

3rd Quarter

FINANCIAL STATEMENTS

September 30, 2018
(Un-audited)



FAUJI FERTILIZER COMPANY LIMITED



5046

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**Investors' Education
"Jama Punji"**

SAY NO TO CORRUPTION

Directors' Review

For the Period ended September 30, 2018

On behalf of the Board of Directors, we are pleased to report net earnings of Rs 8.53 billion for the period ended September 30, 2018.

Sona urea production by the three plants stood at 1,878 thousand tonnes during the period, achieving 123% combined operating efficiency.

The Company created a new benchmark in terms of highest ever all product sales of 2,169 thousand tonnes during the period, whereas aggregate revenue (including subsidy) was also registered at the record level of Rs 73.08 billion owing to improved market conditions, with combined FFC / FFBL urea market share of 55% against 49% during the corresponding period of last year.

Income on deposits also increased to Rs 1.71 billion compared to Rs 903 million last year, while financing costs recorded savings of 38% compared to 2017. These factors, combined with higher revenues, more than compensated the decline in dividend income, besides the consistent levy of Super tax, resulting in improved earnings per share of Rs 6.70 compared to Rs 4.66 during the same period of last year.

Consistent with our commitment to provide sustained returns to our shareholders, the Board is pleased to announce third interim dividend of 18.00% (Rs 1.80 per share), with cumulative distribution of 49.50% (Rs 4.95 per share) for the nine months.

Fauji Fresh n Freeze continued to register growth in both local as well as international markets with OPA French Fries leading the sales mix of the company. The project is still in development phase and would require continuous support from the sponsors for fast track achievement of project objectives for which FFF has also engaged industry experts to acquire market intelligence and develop strategies for market penetration as well as product range etc.

Going forward, the significant increase in gas prices, substantial devaluation of PKR, besides persistent pricing pressure and regulatory measures on the fertilizer industry, continue to pose risks to the operations and profitability of the Company.

Favourable Governmental policies including elimination of the significant disparity between input and output GST rates, besides settlement of long outstanding subsidy dues, are therefore vital towards the sustainability of the fertilizer industry as well as ensuring food security in the Country.

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
October 26, 2018

ڈائریکٹرز کا تجزیہ

بورڈ آف ڈائریکٹرز کی جانب سے ہمیں یہ اعلان کرتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی نے 30 ستمبر 2018 کو ختم ہونے والے نو ماہی میں 8.53 ارب روپے کا خالص منافع کمایا ہے۔

کمپنی کے تینوں پلانٹس کی سونا پوریا کی مجموعی پیداوار 1,878 ہزار ٹن رہی اور اس طرح 123 فیصد کی کل پیداواری صلاحیت حاصل ہوئی۔

کمپنی نے اس مدت کے دوران کل پروڈکشن کے 2,169 ہزار ٹن کی مجموعی فروخت کا نیا معیار قائم کیا جبکہ مارکیٹ کے بہتر حالات کی وجہ سے 73.08 ارب روپے کی ریکارڈ مجموعی آمدن (بشمول سبسڈی) بھی حاصل ہوئی۔ FFC/FFBL کا مشترکہ مارکیٹ شیئر 55 فیصد رہا جو کہ پچھلے سال کی اسی مدت میں 49 فیصد تھا۔

Deposits پر آمدن بڑھ کر 1.71 ارب روپے ہو گئی جو کہ مقابلہ پچھلے سال 903 ملین روپے رہی تھی جبکہ 2017 کے مقابلے میں مالیاتی لاگت کی مد میں 38 فیصد کی بچت کی گئی۔ ان عوامل نے بہتر مجموعی آمدن کے ساتھ ملکر منافع منقسمہ میں کمی اور سپر ٹیکس کے مسلسل نفاذ کی وجہ سے نہ صرف دباؤ کا ازالہ کیا بلکہ نتیجتاً 6.70 روپے فی حصہ کی بہتر آمدن بھی حاصل ہوئی جو مقابلہ پچھلے سال اسی مدت میں 4.66 روپے تھی۔

ہمارے حصص یافتگان کو مستحکم آمدن فراہم کرنے کے عزم کے عین مطابق بورڈ تیسرے عبوری منافع منقسمہ 18.00 فیصد (فی حصص 1.80 روپے) کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے۔ جس کے ساتھ نو ماہ کی مجموعی ادائیگی 49.50 فیصد (فی حصص 4.95 روپے) ہو گئی۔

فوجی فرلش این فریز (FFF) نے مقامی اور بین الاقوامی منڈیوں میں اپنی موجودگی میں مسلسل اضافہ کیا ہے اور OPA French Fries کمپنی مصنوعات کی فروخت میں سرفہرست ہے۔ یہ پراجیکٹ ابھی ترقیاتی مراحل میں ہے اور Fast track viability کے حصول کے لئے اسپانسرز (Sponosors) کی مسلسل سپورٹ کی ضرورت ہے FFF نے اس مقصد کے لئے انڈسٹری ایکسپرسز کی خدمات بھی حاصل کی ہیں تاکہ مارکیٹ Intelligence حاصل کر کے مارکیٹ Penetration اور Product range کے بارے میں حکمت عملی وضع کی جاسکے۔

آگے بڑھتے ہوئے گیس کی قیمتوں میں حالیہ اضافہ، روپے کی قدر میں نمایاں کمی، قیمتوں کے تعین میں مسلسل دباؤ اور کھاد کی صنعت پر ریگولیٹری اقدامات کمپنی کے آپریشن اور منافع کے لئے خطرات کا باعث بن سکتے ہیں۔

اس کے ساتھ ساتھ حکومت کی سازگار پالیسیاں بشمول ان پٹ اور آؤٹ پٹ GST کی شرح میں تفریق کا خاتمہ اور واجب الادا سبسڈی کلیم کی ادائیگی، کھاد کے صنعت کے استحکام اور ملکی غذائی ضروریات کی فراہمی کو یقینی بنانے کے لئے اہم ہیں۔

بورڈ کی جانب سے



لیفٹیننٹ جنرل طارق خان
ہلال امتیاز (ملٹری)، (ریٹائرڈ)
چیف ایگزیکٹو اور مینیجنگ ایگزیکٹو



لیفٹیننٹ جنرل سید طارق ندیم گیلانی
ہلال امتیاز (ملٹری)، (ریٹائرڈ)
چیئر مین

راولپنڈی

26 اکتوبر 2018

Company Information

BOARD OF DIRECTORS

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

Chairman

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

Chief Executive & Managing Director

Mr Qaiser Javed

Dr Nadeem Inayat

Mr Farhad Shaikh Mohammad

Mr Per Kristian Bakkerud

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

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

Mr Shoaib Mir

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

Mr Saad Amanullah Khan

Ms Bushra Naz Malik

Mr Azher Ali Choudhry

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

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Website: www.ffc.com.pk

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

Fax No. +92-51-8459925, E-mail: ffcrrwp@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

KPMG Taseer Hadi & Co

Chartered Accountants

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

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

SHARES REGISTRAR

Central Depository Company of Pakistan Limited

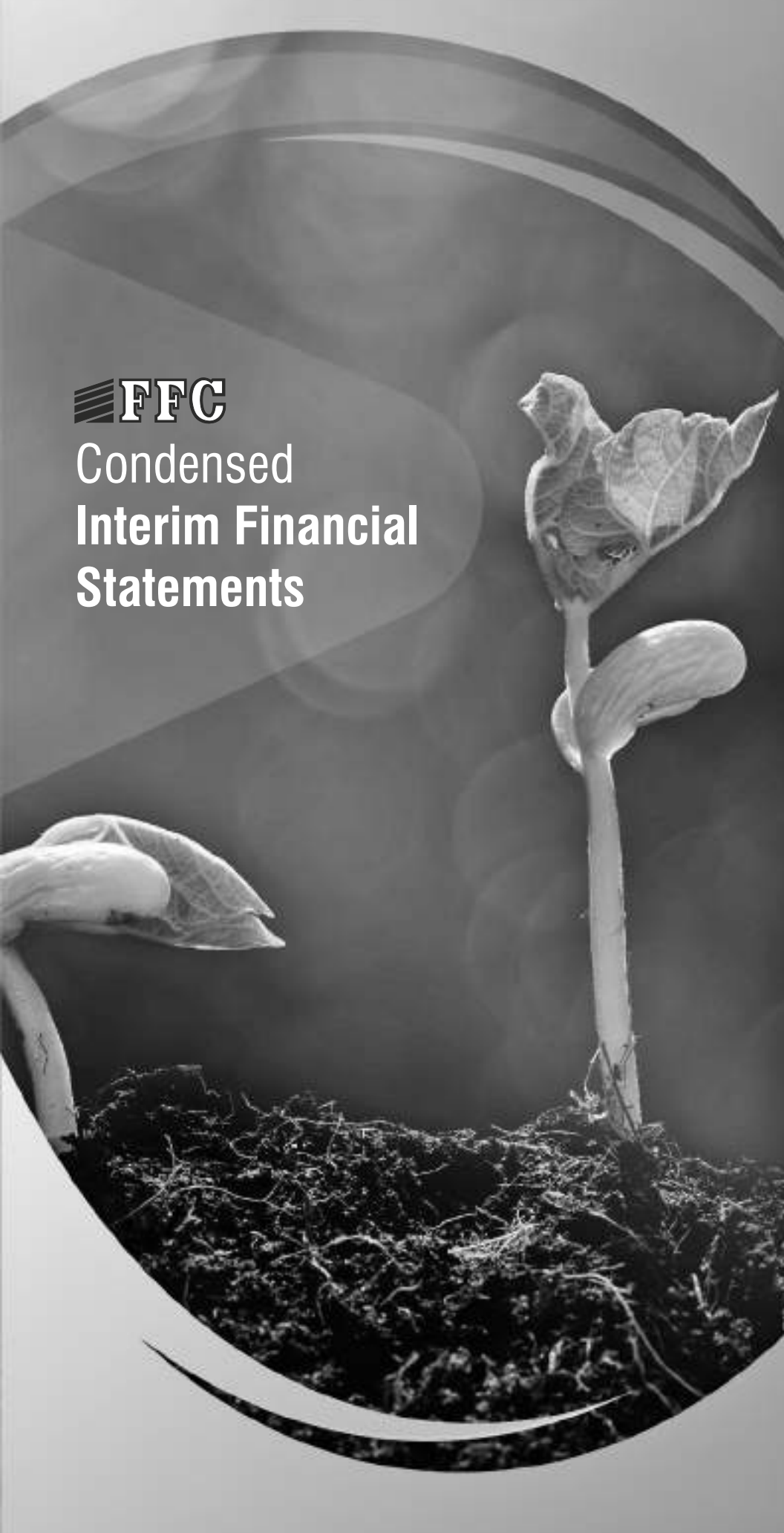
Share Registrar Department

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

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



**Condensed
Interim Financial
Statements**



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2018

	Note	Un-audited September 30, 2018	Audited December 31, 2017
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves	5	16,877,365	16,176,474
Surplus on remeasurement of investments available for sale to fair value - net of tax		68,012	293,523
		29,827,759	29,352,379
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	10,876,125	15,571,491
Deferred liabilities		4,306,542	4,697,189
		15,182,667	20,268,680
CURRENT LIABILITIES			
Trade and other payables	7	52,199,479	38,781,144
Mark-up and profit accrued		389,907	190,707
Short term borrowings - secured	8	5,558,952	11,539,083
Unpaid dividend		1,781,134	-
Unclaimed dividend		438,698	437,291
Current portion of long term borrowings - secured	6	7,817,518	6,831,804
Taxation		3,325,810	1,229,780
		71,511,498	59,009,809
TOTAL EQUITY AND LIABILITIES		116,521,924	108,630,868
CONTINGENCIES AND COMMITMENTS	9		

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

	Note	Un-audited September 30, 2018	Audited December 31, 2017
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	21,676,187	22,312,363
Intangible assets		1,576,519	1,585,018
Long term investments	11	26,750,601	27,868,846
Long term loans and advances		1,099,081	965,959
Long term deposits and prepayments		14,747	13,896
		51,117,135	52,746,082
CURRENT ASSETS			
Stores, spares and loose tools		3,544,171	3,496,117
Stock in trade		16,014,953	395,113
Trade debts		3,429,265	3,721,587
Loans and advances		1,240,145	1,633,916
Deposits and prepayments		143,845	77,792
Other receivables	12	15,395,780	13,964,851
Short term investments	13	22,848,281	30,882,685
Cash and bank balances		2,788,349	1,712,725
		65,404,789	55,884,786
TOTAL ASSETS		116,521,924	108,630,868



Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended September 30, 2018

	Note	For the quarter ended		For the period ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
		(Rupees '000)		(Rupees '000)	
Sales	14	27,411,252	27,588,722	70,677,328	57,750,026
Cost of sales		18,818,471	22,264,176	52,564,998	46,187,163
GROSS PROFIT		8,592,781	5,324,546	18,112,330	11,562,863
Distribution cost		2,341,578	2,464,227	6,711,233	6,534,693
		6,251,203	2,860,319	11,401,097	5,028,170
Finance cost		418,665	731,105	1,183,327	1,917,188
Other expenses		570,726	368,760	1,408,245	1,038,336
		5,261,812	1,760,454	8,809,525	2,072,646
Other income		665,023	1,564,948	4,908,632	7,115,882
PROFIT BEFORE TAXATION		5,926,835	3,325,402	13,718,157	9,188,528
Provision for taxation		2,117,000	1,209,000	5,193,000	3,255,000
PROFIT AFTER TAXATION		3,809,835	2,116,402	8,525,157	5,933,528
Earnings per share - basic and diluted (Rupees)		2.99	1.66	6.70	4.66

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



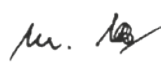
Chairman



Chief Executive



Director




Chief Financial Officer

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
For the period ended September 30, 2018

	For the quarter ended		For the period ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	(Rupees '000)		(Rupees '000)	
Profit after taxation	3,809,835	2,116,402	8,525,157	5,933,528
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	(80,130)	(46,548)	(225,511)	(126,424)
Total comprehensive income	3,729,705	2,069,854	8,299,646	5,807,104

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



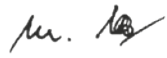
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

For the period ended September 30, 2018

	Note	September 30, 2018	September 30, 2017
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	9,231,020	4,727,967
Finance cost paid		(984,127)	(1,619,410)
Income tax paid		(3,487,617)	(3,058,596)
Subsidy received on sale of fertilizer		1,844,383	2,925,030
		(2,627,361)	(1,752,976)
Net cash generated from operating activities		6,603,659	2,974,991
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(984,564)	(1,890,310)
Proceeds from sale of property, plant and equipment		8,925	16,467
Investment in subsidiary company - FFF		(1,640,000)	(200,000)
Investment in associated company - TEL		(1,250,400)	-
Increase in other investments - net		(8,826,064)	(673,090)
Interest and profit received		1,068,848	986,540
Dividends received		705,720	1,150,906
Net cash used in investing activities		(10,917,535)	(609,487)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Draw-downs		-	4,000,000
Repayments		(3,709,652)	(3,512,152)
Dividends paid		(6,041,725)	(5,912,434)
Net cash used in financing activities		(9,751,377)	(5,424,586)
Net decrease in cash and cash equivalents		(14,065,253)	(3,059,082)
Cash and cash equivalents at beginning of the period		18,963,048	(6,041,304)
Effect of exchange rate changes		195,829	8,911
Cash and cash equivalents at end of the period		5,093,624	(9,091,475)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,788,349	7,221,418
Short term highly liquid investments		7,864,227	6,662,806
Short term borrowings		(5,558,952)	(22,975,699)
		5,093,624	(9,091,475)

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 period ended September 30, 2018

	Share capital	Capital reserves	Revenue reserves		Surplus on remeasurement of investments available for sale to fair value	Total
			General reserves	Unappropriated profit		
			(Rupees '000)			
Balance as at January 1, 2017	12,722,382	160,000	6,802,360	8,039,603	486,950	28,211,295
Total comprehensive income						
Profit after taxation	-	-	-	5,933,528	-	5,933,528
Other comprehensive income - net of tax	-	-	-	-	(126,424)	(126,424)
	-	-	-	5,933,528	(126,424)	5,807,104
Distribution to owners - recorded directly in equity						
Final dividend 2016: Rs 2.75 per share	-	-	-	(3,498,655)	-	(3,498,655)
First interim dividend 2017: Rs 1.50 per share	-	-	-	(1,908,357)	-	(1,908,357)
Second interim dividend 2017: Rs 1.00 per share	-	-	-	(1,272,238)	-	(1,272,238)
	-	-	-	(6,679,250)	-	(6,679,250)
Other changes in equity						
Transfer to general reserve	-	-	2,000,000	(2,000,000)	-	-
Balance as at September 30, 2017	12,722,382	160,000	8,802,360	5,293,881	360,526	27,339,149
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 after taxation	-	-	-	8,525,157	-	8,525,157
Other comprehensive income - net of tax	-	-	-	-	(225,511)	(225,511)
	-	-	-	8,525,157	(225,511)	8,299,646
Distribution to owners - recorded directly in equity						
Final dividend 2017: Rs 3.00 per share	-	-	-	(3,816,715)	-	(3,816,715)
First interim dividend 2018: Rs 1.75 per share	-	-	-	(2,226,417)	-	(2,226,417)
Second interim dividend 2018: Rs 1.40 per share	-	-	-	(1,781,134)	-	(1,781,134)
	-	-	-	(7,824,266)	-	(7,824,266)
Balance as at September 30, 2018	12,722,382	160,000	8,802,360	8,075,005	68,012	29,827,759

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 INFORMATION

For the period ended September 30, 2018

- 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.
- These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017

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

The disclosures in these condensed interim financial statements do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended December 31, 2017. Comparative condensed interim statement of financial position is extracted from annual financial statements as at December 31, 2017 whereas comparative condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from un-audited condensed interim financial statements of the Company for the period ended September 30, 2017.

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.

- 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, 2017, except for the following:

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

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

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

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited September 30, 2018	Audited December 31, 2017		Un-audited September 30, 2018	Audited December 31, 2017
(Number of shares)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs 10 each, issued for consideration in cash	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs 10 each, issued as fully paid bonus shares	10,157,423	10,157,423
1,272,238,247	1,272,238,247		12,722,382	12,722,382

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

	Un-audited September 30, 2018	Audited December 31, 2017
	(Rupees '000)	
5. REVENUE RESERVES		
General reserve	8,802,360	8,802,360
Unappropriated profit	8,075,005	7,374,114
	16,877,365	16,176,474

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended September 30, 2018

	Note	Un-audited September 30, 2018	Audited December 31, 2017
(Rupees '000)			
6. LONG TERM BORROWINGS - SECURED			
From conventional banks	6.1	16,774,000	19,910,438
From Islamic banks	6.2	1,919,643	2,492,857
		18,693,643	22,403,295
Less: Current portion shown under current liabilities			
From conventional banks		6,485,375	5,735,375
From Islamic banks		1,332,143	1,096,429
		7,817,518	6,831,804
		10,876,125	15,571,491
6.1 Movement during the period / year is as follows:			
Opening balance		19,910,438	19,448,312
Draw-downs during the period / year		-	7,000,000
Repayments during the period / year		(3,136,438)	(6,537,874)
Closing balance	6.1.1	16,774,000	19,910,438

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 (2017: 6 month KIBOR + 0.10% to 0.40% per annum and 3 month KIBOR + 0.15% to 0.40% per annum) and are repayable up to December 2022 (2017: December 2022).

	Note	Un-audited September 30, 2018	Audited December 31, 2017
(Rupees '000)			
6.2 Movement during the period / year is as follows:			
Opening balance		2,492,857	3,639,286
Draw-downs during the period / year		-	-
Repayments during the period / year		(573,214)	(1,146,429)
Closing balance	6.2.1	1,919,643	2,492,857

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 (2017: 6 month KIBOR + 0.05% to 0.40% per annum) and are repayable up to December 2020 (2017: December 2020).

7. TRADE AND OTHER PAYABLES

Trade and other payables mainly include Rs 37,188,584 thousand (2017: Rs 22,944,401 thousand) on account of Gas Infrastructure Development Cess (GIDC).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended September 30, 2018

	Note	Un-audited September 30, 2018	Audited December 31, 2017
(Rupees '000)			
8. SHORT TERM BORROWINGS - SECURED			
From conventional banks	8.1	4,637,158	11,039,083
From Islamic banks	8.2	921,794	500,000
		5,558,952	11,539,083

- 8.1** Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 33.01 billion (2017: Rs 35.21 billion) which represent the aggregate all facility agreements between the Company and respective banks. The facilities have various maturity dates upto June 30, 2019.

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

- 8.2** Shariah compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to Rs 3.57 billion (2017: Rs 3.50 billion) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto 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% (2017: 3 month KIBOR + 0.07% to 0.10%).

	Un-audited September 30, 2018	Audited December 31, 2017
(Rupees '000)		

9. CONTINGENCIES AND COMMITMENTS

(a) Contingencies:

(i) Guarantees issued by banks on behalf of the Company	16,834	16,668
(ii) Claims against the Company and / or potential exposure not acknowledged as debt	50,696	50,696
(iii) The Competition Commission of Pakistan (CCP) had imposed a penalty of Rs 5.5 billion in 2013 on the Company for alleged unreasonable increase in urea prices, against which the Company had filed an appeal with the Competition Appellate Tribunal (Tribunal). The Tribunal has set aside the penalty and remanded the case back to CCP with the direction to decide the case afresh under the guidelines provided by the Tribunal. The CCP however, has the option to contest the case before the Supreme Court but the Company continues to be confident of successfully contesting the unreasonable allegations at all appellate forums.		

	Un-audited September 30, 2018	Audited December 31, 2017
(Rupees '000)		

(b) Commitments in respect of:

(i) Capital expenditure	420,813	2,498,658
(ii) Purchase of fertilizer, stores, spares and other operational items	5,401,877	2,821,573
(iii) Investment in Fauji Fresh n Freeze Limited	-	640,000
(iv) Investment in Thar Energy Limited	3,514,700	-
(v) Rentals under lease agreements:		
Premises	260,896	312,656
Vehicles	92,303	83,674

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended September 30, 2018

	Note	Un-audited September 30, 2018	Audited December 31, 2017
		(Rupees '000)	
10. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		22,312,363	21,232,732
Additions during the period / year	10.1	983,414	3,275,533
Written down value of disposals		(153)	(14,131)
Depreciation during the period / year	10.1 & 10.2	(1,619,437)	(2,181,771)
		<u>21,676,187</u>	<u>22,312,363</u>

10.1 Additions in and depreciation on property, plant and equipment during the period ended September 30, 2017 were Rs 1,888,895 thousand and Rs 1,625,859 thousand respectively.

	Note	Un-audited September 30, 2018	Audited December 31, 2017
		(Rupees '000)	
10.2 Depreciation charge has been allocated as follows:			
Cost of sales		1,556,039	2,093,416
Distribution cost		50,747	70,233
Other expenses		1,544	1,850
Charged to FFBL under the Company Services Agreement		11,107	16,272
		<u>1,619,437</u>	<u>2,181,771</u>

11. LONG TERM INVESTMENTS

Investment in subsidiary companies - at cost

FFC Energy Limited	2,438,250	2,438,250
Fauji Fresh n Freeze Limited	4,835,500	3,195,500
	<u>7,273,750</u>	<u>5,633,750</u>

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
	<u>16,620,840</u>	<u>16,620,840</u>

Investment in associated company (Unquoted) - at cost

Thar Energy Limited	1,250,400	-
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Investment in joint venture (Unquoted) - at cost

Pakistan Maroc Phosphore S.A., Morocco	705,925	705,925
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Investments available for sale

Term Deposit Receipts - from conventional banks	114,624	108,894
Pakistan Investment Bonds	4,904,160	6,912,055
	<u>5,018,784</u>	<u>7,020,949</u>
	<u>30,869,699</u>	<u>29,981,464</u>

Less: Current portion shown under short term investments

Investments available for sale

Term Deposit Receipts - from conventional banks	33,419	28,834
Pakistan Investment Bonds	4,085,679	2,083,784
	<u>4,119,098</u>	<u>2,112,618</u>
	<u>26,750,601</u>	<u>27,868,846</u>

12. OTHER RECEIVABLES

Other receivables include Rs 7,319,878 thousand (2017: Rs 6,763,903 thousand) on account of subsidy receivable and Rs 7,967,851 thousand (2017: Rs 5,210,457 thousand) on account of sales tax receivable from the Government.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended September 30, 2018

	Note	Un-audited September 30, 2018	Audited December 31, 2017
		(Rupees '000)	
13. SHORT TERM INVESTMENTS			
Loans and receivables - Conventional investments			
Term deposits with banks and financial institutions			
Local currency		6,100,000	26,000,000
Foreign currency		1,759,685	1,530,343
		7,859,685	27,530,343
Investments at fair value through profit or loss			
Conventional investments		10,668,782	1,038,628
Shariah compliant investments		200,716	201,096
		10,869,498	1,239,724
Current maturity of long term investments			
Investments available for sale	11	4,119,098	2,112,618
		22,848,281	30,882,685
		For the quarter ended	For the period ended
		September 30, 2018	September 30, 2017
14. SALES			
		(Rupees '000)	(Rupees '000)
Manufactured urea - local		19,572,221	15,325,030
Manufactured urea - export		-	1,784,551
Purchased and packaged fertilizers		8,399,041	12,894,702
		27,971,262	30,004,283
Sales tax		(560,010)	(1,277,913)
Trade discount		-	(1,137,648)
		(560,010)	(2,415,561)
		27,411,252	27,588,722
15. CASH GENERATED FROM OPERATIONS			
Profit before taxation		13,718,157	9,188,528
Adjustments for:			
Depreciation		1,608,330	1,615,260
Amortization		9,649	7,574
Provision for slow moving spares		25,811	34,029
Finance cost		1,183,327	1,893,401
Gain on disposal of property, plant and equipment		(8,772)	(2,357)
Interest and profit on loans, deposits and investments		(1,056,455)	(783,018)
Exchange (gain) / loss - net		(195,829)	14,876
Gain on re-measurement of investments at fair value through profit or loss		(281,577)	(9,003)
Dividend income		(799,470)	(1,235,281)
Subsidy on sale of fertilizer		(2,400,358)	(4,977,308)
		(1,915,344)	(3,441,827)
		11,802,813	5,746,701
Changes in:			
Stores, spares and loose tools		(73,865)	(259,618)
Stock in trade		(15,619,840)	(7,197,197)
Trade debts		292,322	(7,247,640)
Loans and advances		393,771	(944,016)
Deposits and prepayments		(66,053)	(78,164)
Other receivables		(782,490)	(4,140,440)
Trade and other payables		13,418,335	18,892,697
		(2,437,820)	(974,378)
Changes in long term loans and advances		(133,122)	(44,965)
Changes in long term deposits and prepayments		(851)	609
		9,231,020	4,727,967

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

For the period ended September 30, 2018

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 (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2018

September 30, 2018 Financial assets not measured at fair value

	Carrying Amount		Other financial assets / liabilities (Rupees '000)	Fair Value			
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Total	Level 1	Level 2	Level 3
Non - current assets	-	81,205	-	81,205	-	-	-
Long term investments	1,099,081	-	-	1,099,081	-	-	-
Long term loans and advances	12,378	-	-	12,378	-	-	-
Long term deposits	-	-	-	-	-	-	-
Current assets	-	-	-	-	-	-	-
Trade debts - net of provision	3,429,265	-	-	3,429,265	-	-	-
Loans and advances	1,037,003	-	-	1,037,003	-	-	-
Deposits	944	-	-	944	-	-	-
Other receivables	7,063,075	-	-	7,063,075	-	-	-
Short term investments	7,859,685	33,419	-	7,893,104	-	-	-
Cash and bank balances	2,788,349	-	-	2,788,349	-	-	-
	23,289,780	114,624	-	23,404,404	-	-	-

Financial assets measured at fair value

Non - current assets	-	818,481	-	818,481	-	818,481	818,481
Long term investments	-	4,085,679	-	4,085,679	-	4,085,679	4,085,679
Current assets	-	4,904,160	-	4,904,160	-	4,904,160	4,904,160
Short term investment	-	5,018,784	-	5,018,784	-	5,018,784	5,018,784
	23,289,780	10,089,498	10,869,498	34,158,766	10,869,498	4,904,160	15,773,658

Financial liabilities not measured at fair value

Non - current liabilities	-	10,876,125	-	10,876,125	-	-	-
Long term borrowings - secured	-	47,459,216	-	47,459,216	-	-	-
Current liabilities	-	-	-	-	-	-	-
Trade and other payables	-	389,907	-	389,907	-	-	-
Mark-up and profit accrued	-	5,558,952	-	5,558,952	-	-	-
Short term borrowings - secured	-	1,781,134	-	1,781,134	-	-	-
Unpaid dividend	-	438,698	-	438,698	-	-	-
Unclaimed dividend	-	7,817,518	-	7,817,518	-	-	-
Current portion of long term borrowings - secured	-	74,321,550	-	74,321,550	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Carrying Amount			Other financial assets / liabilities (Rupees '000)	Fair Value			
	Loans and receivables	Available for sale investments	Fair value through profit or loss		Level 1	Level 2	Level 3	Total
December 31, 2017								
Financial assets not measured at fair value								
Non - current assets								
Long term investments	-	80,060	-	-	-	-	-	
Long term loans and advances	965,959	-	-	-	-	-	-	
Long term deposits	12,378	-	-	-	-	-	-	
Current assets								
Trade debts - net of provision	3,721,587	-	-	-	-	-	-	
Loans and advances	1,483,776	-	-	-	-	-	-	
Deposits	944	-	-	-	-	-	-	
Other receivables	7,927,544	-	-	-	-	-	-	
Short term investments	27,530,343	28,834	-	-	-	-	-	
Cash and bank balances	1,712,725	-	-	-	-	-	-	
	43,355,256	108,894	-	-	-	-	-	
Financial assets measured at fair value								
Non - current assets								
Long term investments	-	4,828,271	-	-	4,828,271	-	4,828,271	
Current assets								
Short term investment	-	2,083,784	1,239,724	-	1,239,724	-	3,323,508	
	-	6,912,055	1,239,724	-	1,239,724	-	8,151,779	
	43,355,256	7,020,949	1,239,724	-	1,239,724	-	8,151,779	
Financial liabilities not measured at fair value								
Non - current liabilities								
Long term borrowings - secured	-	-	-	15,571,491	-	-	-	
Current liabilities								
Trade and other payables	-	-	-	29,913,012	-	-	-	
Mark-up and profit accrued	-	-	-	190,707	-	-	-	
Short term borrowings - secured	-	-	-	11,539,083	-	-	-	
Unclaimed dividend	-	-	-	437,291	-	-	-	
Current portion of long term borrowings - secured	-	-	-	6,831,804	-	-	-	
	-	-	-	64,483,388	-	-	-	

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018	September 30, 2017
	(Rupees '000)	
17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Significant transactions and balances with the related parties are as follows:		
Transactions and balances with subsidiary companies		
Guarantee against loan of subsidiary company - FFF	919,833	2,004,167
Investment in subsidiary company - FFF	1,640,000	200,000
Dividend receivable *	-	500,000
Balances receivable - unsecured *	800,676	1,312,959
Transactions and balances with associated undertakings / joint ventures / companies due to common ownership		
Investment in associated company - TEL	1,250,400	-
Expenses charged on account of marketing of fertilizer on behalf of associated company - FFBL	819,109	603,053
Commission on sale of products	16,607	15,385
Payments under consignment account	32,735,380	28,147,460
Purchase of gas as feed and fuel stock	12,482,686	14,979,552
Sale of fertilizers	1,500	641
Donations	61,404	65,095
Dividend income	799,470	1,235,281
Dividend paid	2,680,129	2,962,247
Others	16,232	16,882
Dividend receivable *	93,750	-
Short term investment *	-	500,000
Long term investments *	114,624	108,894
Short term borrowing *	3,774,795	694,857
Running finance *	132,870	133,819
Balances receivable - unsecured *	51,011	45,352
Balances payable - unsecured *	42,063,982	24,596,243
Key management personnel - Restated		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2018: 1 and 341 (2017: 1 and 342) respectively.	2,961,910	2,850,652
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	323,333	312,379
Employees' Gratuity Fund Trust	168,507	118,014
Employees' Pension Fund Trust	154,914	89,283
Employees' Funds as Dividend on equity holding of 0.15% (2017: 0.12%)	9,150	5,451
Balance payable to Gratuity Fund Trust *	(351,311)	(397,886)
Balance payable to Pension Fund Trust *	(323,583)	(362,311)

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

18. POST BALANCE SHEET EVENT

The Board of Directors of the Company in its meeting held on October 26, 2018 proposed third interim dividend of Rs 1.80 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 October 26, 2018.



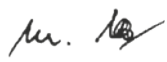
Chairman



Chief Executive



Director



Chief Financial Officer



Condensed Interim Consolidated Financial Statements



Askari Bank Ltd



Fauji Fresh n Freeze Ltd



FFBL
Fauji Fertilizer Company Limited



Fauji Cement Company Ltd

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2018

	Note	Un-audited September 30, 2018	Audited December 31, 2017
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		3,010,974	2,101,184
Revenue reserves	5	37,156,229	35,360,005
(Deficit) / surplus on remeasurement of investments available for sale to fair value - net of tax		(326,988)	934,733
		52,562,597	51,118,304
Share in revaluation reserve of associates - net		848,685	759,892
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	15,669,551	21,162,157
Deferred liabilities		5,791,358	5,973,370
Liability against assets subject to finance lease		8,111	8,440
		21,469,020	27,143,967
CURRENT LIABILITIES			
Trade and other payables	7	52,637,369	39,288,679
Mark-up and profit accrued		535,660	216,140
Short term borrowings - secured	8	6,398,952	11,939,083
Unpaid dividend		1,781,134	-
Unclaimed dividend		438,698	437,291
Current portion of long term borrowings - secured	6	9,408,078	8,633,497
Current portion of land lease liability		2,566	2,566
Taxation		3,326,680	1,230,841
		74,529,137	61,748,097
TOTAL EQUITY AND LIABILITIES		149,409,439	140,770,260
CONTINGENCIES AND COMMITMENTS			
	9		

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

	Note	Un-audited September 30, 2018	Audited December 31, 2017
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	33,113,156	34,351,610
Intangible assets		1,942,055	1,951,383
Long term investments	11	43,592,240	45,665,306
Long term loans and advances		1,099,081	965,959
Long term deposits and prepayments		32,168	31,173
		79,778,700	82,965,431
CURRENT ASSETS			
Stores, spares and loose tools		3,556,546	3,511,899
Stock in trade		16,434,587	640,655
Trade debts		5,803,541	4,817,924
Loans and advances		775,277	585,527
Deposits and prepayments		164,602	83,824
Other receivables	12	15,673,974	13,735,003
Short term investments	13	24,181,281	31,657,685
Cash and bank balances		3,040,931	2,772,312
		69,630,739	57,804,829
TOTAL ASSETS		149,409,439	140,770,260



Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
For the period ended September 30, 2018

	Note	For the quarter ended		For the period ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
		(Rupees '000)		(Rupees '000)	
Sales	14	28,668,221	28,753,304	73,726,557	60,351,590
Cost of sales		19,408,405	22,797,788	54,294,933	47,499,168
GROSS PROFIT		9,259,816	5,955,516	19,431,624	12,852,422
Administrative expenses and distribution cost		2,582,461	2,587,822	7,186,010	6,901,041
		6,677,355	3,367,694	12,245,614	5,951,381
Finance cost		596,009	923,399	1,656,711	2,546,123
Other expenses		570,726	368,760	1,408,245	1,038,336
		5,510,620	2,075,535	9,180,658	2,366,922
Other income		569,408	1,398,961	4,150,005	5,951,030
Share of profit of associates and joint ventures		1,417,252	1,158,997	1,915,117	2,067,235
PROFIT BEFORE TAXATION		7,497,280	4,633,493	15,245,780	10,385,187
Provision for taxation		2,059,552	1,409,115	5,217,332	3,577,236
PROFIT AFTER TAXATION		5,437,728	3,224,378	10,028,448	6,807,951

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



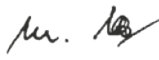
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
For the period ended September 30, 2018

	For the quarter ended		For the period ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	(Rupees '000)		(Rupees '000)	
Profit after taxation	5,437,728	3,224,378	10,028,448	6,807,951
Other comprehensive income				
Items that will not be subsequently reclassified to statement of profit or loss				
Equity accounted investees - share of OCI, net of tax	6,489	(33,237)	(2,460)	(20,039)
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	(80,130)	(46,548)	(225,511)	(126,424)
Share of equity accounted investees - share of OCI, net of tax	(100,577)	(221,345)	(531,918)	(564,511)
	(180,707)	(267,893)	(757,429)	(690,935)
Comprehensive income taken to equity	5,263,510	2,923,248	9,268,559	6,096,977
Comprehensive income not recognised in equity				
Items that may be subsequently reclassified to profit or loss	-	(3,260)	88,793	110,816
Total comprehensive income	5,263,510	2,919,988	9,357,352	6,207,793

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



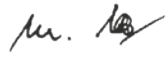
Chairman



Chief Executive



Director



Chief Financial Officer

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

For the period ended September 30, 2018

	Note	September 30, 2018	September 30, 2017
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	16	7,796,545	5,710,960
Finance cost paid		(1,337,191)	(2,118,476)
Income tax paid		(3,224,872)	(2,911,610)
Subsidy received on sale of fertilizer		1,844,383	2,925,030
		(2,717,680)	(2,105,056)
Net cash generated from operating activities		5,078,865	3,605,904
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,048,827)	(1,971,671)
Proceeds from sale of property, plant and equipment		14,685	289,272
Investment in associated company - TEL		(1,250,400)	-
Decrease in investments - net		(9,384,064)	(953,609)
Interest and profit received		1,353,218	1,082,610
Dividend received		705,720	1,150,906
Net cash used in investing activities		(9,609,668)	(402,492)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Draw-downs		-	4,000,000
Repayments		(4,739,730)	(4,335,372)
Dividends paid		(6,041,725)	(5,912,434)
Net cash used in financing activities		(10,781,455)	(6,247,806)
Net decrease in cash and cash equivalents		(15,312,258)	(3,044,394)
Cash and cash equivalents at beginning of the period		19,622,635	(6,073,964)
Effect of exchange rate changes		195,829	8,911
Cash and cash equivalents at end of the period		4,506,206	(9,109,447)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		3,040,931	7,594,346
Short term highly liquid investments		7,864,227	6,662,806
Short term borrowings - secured		(6,398,952)	(23,366,599)
		4,506,206	(9,109,447)

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



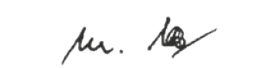
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the period ended September 30, 2018

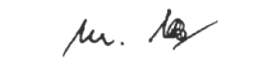
	Capital reserves				Revenue reserves		Surplus on remeasurement of investments to fair value	Total
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserve (Rupees '000)	General reserves	Unappropriated profit	
Balance as at January 1, 2017	12,722,382	40,000	120,000	251,153	985,519	6,802,360	27,069,130	50,716,755
Total comprehensive income	-	-	-	-	-	-	-	-
Profit after taxation	-	-	-	(39,422)	-	-	6,807,951	6,807,951
Other comprehensive income - net of tax	-	-	-	(39,422)	-	-	(20,039)	(710,974)
Distribution to owners - recorded directly in equity	-	-	-	-	-	-	6,787,912	6,086,977
Final dividend 2016: Rs 2.75 per share	-	-	-	-	-	-	-	-
First interim dividend 2017: Rs 1.50 per share	-	-	-	-	-	-	-	-
Second interim dividend 2017: Rs 1.00 per share	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	(3,498,655)	(3,498,655)
Transfer to statutory reserve	-	-	-	-	466,413	-	(1,908,357)	(1,908,357)
Balance as at September 30, 2017	12,722,382	40,000	120,000	211,731	1,451,932	8,802,360	24,711,379	50,134,482
Balance as at January 1, 2018	12,722,382	40,000	120,000	372,893	1,568,291	8,802,360	26,557,645	51,118,304
Total comprehensive income	-	-	-	-	-	-	-	-
Profit after taxation	-	-	-	504,292	-	-	10,028,448	10,028,448
Other comprehensive income - net of tax	-	-	-	504,292	-	-	(2,460)	(799,889)
Distribution to owners - recorded directly in equity	-	-	-	-	-	-	10,025,988	9,288,559
Final dividend 2017: Rs 3.00 per share	-	-	-	-	-	-	-	-
First interim dividend 2018: Rs 1.75 per share	-	-	-	-	-	-	-	-
Second interim dividend 2018: Rs 1.40 per share	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	(3,816,715)	(3,816,715)
Transfer to statutory reserve	-	-	-	-	405,498	-	(2,226,417)	(2,226,417)
Balance as at September 30, 2018	12,722,382	40,000	120,000	877,185	1,973,789	8,802,360	28,353,869	52,562,597

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 period ended September 30, 2018

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 will principally be engaged in the business of processing fresh, frozen fruit, vegetables, fresh meat, frozen cooked and semi cooked food.

2. These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017

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

The applicable framework for banks also includes the Banking Companies Ordinance 1962 and the provisions of and directives issued by the State Bank of Pakistan.

The disclosures in 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, 2017. Comparative figures of condensed interim statement of financial position is extracted from audited financial statements as at December 31, 2017 whereas comparative figures of condensed interim statement of profit or loss account, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from un-audited condensed interim financial statements of the Group for the period ended September 30, 2017.

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.

3. The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of 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, 2017, except for the following:

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

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

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

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited September 30, 2018	Audited December 31, 2017		Un-audited September 30, 2018	Audited December 31, 2017
(Number of shares)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs.10 each, issued for consideration in cash.	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs.10 each issued as fully paid bonus shares.	10,157,423	10,157,423
1,272,238,247	1,272,238,247		12,722,382	12,722,382

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended September 30, 2018

	Note	Un-audited September 30, 2018	Audited December 31, 2017
		(Rupees '000)	
5. REVENUE RESERVES			
General reserve		8,802,360	8,802,360
Unappropriated profit		28,353,869	26,557,645
		37,156,229	35,360,005
6. LONG TERM BORROWINGS - SECURED			
From conventional banks			
Fauji Fertilizer Company Limited	6.1	16,774,000	19,910,438
FFC Energy Limited	6.2	5,694,178	6,154,901
Fauji Fresh n Freeze Limited	6.3	689,808	1,237,458
From Islamic banks			
Fauji Fertilizer Company Limited	6.4	1,919,643	2,492,857
		25,077,629	29,795,654
Less: Current portion shown under current liabilities			
From conventional banks		8,075,935	7,537,068
From Islamic banks		1,332,143	1,096,429
		9,408,078	8,633,497
		15,669,551	21,162,157
6.1 Movement during the period / year is as follows:			
Opening balance		19,910,438	19,448,312
Draw-downs during the period / year		-	7,000,000
Repayments during the period / year		(3,136,438)	(6,537,874)
Closing balance		16,774,000	19,910,438
6.2 Movement during the period / year is as follows:			
Opening balance		6,154,901	6,981,494
Draw-downs during the period / year		-	-
Repayments during the period / year		(481,828)	(858,914)
		5,673,073	6,122,580
Less: Transaction cost			
Initial transaction cost		-	-
Amortized during the period / year		21,105	32,321
		21,105	32,321
Closing balance		5,694,178	6,154,901
6.3 Movement during the period / year is as follows:			
Opening balance		1,237,458	1,908,350
Draw-downs during the period / year		-	-
Repayments during the period / year		(548,250)	(671,625)
		689,208	1,236,725
Less: Transaction cost			
Initial transaction cost		-	-
Amortized during the period / year		600	733
		600	733
Closing balance		689,808	1,237,458
6.4 Movement during the period / year is as follows:			
Opening balance		2,492,857	3,639,286
Draw-downs during the period / year		-	-
Repayments during the period / year		(573,214)	(1,146,429)
Closing balance		1,919,643	2,492,857
7. TRADE AND OTHER PAYABLES			

Trade and other payables mainly include Rs 37,188,584 thousand (2017: Rs 22,944,401 thousand) on account of Gas Infrastructure Development Cess (GIDC).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended September 30, 2018

		Un-audited September 30, 2018	Audited December 31, 2017
		(Rupees '000)	
8. SHORT TERM BORROWINGS - SECURED			
From conventional banks		5,477,158	11,439,083
From Islamic banks		921,794	500,000
		6,398,952	11,939,083
9. CONTINGENCIES AND COMMITMENTS			
(a) Contingencies:			
(i) Guarantees issued by banks on behalf of the Group companies		16,834	16,668
(ii) Claims against FFC and/or potential exposure not acknowledged as debt		50,696	50,696
(iii) Group's share of contingencies in Fauji Fertilizer Bin Qasim Limited		42,665,872	35,703,594
(iv) Group's share of contingencies in Fauji Cement Company Limited as at June 30, 2018 (2017: September 30, 2017)		100,597	272,518
(v) Group's share of contingencies in Askari Bank Limited as at June 30, 2018 (2017: September 30, 2017)		167,181,861	136,769,301
(vi) The Competition Commission of Pakistan (CCP) had imposed a penalty of Rs 5.5 billion in 2013 on FFC for alleged unreasonable increase in urea prices, against which FFC had filed an appeal with the Competition Appellate Tribunal (Tribunal). The Tribunal has set aside the penalty and remanded the case back to CCP with the direction to decide the case afresh under the guidelines provided by the Tribunal. The CCP however, has the option to contest the case before the Supreme Court but the Company continues to be confident of successfully contesting the unreasonable allegations at all appellate forums.			
	Note	Un-audited September 30, 2018	Audited December 31, 2017
		(Rupees '000)	
(b) Commitments in respect of:			
(i) Capital expenditure		420,813	2,498,658
(ii) Purchase of fertilizer, stores, spares and other operational items		5,401,877	2,821,573
(iii) Investment in Thar Energy Limited		3,514,700	-
(iv) Group's share of commitments of PMP as at June 30, 2018 (2017: September 30, 2017)		8,702	17,133
(v) Rentals under lease agreements:			
Premises		309,759	364,085
Vehicles		92,303	83,674
10. PROPERTY PLANT AND EQUIPMENT			
Opening written down value		34,351,610	34,295,455
Additions during the period / year	10.1	1,047,678	3,399,664
Written down value of disposals / adjustments		(5,809)	(286,357)
Depreciation during the period / year	10.1 & 10.2	(2,280,323)	(3,057,152)
		33,113,156	34,351,610
10.1 Additions in and depreciation on property, plant and equipment during the period ended September 30, 2017 were Rs 1,965,762 thousand and Rs 2,279,520 thousand respectively.			
		Un-audited September 30, 2018	Audited December 31, 2017
		(Rupees '000)	
10.2 Depreciation charge has been allocated as follows:			
Cost of sales		2,216,507	2,959,733
Distribution cost		51,165	79,297
Other expenses		1,544	1,850
Charged to FFBL under the Company Services Agreement		11,107	16,272
		2,280,323	3,057,152

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended September 30, 2018

	Note	Un-audited September 30, 2018	Audited December 31, 2017
		(Rupees '000)	
11. LONG TERM INVESTMENTS			
Equity accounted investments	11.1	42,692,554	40,756,975
Other long term investments	11.2	899,686	4,908,331
		<u>43,592,240</u>	<u>45,665,306</u>
11.1 Equity accounted investments			
Investment in associated companies - under equity method			
Fauji Fertilizer Bin Qasim Limited			
Balance at the beginning		20,131,610	19,735,481
Share of profit for the period / year		132,929	945,641
Share of OCI for the period / year		174,753	(269,977)
Dividend received		(349,419)	(279,535)
		<u>20,089,873</u>	<u>20,131,610</u>
Askari Bank Limited			
Balance at the beginning		16,528,939	17,148,611
Share of profit for the period / year		1,537,410	2,202,716
Share of OCI for the period / year		(896,715)	(1,462,968)
Dividend received		-	(1,359,420)
		<u>17,169,634</u>	<u>16,528,939</u>
Fauji Cement Company Limited			
Balance at the beginning		2,051,242	2,063,119
Share of profit for the period / year		202,704	166,248
Dividend received		(93,750)	(178,125)
		<u>2,160,196</u>	<u>2,051,242</u>
Thar Energy Limited			
Investment during the period		1,250,400	-
Share of loss for the period / year		(5,198)	-
		<u>1,245,202</u>	<u>-</u>
Investment in joint venture - under equity method			
Pakistan Maroc Phosphore S.A., Morocco			
Balance at the beginning		2,045,184	1,860,912
Share of profit for the period / year		47,272	220,728
Gain on translation of net assets		197,744	70,174
Dividend received		(262,551)	(106,630)
		<u>2,027,649</u>	<u>2,045,184</u>
		<u>42,692,554</u>	<u>40,756,975</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended September 30, 2018

Note	Un-audited September 30, 2018	Audited December 31, 2017
	(Rupees '000)	

11.2 Other long term investments

Investment available for sale

Term Deposit Receipts - from conventional banks

Pakistan Investment Bonds

114,624	108,894
4,904,160	6,912,055
5,018,784	7,020,949

Less: Current portion shown under short term investments

Investments available for sale

Term Deposit Receipts

Pakistan Investment Bonds

33,419	28,834
4,085,679	2,083,784
4,119,098	2,112,618
899,686	4,908,331

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12. OTHER RECEIVABLES

Other receivables include Rs 7,319,878 thousand (2017: Rs 6,763,903 thousand) on account of subsidy receivable and Rs 8,210,225 thousand (2017: Rs 5,210,457 thousand) on account of sales tax receivable from the Government.

Note	Un-audited September 30, 2018	Audited December 31, 2017
	(Rupees '000)	

13. SHORT TERM INVESTMENTS

Loans & receivables - conventional investments

Term deposits with banks and financial institutions

Local currency

Foreign currency

7,433,000	26,775,000
1,759,685	1,530,343

Investments at fair value through profit or loss

Conventional investments

Shariah compliant investments

10,668,782	1,038,628
200,716	201,096

Current maturity of long term investments

Investments available for sale

11

4,119,098	2,112,618
24,181,281	31,657,685

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended September 30, 2018

	For the quarter ended September 30, 2018	September 30, 2017	For the period ended September 30, 2018	September 30, 2017
	(Rupees '000)		(Rupees '000)	
14. SALES				
Fertilizer	27,411,252	27,588,722	70,677,328	57,750,026
Power	1,006,860	949,683	2,325,010	2,253,942
Food	250,109	214,899	724,219	347,622
	28,668,221	28,753,304	73,726,557	60,351,590

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)			
September 30, 2018 (Un-audited)				
Assets				
Segment assets (Total)	90,139,910	12,425,288	4,151,687	106,716,885
Equity accounted investees	42,692,554	-	-	42,692,554
Liabilities				
Segment liabilities (Total)	87,378,466	6,283,289	2,336,402	95,998,157
Capital expenditure	983,414	30,943	33,321	1,047,678
Depreciation	1,619,437	445,337	215,549	2,280,323
December 31, 2017 (Audited)				
Assets				
Segment assets (Total)	84,220,721	12,096,205	3,696,359	100,013,285
Equity accounted investees	40,756,975	-	-	40,756,975
Liabilities				
Segment liabilities (Total)	78,741,872	7,187,161	2,963,031	88,892,064
Capital expenditure	3,275,533	56,344	67,787	3,399,664
Depreciation	2,181,771	594,511	280,870	3,057,152

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

For the period ended September 30, 2018

	September 30, 2018	September 30, 2017
	(Rupees '000)	
16. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	15,245,780	10,385,187
Adjustments for:		
Depreciation	2,269,216	2,268,921
Amortization	10,477	7,574
Amortization of transaction cost	21,705	24,692
Provision for slow moving spares	25,811	34,029
Reversal of provision for stock in trade	(1,809)	-
Finance cost	1,656,711	2,522,336
Gain on sale of property, plant and equipment	(8,876)	(2,357)
Income on loans, deposits and investments	(1,066,436)	(837,673)
Share of profit of associated companies and joint ventures	(1,915,117)	(2,067,235)
Exchange (gain) / loss - net	(195,829)	14,876
Gain on remeasurement of investments at fair value through profit or loss	(281,577)	(9,003)
Subsidy on sale of fertilizer	(2,400,358)	(4,977,308)
	(1,886,082)	(3,021,148)
	13,359,698	7,364,039
Changes in:		
Stores and spares	(70,458)	(262,289)
Stock in trade	(15,792,123)	(7,352,368)
Trade debts	(985,617)	(8,010,850)
Loans and advances	(189,750)	(114,056)
Deposits and prepayments	(80,778)	(76,171)
Other receivables	(1,658,671)	(4,545,761)
Trade and other payables	13,348,690	18,751,768
	(5,428,707)	(1,609,727)
Changes in long term loans and advances	(133,122)	(44,965)
Changes in long term deposits and prepayments	(995)	(311)
Change in liability under finance lease	(329)	1,924
	7,796,545	5,710,960

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

For the period ended September 30, 2018

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 (UN-AUDITED)
For the period ended September 30, 2018

	Carrying Amount		Other financial		Total	Fair Value			
	Loans and receivables	Available for sale investments	Fair value through profit or loss	assets / liabilities		Level 1	Level 2	Level 3	Total
September 30, 2018									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	81,205	-	-	81,205	-	-	-	-
Long term loans and advances	1,099,081	-	-	-	1,099,081	-	-	-	-
Long term deposits	29,799	-	-	-	29,799	-	-	-	-
Current assets									
Trade debts - net of provision	5,803,541	-	-	-	5,803,541	-	-	-	-
Loans and advances	515,252	-	-	-	515,252	-	-	-	-
Deposits	944	-	-	-	944	-	-	-	-
Other receivables	7,044,339	-	-	-	7,044,339	-	-	-	-
Short term investments	9,192,685	33,419	-	-	9,226,104	-	-	-	-
Cash and bank balances	3,040,931	-	-	-	3,040,931	-	-	-	-
	26,726,572	114,624	-	-	26,841,196	-	-	-	-
Financial assets measured at fair value									
Non - current assets									
Long term investments	-	818,481	-	-	818,481	-	818,481	-	818,481
Current assets									
Short term investment	-	4,085,679	10,869,498	-	14,955,177	10,869,498	4,085,679	-	14,955,177
	-	4,904,160	10,869,498	-	15,773,658	10,869,498	4,904,160	-	15,773,658
	26,726,572	5,018,784	10,869,498	-	42,614,854	10,869,498	4,904,160	-	15,773,658
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowings - secured	-	-	-	15,669,551	15,669,551	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	48,402,037	48,402,037	-	-	-	-
Mark-up and profit accrued	-	-	-	535,660	535,660	-	-	-	-
Short term borrowings - secured	-	-	-	6,398,952	6,398,952	-	-	-	-
Unpaid dividend	-	-	-	1,781,134	1,781,134	-	-	-	-
Unclaimed dividend	-	-	-	438,698	438,698	-	-	-	-
Current portion of long term borrowings - secured	-	-	-	9,408,078	9,408,078	-	-	-	-
	-	-	-	82,634,110	82,634,110	-	-	-	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (AUDITED)

For the period ended September 30, 2018

	Carrying Amount			Fair Value					
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees '000)									
December 31, 2017									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	80,060	-	-	80,060	-	-	-	-
Long term loans and advances	965,959	-	-	-	965,959	-	-	-	-
Long term deposits	29,655	-	-	-	29,655	-	-	-	-
Current assets									
Trade debts - net of provision	4,817,924	-	-	-	4,817,924	-	-	-	-
Loans and advances	387,623	-	-	-	387,623	-	-	-	-
Deposits	944	-	-	-	944	-	-	-	-
Other receivables	7,442,448	-	-	-	7,442,448	-	-	-	-
Short term investments	28,305,343	28,834	-	-	28,334,177	-	-	-	-
Cash and bank balances	2,772,312	-	-	-	2,772,312	-	-	-	-
	44,722,208	108,894	-	-	44,831,102	-	-	-	-
Financial assets measured at fair value									
Non - current assets									
Long term investments	-	4,828,271	-	-	4,828,271	-	4,828,271	-	4,828,271
Current assets									
Short term investment	-	2,083,784	1,239,724	-	3,323,508	1,239,724	2,083,784	-	3,323,508
	-	6,912,055	1,239,724	-	8,151,779	1,239,724	6,912,055	-	8,151,779
	44,722,208	7,020,949	1,239,724	-	52,982,881	1,239,724	6,912,055	-	8,151,779
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowings - secured	-	-	-	21,162,157	21,162,157	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	30,346,544	30,346,544	-	-	-	-
Mark-up and profit accrued	-	-	-	216,140	216,140	-	-	-	-
Short term borrowings - secured	-	-	-	11,939,083	11,939,083	-	-	-	-
Unclaimed dividend	-	-	-	437,291	437,291	-	-	-	-
Current portion of long term borrowings - secured	-	-	-	8,633,497	8,633,497	-	-	-	-
	-	-	-	72,734,712	72,734,712	-	-	-	-

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

For the period ended September 30, 2018

	September 30, 2018	September 30, 2017
	(Rupees '000)	
18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Significant transactions and balances with the related parties are as follows:		
Transactions and balances with associated undertakings		
/ joint ventures / companies due to common directorship		
Investment in associated company - TEL	1,250,400	-
Expenses charged on account of marketing of fertilizer on behalf of associated company - FFBL	819,109	603,053
Commission on sale of products	16,607	15,385
Payment under consignment account	32,735,380	28,147,460
Purchase of gas as feed and fuel stock	12,482,686	14,979,552
Sale of fertilizers	1,500	641
Donation	61,404	65,095
Dividend income	799,470	1,235,281
Dividends paid	2,680,129	2,962,247
Others	16,232	16,882
Dividend receivable *	93,750	-
Short term investment *	-	500,000
Long term investment *	114,624	108,894
Short term borrowing *	3,774,795	694,857
Long term borrowing *	483,102	-
Bank balance *	122,516	116,536
Running finance *	132,870	133,819
Balance receivable *	51,011	45,352
Balance payable *	42,063,982	24,596,243
Key management personnel - Restated		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2018: 1 and 384 (2017: 1 and 385) respectively.	3,134,322	2,979,341
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	330,769	206,958
Employees' Gratuity Fund Trust	168,507	118,014
Employees' Pension Fund Trust	154,914	89,283
Employees' Funds as Dividend on equity holding of 0.15% (2017: 0.08%)	9,150	5,451
Balance payable to Gratuity Fund Trust *	(351,311)	(405,493)
Balance payable to Pension Fund Trust *	(323,583)	(362,311)

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
For the period ended September 30, 2018

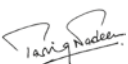
19. POST BALANCE SHEET EVENT

The Board of Directors of FFC in its meeting held on October 26, 2018 declared third interim dividend of Rs 1.80 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 October 26, 2018.



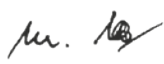
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Chief Executive



Director



Chief Financial Officer

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