	50,696
(iii) Penalty of Rs 5,500,000 thousand imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices, which was set aside by the Competition Appellate Tribunal, in appeal filed by the Company, who also remanded the case back to CCP to decide the case afresh under guidelines provided by the Tribunal. CCP did not challenge this order before the Supreme Court of Pakistan in appeal within the stipulated time, thus making the appeal time barred. However CCP, under the said Tribunal guidelines, may resume proceedings but the Company remains confident of successfully defending these unreasonable claims in future as well.		

Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)	

b) Commitments in respect of:

(i) Capital expenditure	3,945,108	1,213,292
(ii) Purchase of fertilizer, stores, spares and other operational items	4,161,457	1,347,209
(iii) Investment in Fauji Fresh n Freeze Limited	-	1,500,000
(iv) Investment in Thar Energy Limited	2,400,318	2,235,724
(v) Contracted out services	295,658	289,135

Note	Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)		

10. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	10.1	21,513,016	19,980,088
Capital work in progress	10.2	709,055	2,144,038
Right of use assets	10.3	79,886	87,973
		22,301,957	22,212,099

10.1 Operating fixed assets

Opening written down value	19,980,088	21,021,759
Additions during the period / year	2,089,016	1,501,258
Written down value of disposals	-	(306,477)
Depreciation during the period / year	(556,088)	(2,236,452)
	21,513,016	19,980,088

10.1.1 Additions in and depreciation on property, plant and equipment during the three month period ended March 31, 2019 were Rs 420,014 thousand and Rs 565,928 thousand respectively.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

	Un-audited March 31, 2020	Audited December 31, 2019
	(Rupees '000)	
10.2 Capital work in progress		
Opening value	2,144,038	511,938
Additions during the period / year	-	1,765,643
Transfers during the period / year	(1,434,983)	(133,543)
	709,055	2,144,038
10.3 Right to use assets		
Opening value	87,973	-
Additions during the period / year	1,035	138,325
Depreciation during the period / year	(9,122)	(50,352)
	79,886	87,973
10.4 Depreciation charge has been allocated as follows:		
Cost of sales	551,008	2,212,357
Distribution cost	12,566	67,472
Other expenses	441	1,972
Charged to FFBL under the Company Services Agreement	1,195	5,003
	565,210	2,286,804
11. LONG TERM INVESTMENTS		
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	2,789,718	2,789,718
Advance against issue of shares	416,533	416,533
	3,206,251	3,206,251
Investment in joint venture (Unquoted) - at cost		
Pakistan Maroc Phosphore S.A., Morocco	705,925	705,925
Investment in subsidiary companies (Unquoted) - at cost		
FFC Energy Limited	2,438,250	2,438,250
Fauji Fresh n Freeze Limited		
Investment at cost	4,835,500	4,835,500
Advance against issue of shares	1,500,000	-
Less: Impairment loss	(1,100,000)	(1,100,000)
	5,235,500	3,735,500
	7,673,750	6,173,750

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

	Note	Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)			
Investments measured at fair value through other comprehensive income			
Term Deposit Receipts - from conventional bank		155,116	155,116
Pakistan Investment Bonds		4,530,335	4,272,285
		4,685,451	4,427,401
		32,892,217	31,134,167
Less: Current portion shown under short term investments			
Investments measured at fair value through other comprehensive income			
Term Deposit Receipts - from conventional bank	13	47,236	46,178
		32,844,981	31,087,989

12. OTHER RECEIVABLES

These include Rs 6,961,878 thousand (2019: Rs 6,961,878 thousand) on account of subsidy receivable and Rs 10,492,951 thousand (2019: Rs 9,921,467 thousand) on account of sales tax receivable from the Government.

	Note	Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)			
13. SHORT TERM INVESTMENTS			
Loans and receivables - Conventional investments			
Term deposits with banks and financial institutions			
Local currency		-	3,000,000
Foreign currency		2,482,982	2,115,339
		2,482,982	5,115,339
Investments at fair value through profit or loss			
Conventional investments		38,865,395	37,375,252
Shariah compliant investments		172,661	5,503,701
		39,038,056	42,878,953
Current maturity of long term investments			
Investments measured at fair value through other comprehensive income	11	47,236	46,178
		41,568,274	48,040,470

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

For the three month period ended March 31, 2020

	March 31, 2020	March 31, 2019
	(Rupees '000)	
14. TURNOVER - NET		
Turnover	21,046,117	20,719,297
Sales tax	(419,777)	(408,656)
	20,626,340	20,310,641
15. CASH GENERATED FROM OPERATIONS		
Profit before taxation	5,900,062	5,003,200
Adjustments for:		
Depreciation	564,015	565,564
Amortization	1,261	1,346
Finance cost	674,346	485,219
Gain on disposal of property, plant and equipment	(5,259)	(2,778)
Interest and profit on loans, deposits and investments	(188,283)	(459,793)
Exchange gain - net	(171,875)	(39,714)
Gain on re-measurement of investments at fair value through profit or loss	(140,653)	(141,900)
Dividend income	-	(1,079,973)
	733,552	(672,029)
	6,633,614	4,331,171
Changes in:		
Stores, spares and loose tools	(427,823)	(52,484)
Stock in trade	(206,034)	161,661
Trade debts	3,670,664	1,951,896
Loans and advances	585,985	(554,136)
Deposits and prepayments	(22,485)	(168,619)
Other receivables	(459,092)	(109,816)
Trade and other payables	(137,619)	(2,990,785)
	3,003,596	(1,762,283)
Changes in long term loans and advances	(36,065)	(30,587)
Changes in long term deposits and prepayments	(2,385)	721
	9,598,760	2,539,022

16. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2019. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended December 31, 2019.

The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

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

For the three month period ended March 31, 2020

	March 31, 2020	March 31, 2019
	(Rupees '000)	
17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Significant transactions and balances with related parties are as follows:		
HOLDING COMPANY		
Transactions		
Dividend paid	1,833,772	-
Sale of fertilizer	630	2,751
Others	27	73
SUBSIDIARY COMPANIES		
Transactions		
Guarantee against loan of subsidiary company	-	377,667
Advance against share subscription	1,500,000	-
Interest income	1,938	20,521
Rental income	2,204	2,204
Expenses incurred on behalf of subsidiary companies	35,716	31,040
Balances		
Balances receivable - unsecured *	2,101,984	1,463,259
ASSOCIATED UNDERTAKINGS / COMPANIES DUE TO COMMON DIRECTORSHIP		
Transactions		
Expenses charged on account of marketing of fertilizer on behalf of associated company	210,132	75,338
Commission on sale of products	3,664	1,240
Payments under consignment account - net	17,321,467	6,818,630
Purchase of gas as feed and fuel stock	8,255,655	5,281,421
Equity investment	-	523,908
Services and materials provided	6,311	4,094
Services and materials received	-	375
Donations	164,473	150,114
Interest expense	79,781	43,117
Interest income	3,605	2,210
Dividend income	-	1,079,973
Balances		
Long term investments *	155,116	155,116
Short term borrowing *	2,020,818	4,426,551
Bank balances *	170,598	44,099
Balances receivable - unsecured *	370,870	372,458
Balances payable - unsecured *	65,276,416	65,751,432

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

For the three month period ended March 31, 2020

	March 31, 2020	March 31, 2019
	(Rupees '000)	
KEY MANAGEMENT PERSONNEL		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2020: 1 and 387 (2019: 1 and 353) respectively.	1,114,879	1,019,264
STAFF RETIREMENT BENEFITS		
Contributions		
Employees' Provident Fund Trust	116,820	107,622
Employees' Gratuity Fund Trust	253,724	218,426
Employees' Pension Fund Trust	159,720	124,559
Employees' Funds as Dividend on equity holding of 0.15% (2019: 0.15%)	6,065	-
Balances		
Payable to Gratuity Fund Trust *	549,245	739,538
Payable to Pension Fund Trust *	323,388	443,178

* Comparative figures of receivable / payable balances are as at December 31, 2019.

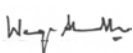
18. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Director of the Company in its meeting held on April 27, 2020 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 27, 2020.



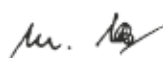
Chairman



Chief Executive



Director



Chief Financial Officer



**Condensed Interim Consolidated
Financial Statements**

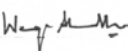
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2020

	Note	Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		5,250,708	4,950,718
Revenue reserves	5	42,933,219	43,049,451
Deficit on remeasurement of investments to fair value - net		(385,407)	(1,256,521)
		60,520,902	59,466,030
Share in revaluation reserve of associates - net		1,265,653	1,198,826
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	8,747,760	9,355,434
Deferred liabilities		6,334,200	5,996,675
Lease liabilities		82,082	87,098
		15,164,042	15,439,207
CURRENT LIABILITIES			
Trade and other payables	7	76,223,968	76,309,123
Mark-up and profit accrued		797,100	711,501
Short term borrowings - secured	8	10,187,400	22,492,953
Unpaid dividend		456,910	541,447
Current portion of long term borrowings - secured	6	5,724,796	6,085,171
Current portion of lease liabilities		44,250	51,967
Taxation		3,289,078	3,091,959
		96,723,502	109,284,121
TOTAL EQUITY AND LIABILITIES		173,674,099	185,388,184
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, 2020	Audited December 31, 2019
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	32,648,189	32,758,158
Intangible assets		1,943,353	1,945,305
Long term investments	11	50,440,710	49,258,736
Long term loans and advances		1,236,102	1,200,037
Long term deposits and prepayments		30,834	28,349
		86,299,188	85,190,585
CURRENT ASSETS			
Stores, spares and loose tools		4,315,238	3,864,402
Stock in trade		7,367,270	7,014,838
Trade debts		12,340,486	15,605,892
Loans and advances		1,176,806	866,734
Deposits and prepayments		122,544	52,893
Other receivables	12	17,835,861	17,570,178
Short term investments	13	42,735,274	49,207,470
Cash and bank balances		1,481,432	6,015,192
		87,374,911	100,197,599
TOTAL ASSETS		173,674,099	185,388,184



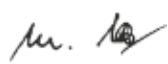
Chairman



Chief Executive



Director



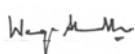
Chief Financial Officer

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

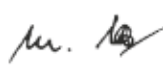
For the three month period ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
		(Rupees'000)	
Turnover - net	14	21,403,139	20,967,254
Cost of sales		13,648,030	14,833,895
GROSS PROFIT		7,755,109	6,133,359
Administrative and distribution expenses		2,163,541	2,167,346
		5,591,568	3,966,013
Finance cost		857,142	665,227
Other expenses		562,527	487,681
		4,171,899	2,813,105
Other income		1,770,425	948,008
Share of profit / (loss) of associates and joint venture		2,037	(667,158)
PROFIT BEFORE TAX		5,944,361	3,093,955
Provision for taxation		1,657,914	1,218,621
PROFIT FOR THE PERIOD		4,286,447	1,875,334
Earnings per share - basic and diluted (Rupees)		3.37	1.47

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


Chairman

Chief Executive

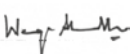
Director

Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

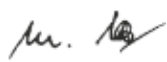
For the three month period ended March 31, 2020

	March 31, 2020	March 31, 2019
	(Rupees'000)	
PROFIT FOR THE PERIOD	4,286,447	1,875,334
OTHER COMPREHENSIVE INCOME		
Items that will not be subsequently reclassified to profit or loss		
Equity accounted investees - share of OCI, net of tax	16,321	(5,896)
Items that may be subsequently reclassified to profit or loss		
Surplus / (deficit) on re-measurement of investments fair value - net of tax	185,523	(9,452)
Share of equity accounted investees - share of OCI, net of tax	701,355	(266,847)
	886,878	(276,299)
Comprehensive income taken to equity	5,189,646	1,593,139
Comprehensive income not recognised in equity		
Items that may be subsequently reclassified to profit or loss	66,827	207,448
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,256,473	1,800,587

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


Chairman

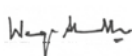
Chief Executive

Director

Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the three month period ended March 31, 2020

	Capital reserves			Revenue reserves			Deficit on remeasurement of investments to fair value - net	
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserve	General reserve	Unappropriated profit	Total
					(Rupees '000)			
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	56,654,323
Total comprehensive income								
Profit for the period	-	-	-	-	-	-	-	1,875,334
Other comprehensive loss - net of tax	-	-	-	465,153	-	-	(5,896)	(282,195)
	-	-	-	465,153	-	-	1,869,438	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	53,295,733
Balance as at January 1, 2020	12,722,382	40,000	120,000	2,158,938	2,631,780	8,802,360	34,247,091	59,466,030
Total comprehensive income								
Profit for the period	-	-	-	-	-	-	4,286,447	4,286,447
Other comprehensive income - net of tax	-	-	-	15,764	-	-	16,321	903,199
	-	-	-	15,764	-	-	4,302,768	5,189,646
Transactions with owners of the Company								
Distributions:								
Final dividend 2019: Rs 3.25 per share	-	-	-	-	-	-	(4,134,774)	(4,134,774)
Other changes in equity								
Transfer to statutory reserve	-	-	-	-	284,226	-	(284,226)	-
Balance as at March 31, 2020	12,722,382	40,000	120,000	2,174,702	2,916,006	8,802,360	34,130,659	60,520,902

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




Chairman



Chief Executive



Director

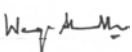


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
For the three month period ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	16	8,632,882	2,183,378
Finance cost paid		(771,543)	(314,174)
Income tax paid		(1,261,712)	(1,282,886)
		(2,033,255)	(1,597,060)
Net cash generated from operating activities		6,599,627	586,318
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(679,619)	(432,563)
Proceeds from sale of property, plant and equipment		5,259	2,891
Investment in Thar Energy Limited		-	(523,908)
Other investments - net		(1,051,638)	(1,197,476)
Interest and profit received		340,785	730,913
Dividend received		-	144,061
Net cash used in investing activities		(1,385,213)	(1,276,082)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - repayments		(972,875)	(972,875)
Repayment of lease liabilities		(13,768)	(1,821)
Dividend paid		(4,219,311)	(155,714)
Net cash used in financing activities		(5,205,954)	(1,130,410)
Net increase / (decrease) in cash and cash equivalents		8,460	(1,820,174)
Cash and cash equivalents at beginning of the period		32,683,531	26,872,161
Effect of exchange rate changes		170,315	23,121
Cash and cash equivalents at end of the period		32,862,306	25,075,108
CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,481,432	1,492,339
Short term highly liquid investments		41,568,274	36,125,725
Short term borrowings - secured		(10,187,400)	(12,542,956)
		32,862,306	25,075,108

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



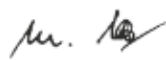
Chairman



Chief Executive



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

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 Limited (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 consolidated 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 consolidated financial statements do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2019. Comparative figures of condensed interim statement of financial position is extracted from audited consolidated financial statements as at December 31, 2019 whereas comparative figures of condensed interim statement of profit or loss account, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from unaudited condensed interim consolidated financial information of the Group for the three month period ended March 30, 2020.

- 2.3** These condensed interim consolidated 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, 2019.

3. Impact assessment of COVID-19 (Coronavirus)

Late in 2019 news first emerged from China about the COVID-19 (Coronavirus). In the first few months of 2020 the virus had spread globally, and its negative impact has gained momentum. Management considers this pandemic to be an evolving situation at the time of issuing these condensed interim consolidated financial statements. To date, no discernible impact is attracted on the amounts being reported in the Group's condensed interim consolidated financial statement as at March 31, 2020. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2019: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2019: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited March 31, 2020	Audited December 31, 2019		Un-audited March 31, 2020	Audited December 31, 2019
(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
		Note	Un-audited March 31, 2020	Audited December 31, 2019
			(Rupees '000)	
5. REVENUE RESERVES				
General reserves			8,802,360	8,802,360
Unappropriated profit			34,130,859	34,247,091
			42,933,219	43,049,451
6. LONG TERM BORROWINGS - SECURED				
From conventional banks				
Fauji Fertilizer Company Limited	6.1		10,002,500	10,833,750
FFC Energy Limited	6.2		4,120,056	4,115,230
Fauji Fresh n Freeze Limited	6.3		-	141,625
From Islamic banks				
Fauji Fertilizer Company Limited	6.4		350,000	350,000
			14,472,556	15,440,605
Less: Current portion shown under current liabilities				
From conventional banks			5,374,796	5,735,171
From Islamic banks			350,000	350,000
			5,724,796	6,085,171
			8,747,760	9,355,434

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

	Un-audited March 31, 2020	Audited December 31, 2019
	(Rupees '000)	
6.1 Movement during the period / year is as follows:		
Opening balance	10,833,750	14,425,062
Draw-downs during the period / year	-	2,600,000
Repayments during the period / year	(831,250)	(6,191,312)
Closing balance	10,002,500	10,833,750
6.2 Movement during the period / year is as follows:		
Opening balance	4,115,230	5,194,232
Repayments during the period / year	-	(1,102,139)
	4,115,230	4,092,093
Transaction cost		
Amortized during the period / year	4,826	23,137
Closing balance	4,120,056	4,115,230
6.3 Movement during the period / year is as follows:		
Opening balance	141,625	424,875
Repayments during the period / year	(141,625)	(283,250)
	-	141,625
Closing balance	-	141,625
6.4 Movement during the period / year is as follows:		
Opening balance	350,000	1,396,429
Repayments during the period / year	-	(1,046,429)
Closing balance	350,000	350,000

7. TRADE AND OTHER PAYABLES

These include Rs 62,543,074 thousand (2019: Rs 61,064,027 thousand) on account of Gas Infrastructure Development Cess (GIDC) payable.

	Un-audited March 31, 2020	Audited December 31, 2019
	(Rupees '000)	
8. SHORT TERM BORROWINGS - SECURED		
From conventional banks	8,199,344	19,803,608
From Islamic banks	1,988,056	2,689,345
	10,187,400	22,492,953

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

	Un-audited March 31, 2020	Audited December 31, 2019
	(Rupees '000)	
9. CONTINGENCIES AND COMMITMENTS		
a) Contingencies:		
(i) Guarantees issued by banks on behalf of the Company	4,943,401	3,994,314
(ii) Claims against FFC and / or potential exposure not acknowledged as debt	148,022	50,696
(iii) Group's share of contingencies in Fauji Fertilizer Bin Qasim Limited	22,117,592	20,889,757
(iv) Group's share of contingencies in Fauji Cement Company Limited as at December 31, 2019 (2019: September 30, 2019)	128,034	120,932
(v) Group's share of contingencies in Askari Bank Limited as at December 31, 2019 (2019: September 30, 2019)	81,620,700	83,015,441
(vi) Penalty of Rs 5,500,000 thousand 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, 2020	Audited December 31, 2019
	(Rupees '000)	
b) Commitments in respect of:		
(i) Capital expenditure	3,945,108	1,213,292
(ii) Purchase of fertilizer, stores, spares and other operational items	4,161,457	1,347,209
(iii) Investment in Thar Energy Limited	2,400,318	2,235,724
(iv) Group's share of commitments of PMP as at December 31, 2019 (2019: September 30, 2019)	32,171	32,855
(v) Contracted out services	295,658	289,135

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

	Note	Un-audited March 31, 2020	Audited December 31, 2019
		(Rupees '000)	
10. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	31,703,766	30,375,175
Capital work in progress	10.2	827,560	2,258,033
Right of use assets	10.3	116,863	124,950
		32,648,189	32,758,158
10.1 Operating fixed assets			
Opening written down value		30,375,175	32,153,876
Additions during the period / year		2,110,092	1,725,119
Written down value of disposals / adjustments		-	(391,117)
Depreciation during the period / year		(781,501)	(3,112,703)
		31,703,766	30,375,175
10.1.1 Additions in and depreciation on property, plant and equipment during the period ended March 31, 2019 were Rs 432,535 thousand and Rs 782,198 thousand respectively.			
		Un-audited March 31, 2020	Audited December 31, 2019
		(Rupees '000)	
10.2 Capital work in progress			
Opening value		2,258,033	621,094
Additions during the period / year		7,928	1,873,827
Transfers during the period / year		(1,438,401)	(236,888)
		827,560	2,258,033
10.3 Right to use assets			
Opening balance		124,950	-
Additions during the period / year		1,035	188,246
Depreciation during the period / year		(9,122)	(63,296)
		116,863	124,950
10.4 Depreciation charge has been allocated as follows:			
Cost of sales		760,841	3,039,410
Administrative and distribution expenses		28,146	129,614
Other expenses		441	1,972
Charged to FFBL under the Company Services Agreement		1,195	5,003
		790,623	3,175,999

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

	Note	Un-audited March 31, 2020	Audited December 31, 2019
		(Rupees '000)	
11. LONG TERM INVESTMENTS			
Equity accounted investments	11.1	45,802,495	44,877,513
Other long term investments	11.2	4,638,215	4,381,223
		50,440,710	49,258,736
11.1 Equity accounted investments			
Investment in associated companies - under equity method			
Fauji Cement Company Limited			
Balance at the beginning		2,137,474	2,120,849
Share of (loss) / profit for the period / year		12,858	157,250
Dividend received		-	(140,625)
		2,150,332	2,137,474
Fauji Fertilizer Bin Qasim Limited			
Balance at the beginning		17,561,761	20,742,207
Share of loss for the period / year		(1,307,775)	(3,177,170)
Share of OCI for the period / year		167,309	462,616
Dividend received		-	(465,892)
		16,421,295	17,561,761
Askari Bank Limited			
Balance at the beginning		18,998,792	17,367,437
Share of loss for the period / year		1,142,186	2,240,515
Share of OCI for the period / year		742,654	(65,392)
Dividend received		-	(543,768)
		20,883,632	18,998,792
Thar Energy Limited			
Balance at the beginning		3,189,926	1,445,604
Investment during the period		-	1,329,318
Advance against issue of shares		-	416,533
Share of loss for the period / year		(3,448)	(1,529)
		3,186,478	3,189,926
Investment in joint venture - under equity method			
Pakistan Maroc Phosphore S.A., Morocco			
Balance at the beginning		2,989,560	2,521,691
Share of profit for the period / year		158,216	401,615
Gain on translation of net assets		12,982	581,953
Dividend received		-	(515,699)
		3,160,758	2,989,560
		45,802,495	44,877,513

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

	Note	Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)			
11.2 Other long term investments			
Investments available for sale			
Term Deposit Receipts - from conventional banks		155,116	155,116
Pakistan Investment Bonds		4,530,335	4,272,285
		4,685,451	4,427,401
Less: Current portion shown under short term investments			
Investments available for sale			
Term Deposit Receipts - from conventional banks	13	47,236	46,178
		4,638,215	4,381,223

12. OTHER RECEIVABLES

These include Rs 6,961,878 thousand (2019: Rs 6,961,878 thousand) on account of subsidy receivable and Rs 10,628,550 thousand (2019: Rs 10,085,239 thousand) on account of sales tax receivable from the Government.

	Note	Un-audited March 31, 2020	Audited December 31, 2019
(Rupees '000)			

13. SHORT TERM INVESTMENTS

Loans & receivables - conventional investments

Term deposits with banks and financial institutions

Local currency	1,167,000	4,167,000
Foreign currency	2,482,982	2,115,339
	3,649,982	6,282,339

Investments at fair value through profit or loss

Conventional investments	38,865,395	37,375,252
Shariah compliant investments	172,661	5,503,701
	39,038,056	42,878,953

Current maturity of long term investments

Investments available for sale		
Investments measured at fair value through other comprehensive income	11	47,236
		46,178
		42,735,274
		49,207,470

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2020

	Un-audited March 31, 2020	Un-audited March 31, 2019
	(Rupees '000)	
14. TURNOVER - NET		
Fertilizer	21,046,117	20,719,297
Power	474,828	427,592
Food	452,106	350,108
	21,973,051	21,496,997
Sales tax	(539,736)	(509,922)
Trade discount	(30,176)	(19,821)
	(569,912)	(529,743)
	21,403,139	20,967,254

15. SEGMENT INFORMATION

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

	Reportable segments			
	Fertilizer	Power	Food	Total
	(Rupees '000)			
March 31, 2020 (Un-audited)				
Assets				
Segment assets (Total)	112,596,031	12,115,613	3,159,960	127,871,604
Equity accounted investees	45,802,495	-	-	45,802,495
Liabilities				
Segment liabilities (Total)	104,783,098	4,807,868	2,296,578	111,887,544
Capital expenditure	654,033	23,747	1,839	679,619
Depreciation	565,210	150,983	74,430	790,623
December 31, 2019 (Audited)				
Assets				
Segment assets (Total)	125,583,161	11,865,051	3,062,459	140,510,671
Equity accounted investees	44,877,513	-	-	44,877,513
Liabilities				
Segment liabilities (Total)	117,944,290	4,615,957	2,163,081	124,723,328
Capital expenditure	3,133,359	122,600	106,099	3,362,058
Depreciation	2,313,805	569,094	293,100	3,175,999

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
For the three month period ended March 31, 2020

	March 31, 2020	March 31, 2019
	(Rupees '000)	
16. CASH GENERATED FROM OPERATIONS		
Profit before tax	5,944,361	3,093,955
Adjustments for:		
Depreciation	789,428	781,834
Amortization	1,952	1,672
Amortization of transaction cost	4,826	6,091
Finance cost	858,702	683,339
Gain on sale of property, plant and equipment	(5,259)	(2,780)
Income on loans, deposits and investments	(234,782)	(483,615)
Share of (profit) / loss of associated companies and joint venture	(2,037)	667,158
Exchange gain - net	(171,875)	(41,233)
Gain on remeasurement of investments at fair value through profit or loss	(140,653)	(141,900)
	1,100,302	1,470,566
	7,044,663	4,564,521
Changes in:		
Stores and spares	(450,836)	(63,075)
Stock in trade	(352,432)	30,726
Trade debts	3,265,406	1,542,319
Loans and advances	(310,072)	(141,496)
Deposits and prepayments	(69,651)	(218,389)
Other receivables	(370,491)	(460,678)
Trade and other payables	(85,155)	(3,041,602)
	1,626,769	(2,352,195)
Changes in long term loans and advances	(36,065)	(30,587)
Changes in long term deposits and prepayments	(2,485)	1,639
	8,632,882	2,183,378

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

For the three month period ended March 31, 2020

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Groups's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended December 31, 2019. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Company for the year ended December 31, 2019.

The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

	March 31, 2020	March 31, 2019
	(Rupees '000)	

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

HOLDING COMPANY**Transactions**

Dividend paid	1,833,772	-
Sale of fertilizer	630	2,751
Others	27	73

ASSOCIATED UNDERTAKINGS / COMPANIES DUE TO COMMON DIRECTORSHIP**Transactions**

Expenses charged on account of marketing of fertilizer on behalf of associated company	210,132	75,338
Commission on sale of products	3,664	1,240
Payment under consignment account - net	17,321,467	6,818,630
Purchase of gas as feed and fuel stock	8,255,655	5,281,421
Equity investment	-	523,908
Services and materials provided	6,311	4,094
Services and materials received	-	375
Donation	164,473	150,114
Interest expense	92,748	56,469
Interest income	9,827	6,997
Dividend income	-	1,079,973

Balances

Long term investments *	155,116	155,116
Short term borrowing *	2,020,818	4,426,551
Long term borrowing *	348,159	348,159
Bank balances *	273,339	310,144
Balance receivable - unsecured *	-	-
Balance payable - unsecured *	370,870	372,458
	65,276,416	65,751,432

KEY MANAGEMENT PERSONNEL

Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2020: 1 and 396 (2019: 1 and 360) respectively.

1,136,957	1,040,870
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
For the three month period ended March 31, 2020

	March 31, 2020	March 31, 2019
	(Rupees '000)	
CONTRIBUTION AND BALANCES WITH STAFF RETIREMENT FUNDS		
Employees' Provident Fund Trust	116,820	107,622
Employees' Gratuity Fund Trust	253,724	218,426
Employees' Pension Fund Trust	159,720	124,559
Employees' Funds as Dividend on equity holding of 0.15% (2019: 0.15%)	6,065	-
Balance payable to Gratuity Fund Trust *	564,765	739,538
Balance payable to Pension Fund Trust *	323,388	443,178

* Comparative figures of receivable / payable balances are as of December 31, 2019.

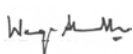
19. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of FFC in its meeting held on April 27, 2020 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 27, 2020.



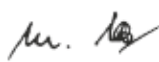
Chairman



Chief Executive



Director



Chief Financial Officer



If underlivered please return to:
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Askari Bank Ltd



Fauji Fresh n Freeze Ltd



Fauji Cement Company Ltd