



HALF YEARLY

FINANCIAL STATEMENTS

June 30, 2015
(Un-audited)



FAUJI FERTILIZER COMPANY LIMITED



Company Information

BOARD OF DIRECTORS

Lt Gen Khalid Nawaz Khan, HI(M), Sitara-i-Esar, (Retd)
Chairman
Lt Gen Shafqaat Ahmed, HI(M) (Retd)
Chief Executive & Managing Director
Mr Qaiser Javed
Dr Nadeem Inayat
Engr Rukhsana Zuberi
Mr Farhad Shaikh Mohammad
Maj Gen Muhammad Farooq Iqbal, HI(M) (Retd)
Brig Dr. Gulfam Alam, SI(M) (Retd)
Mr Shahid Ghaffar
Ms Nargis Ghaloo
Maj Gen Mumtaz Ahmad Bajwa, HI(M) (Retd)
Mr Muhammad Arif Azim
Mr Per Kristian Bakkerud

CHIEF FINANCIAL OFFICER

Syed Shahid Hussain
Tel No. 92-51-8456101, Fax No. 92-51-8459961
E-mail: shahid_hussain@ffc.com.pk

COMPANY SECRETARY

Brig Sher Shah, SI(M) (Retd)
Tel No. 92-51-8453101, Fax No. 92-51-8459931
E-mail: secretary@ffc.com.pk

REGISTERED OFFICE

156 The Mall, Rawalpindi Cantt, Pakistan
Website: www.ffc.com.pk
Tel No. 92-51-111-332-111, 8450001, Fax No. 92-51-8459925
E-mail: ffcrrwp@ffc.com.pk

PLANTSITES

Goth Machhi, Sadiqabad
(Distt: Rahim Yar Khan), Pakistan
Tel No. 92-68-5786420-9, Fax No. 92-68-5786401

Mirpur Mathelo
(Distt: Ghotki), Pakistan
Tel No. 92-723-661500-09
Fax No. 92-723-661462

MARKETING DIVISION

Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat, Lahore, Pakistan
Tel No. 92-42-36369137-40, Fax No. 92-42-36366324

KARACHI OFFICE

B-35, KDA Scheme No.1, Karachi, Pakistan
Tel No. 92-21-34390115-16, Fax No. 92-21-34390117 & 34390122

AUDITORS

KPMG Taseer Hadi & Co
Chartered Accountants
6th Floor, State Life Building, Jinnah Avenue, Islamabad, Pakistan
Tel No. 92-51-2823558, Fax No. 92-51-2822671

SHARES REGISTRAR

THK Associates (Pvt) Limited
Ground Floor, State Life Building – 3, Dr. Ziauddin Ahmed Road Karachi – 75530,
Pakistan. Tel No. 92-21-111-000-322, Fax No. 92-21-35655595

Directors' Review

For the Half Year ended June 30, 2015

Dear Members,

On behalf of the Board of Directors, I am pleased to report net earnings of Rs. 8.27 billion for the half year ended June 30, 2015, translating into per share earnings of Rs. 6.50.

Sona urea production of 1,188 thousand tonnes during the six months was higher by 1% compared to last year despite major planned turnaround at Plant II Goth Machhi, due to improved operating efficiency, whereas Sona urea sales were recorded at 1,219 thousand tonnes, 4% above last year.

Two new benchmarks were created during the period in terms of highest ever sales revenue with turnover of Rs. 39.19 billion (9% above last year) and record investment income of Rs. 1.25 billion, almost twice the earnings for 2014, owing to effective treasury management.

Despite above achievements, profitability for the period recorded a marginal improvement of Rs. 105 million only, over the last year, mainly due to suppressed urea prices and levy of 3% Super Tax on last year's earnings, besides incidence of higher tax on dividend income.

In view of sustained earnings, the Board is pleased to announce second interim dividend of 17.50 % (Rs. 1.75 per share), for the period.

Looking ahead, Company margins are forecast to remain suppressed due to anticipated increase in cost of gas, higher financial charges and reduction of investment income owing to increased borrowings, besides liquidation of investments, for payment of around Rs. 33 billion on account of GIDC during the period.

In order to remain competitive and improve the profitability of the Company, installation of a Coal Fired Boiler at Goth Machhi is being planned to enhance the Urea production capacity, through conservation of gas, currently being used for power generation, which is expected to come online by early 2018.

The Company remains focused on cost economization, and enhancement of production efficiencies to remain competitive and the matter for reallocation of 34 MMSCFD curtailed gas, which was earlier diverted temporarily to the power sector, is actively being pursued with the Government, to increase productivity and keep the shareholders' earnings at an acceptable level in the long run.

On behalf of the Board,



Chairman
Lt Gen Khalid Nawaz Khan
HI (M), (Retired)

Rawalpindi
July 30, 2015

AUDITOR'S REPORT TO THE MEMBERS

ON REVIEW OF INTERIM FINANCIAL INFORMATION

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of Fauji Fertilizer Company Limited ("the Company") as at 30 June 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for the interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standards on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

OTHER MATTERS

The figures for the three months' period ended 30 June 2015 and 30 June 2014, in condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

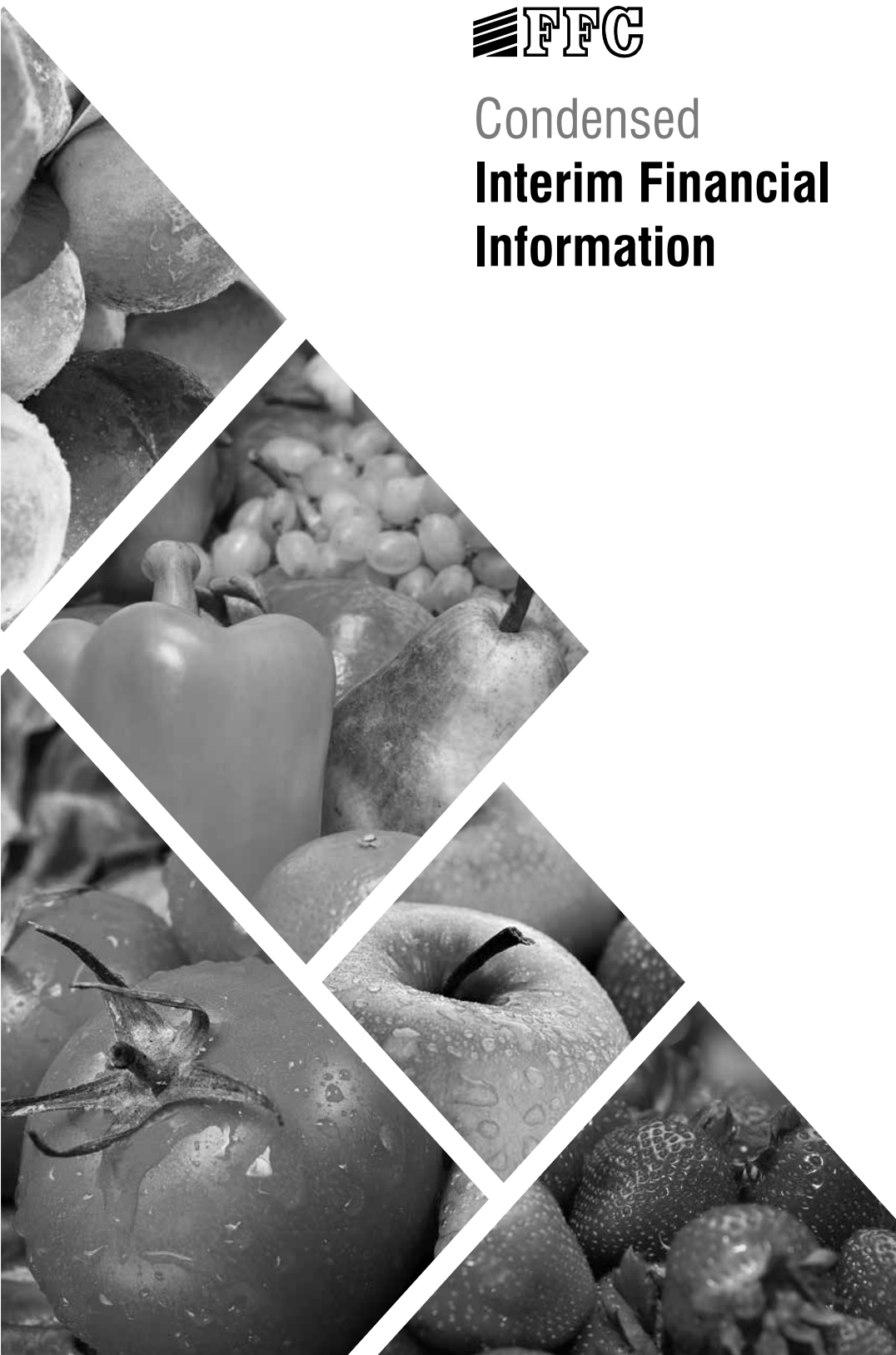
The condensed interim financial information and financial statements of the Company for the six months' period ended 30 June 2014 and year ended 31 December 2014 were reviewed and audited by another auditor whose reports dated 24 July 2014 and 30 January 2015 respectively, expressed an unqualified conclusion and opinion thereon.

Islamabad
Date: 30 July 2015

KPMG Taseer Hadi & Co.
Chartered Accountants
Syed Bakhtiyar Kazmi



Condensed
**Interim Financial
Information**



Condensed Interim Balance Sheet

As at June 30, 2015

	Note	Un-audited June 30, 2015	Audited December 31, 2014
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves	5	11,283,944	12,483,585
Surplus on remeasurement of investments available for sale to fair value - net		789,730	303,564
		24,956,056	25,669,531
NON - CURRENT LIABILITIES			
Long term borrowings	6	14,739,375	2,500,000
Deferred liabilities		4,269,883	4,574,028
		19,009,258	7,074,028
CURRENT LIABILITIES			
Trade and other payables	7	13,745,468	37,904,434
Interest and mark - up accrued		115,045	30,117
Short term borrowings	8	9,197,204	11,602,443
Current portion of long term borrowings		2,975,625	1,780,000
Taxation		2,152,895	2,501,109
		28,186,237	53,818,103
		72,151,551	86,561,662
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

	Note	Un-audited June 30, 2015	Audited December 31, 2014
(Rupees '000)			

ASSETS

NON - CURRENT ASSETS

Property, plant and equipment	10	21,278,209	20,093,898
Intangible assets		1,573,146	1,611,204
Long term investments	11	28,749,908	28,134,520
Long term loans and advances		921,742	823,188
Long term deposits and prepayments		14,470	15,624
		52,537,475	50,678,434

CURRENT ASSETS

Stores, spares and loose tools		3,213,426	3,314,823
Stock in trade		1,022,234	981,750
Trade debts		1,871,855	822,460
Loans and advances		1,355,390	1,058,754
Deposits and prepayments		681,264	26,376
Other receivables		1,056,744	1,072,461
Short term investments	12	8,282,312	27,432,837
Cash and bank balances		2,130,851	1,173,767
		19,614,076	35,883,228
		72,151,551	86,561,662



Chairman



Chief Executive



Director

Condensed Interim Profit and Loss Account (Un-audited)

For the half year ended June 30, 2015

	Note	For the quarter ended		For the half year ended	
		June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
		(Rupees '000)		(Rupees '000)	
Sales	13	18,777,622	18,423,300	39,186,304	35,996,598
Cost of sales	14	12,399,111	11,588,053	24,503,875	21,679,464
GROSS PROFIT		6,378,511	6,835,247	14,682,429	14,317,134
Distribution cost		1,587,884	1,534,444	3,169,182	3,024,664
		4,790,627	5,300,803	11,513,247	11,292,470
Finance cost		247,656	212,403	443,210	429,852
Other expenses		447,306	452,003	1,181,440	1,042,769
		4,095,665	4,636,397	9,888,597	9,819,849
Other income		487,865	281,087	2,933,213	1,817,434
NET PROFIT BEFORE TAXATION		4,583,530	4,917,484	12,821,810	11,637,283
Provision for taxation		2,225,000	1,314,000	4,556,000	3,476,000
NET PROFIT AFTER TAXATION		2,358,530	3,603,484	8,265,810	8,161,283
Earnings per share - basic and diluted (Rupees)	15	1.85	2.83	6.50	6.41

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year ended June 30, 2015

	For the quarter ended		For the half year ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	(Rupees '000)		(Rupees '000)	
Net profit after taxation	2,358,530	3,603,484	8,265,810	8,161,283
Other comprehensive income for the period				
Items that may be subsequently reclassified to profit or loss				
Surplus on remeasurement of investments available for sale to fair value - net	322,203	(2,810)	486,166	775
Total comprehensive income for the period	2,680,733	3,600,674	8,751,976	8,162,058

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended June 30, 2015

	Note	June 30, 2015	June 30, 2014
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	16	(14,324,619)	15,260,105
Finance cost paid		(358,282)	(338,732)
Income tax paid		(5,386,656)	(4,518,698)
Net cash (used in) / generated from operating activities		(20,069,557)	10,402,675
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,163,598)	(1,790,405)
Proceeds from sale of property, plant and equipment		10,998	13,986
Investments - net		1,408,388	(1,441,686)
Interest received		1,168,167	735,281
Dividends received		1,685,775	1,139,587
Net cash generated from / (used in) investing activities		2,109,730	(1,343,237)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - Disbursements		14,352,500	-
- Repayments		(917,500)	(730,000)
Dividends paid		(9,754,875)	(8,908,658)
Net cash generated from / (used in) financing activities		3,680,125	(9,638,658)
Net decrease in cash and cash equivalents		(14,279,702)	(579,220)
Cash and cash equivalents at beginning of the period		15,281,142	13,012,602
Effect of exchange rate changes		16,451	(65,825)
Cash and cash equivalents at end of the period		1,017,891	12,367,557
CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,130,851	1,823,986
Short term highly liquid investments		8,084,244	17,270,279
Short term running finance		(9,197,204)	(6,726,708)
		1,017,891	12,367,557

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chairman


Chief Executive


Director

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

For the half year ended June 30, 2015

	Share capital	Capital reserves	Revenue reserves		Surplus on remeasurement of available for sale investments to fair value	Total
			General reserve	Unappropriated profit		
(Rupees '000)						
Balance as at January 1, 2014	12,722,382	160,000	6,802,360	5,456,013	10,508	25,151,263
Total comprehensive income for the period						
Profit after taxation	-	-	-	8,161,283	-	8,161,283
Other comprehensive income - net of tax	-	-	-	-	775	775
Total comprehensive income for the period - net of tax	-	-	-	8,161,283	775	8,162,058
Distribution to owners - recorded directly in equity						
Final dividend 2013: Rs 4.00 per share	-	-	-	(5,088,952)	-	(5,088,952)
First interim dividend 2014: Rs 3.00 per share	-	-	-	(3,816,714)	-	(3,816,714)
	-	-	-	(8,905,666)	-	(8,905,666)
Balance as at June 30, 2014	12,722,382	160,000	6,802,360	4,711,630	11,283	24,407,655
Balance as at January 1, 2015	12,722,382	160,000	6,802,360	5,681,225	303,564	25,669,531
Total comprehensive income for the period						
Profit after taxation	-	-	-	8,265,810	-	8,265,810
Other comprehensive income - net of tax	-	-	-	-	486,166	486,166
Total comprehensive income for the period - net of tax	-	-	-	8,265,810	486,166	8,751,976
Distribution to owners - recorded directly in equity						
Final dividend 2014: Rs 3.50 per share	-	-	-	(4,452,833)	-	(4,452,833)
First interim dividend 2015: Rs 3.94 per share	-	-	-	(5,012,618)	-	(5,012,618)
	-	-	-	(9,465,451)	-	(9,465,451)
Balance as at June 30, 2015	12,722,382	160,000	6,802,360	4,481,584	789,730	24,956,056

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

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

For the half year ended June 30, 2015

1. Fauji Fertilizer Company Limited (the Company) is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The registered office of the Company is situated at 156 - The Mall, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, other manufacturing, energy generation and banking operations.
2. This condensed interim financial information of the Company for the half year ended June 30, 2015 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in this condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended December 31, 2014. Comparative condensed interim balance sheet is extracted from annual financial statements as of December 31, 2014 whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial information of the Company for the half year ended June 30, 2014.

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

3. The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of financial statements of the Company for the year ended December 31, 2014.

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2014: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2014: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2015	December 31, 2014		Un-audited June 30, 2015	Audited December 31, 2014
(Number of shares)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs 10 each, issued for consideration in cash	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs 10 each, issued as fully paid bonus shares	10,157,423	10,157,423
<u>1,272,238,247</u>	<u>1,272,238,247</u>		<u>12,722,382</u>	<u>12,722,382</u>

5. REVENUE RESERVES

General reserve	6,802,360	6,802,360
Unappropriated profit	4,481,584	5,681,225
	<u>11,283,944</u>	<u>12,483,585</u>

Notes To The Condensed Interim Financial Information

For the half year ended June 30, 2015

	Note	Un-audited June 30, 2015	Audited December 31, 2014
(Rupees '000)			
6. LONG TERM BORROWINGS			
Long term borrowings - secured	6.1	17,715,000	4,280,000
Less: Current portion shown under current liabilities		2,975,625	1,780,000
		<u>14,739,375</u>	<u>2,500,000</u>

6.1 Movement in this account during the period / year is as follows:

Opening balance		4,280,000	5,740,000
Draw-downs during the period / year		14,352,500	-
Repayments during the period / year		(917,500)	(1,460,000)
Closing balance	6.2	<u>17,715,000</u>	<u>4,280,000</u>

6.2 These finances are secured by charge on all Company assets including plant, machinery, tools & spares and all other moveable properties including stocks and book debts, ranking pari passu with each other with 25% margin besides lien over certain Pakistan Investment Bonds (PIBs) with 10% margin.

These carry mark up ranging between 6 months KIBOR + 0.05% to 0.50% per annum (December 31, 2014: 6 month KIBOR + 0.35 % to 0.50% per annum) and are repayable upto June 2020 (December 31, 2014: December 2018).

	Note	Un-audited June 30, 2015	Audited December 31, 2014
(Rupees '000)			
7. TRADE AND OTHER PAYABLES			
Creditors	7.1	1,260,643	25,417,864
Accrued liabilities		2,402,016	2,415,831
Consignment account with Fauji Fertilizer Bin Qasim Limited - unsecured		2,053,592	131,667
Sales tax payable - net		-	1,090,128
Deposits		229,660	215,453
Retention money		148,553	162,956
Advances from customers		4,951,957	6,378,845
Workers' Welfare Fund		1,456,722	1,191,661
Workers' Profit Participation Fund		633,483	-
Unclaimed dividend		577,057	866,481
Other liabilities		31,785	33,548
		<u>13,745,468</u>	<u>37,904,434</u>

7.1 Creditors include Rs. 775,098 thousand (2014: Rs. 24,740,966 thousand) on account of Gas Infrastructure Development Cess (GIDC).

8. SHORT TERM BORROWINGS

The Company has short term running finance / istisna facilities limits aggregating Rs. 13.00 billion (December 31, 2014: Rs. 13.30 billion). These are secured by first pari passu and ranking hypothecation charge over assets of the Company and carry mark up ranging between one month KIBOR + 0.05% to 0.35% and three months KIBOR + 0.10% to 0.30% per annum (December 31, 2014: one month KIBOR + 0.05 % to 0.35% and three months KIBOR + 0.05% to 0.15% per annum).

Facilities amounting to Rs 2.8 billion (2014: Rs 1.0 billion) are secured against Term Deposit Receipts / Pakistan Investment Bonds.

Notes To The Condensed Interim Financial Information

For the half year ended June 30, 2015

		Un-audited June 30, 2015	Audited December 31, 2014
		(Rupees '000)	
9. CONTINGENCIES AND COMMITMENTS			
a) Contingencies:			
(i) Guarantees issued by banks on behalf of the Company		21,412	50,997
(ii) Claims against the Company and / or potential exposure not acknowledged as debt		50,696	50,696
(iii) The Competition Commission of Pakistan has imposed a penalty of Rs 5.5 billion on the Company for alleged unreasonable increase in urea prices during the year 2011. However, the fact remains that price increase was essentially caused by extended gas curtailment and delayed urea imports by the Government of Pakistan resulting in product shortage leading to market imbalance and price hike. The Company has filed an appeal against the above penalty before the Competition Appellate Tribunal. Based on legal advice from the Company's legal advisor, the Company is confident that there are reasonable grounds for a favourable decision.			
	Note	Un-audited June 30, 2015	Audited December 31, 2014
		(Rupees '000)	
b) Commitments in respect of:			
(i) Capital expenditure		1,505,400	2,913,033
(ii) Purchase of fertilizer, stores, spares and other revenue items		603,255	2,869,125
(iii) Investment in Fauji Fresh n Freeze Limited		435,000	435,000
(iv) Rentals under lease agreements:			
Premises		203,015	184,136
Vehicles		98,824	95,460
10. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		20,093,898	18,444,188
Additions during the period / year	10.1	2,163,598	3,470,092
Written down value of disposals		(14,206)	(12,211)
Depreciation during the period / year		(965,081)	(1,808,171)
Closing written down value		<u>21,278,209</u>	<u>20,093,898</u>

10.1 Additions in and depreciation on property, plant and equipment during the half year ended June 30, 2014 were Rs 1,790,405 thousand and Rs 861,840 thousand respectively.

Notes To The Condensed Interim Financial Information

For the half year ended June 30, 2015

	Note	Un-audited June 30, 2015	Audited December 31, 2014
		(Rupees '000)	
11. LONG TERM INVESTMENTS			
Investment in subsidiaries - at cost			
FFC Energy Limited (FFCEL)		2,438,250	2,438,250
Fauji Fresh n Freeze Limited (FFF)		1,035,500	1,035,500
Investment in associates - at cost			
Fauji Cement Company Limited (FCCL)		1,500,000	1,500,000
Fauji Fertilizer Bin Qasim Limited (FFBL)		4,658,919	4,658,919
Askari Bank Limited (AKBL)		10,461,921	10,461,921
		16,620,840	16,620,840
Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A., Morocco (PMP)		705,925	705,925
Investments available for sale			
Certificates of Investment (COIs) / Term Deposit Receipts (TDRs)		120,535	113,868
Pakistan Investment Bonds (PIBs)		7,786,638	7,178,198
Term Finance Certificates (TFCs)		101,750	99,500
		8,008,923	7,391,566
		28,809,438	28,192,081
Less: Current portion shown under short term investments	12		
Investments available for sale			
Certificates of Investment (COIs) / Term Deposit Receipts (TDRs)		28,128	27,094
Pakistan Investment Bonds (PIBs)		31,402	30,467
		59,530	57,561
		28,749,908	28,134,520
12. SHORT TERM INVESTMENTS			
Loans and receivables			
Term deposits with banks and financial institutions			
Local currency		6,700,000	25,400,000
Foreign currency		1,343,499	1,309,818
Investments at fair value through profit or loss - Held for trading		179,283	665,458
Current maturity of long term investments			
Investments available for sale	11	59,530	57,561
		8,282,312	27,432,837

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

For the half year ended June 30, 2015

13. SALES

Sales are exclusive of sales tax of Rs 6,450,250 thousand (June 30, 2014: Rs 6,271,417 thousand).

	For the quarter ended		For the half year ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	(Rupees '000)		(Rupees '000)	
14. COST OF SALES				
Raw materials consumed	5,899,125	5,944,850	12,179,211	11,961,738
Fuel and power	1,904,676	1,940,707	3,817,768	3,735,049
Chemicals and supplies	110,962	90,139	178,866	170,707
Salaries, wages and benefits	1,562,673	1,426,508	2,853,781	2,580,570
Training and employees welfare	199,778	176,832	371,435	380,271
Rent, rates and taxes	3,434	5,582	9,228	7,058
Insurance	5,370	4,714	49,749	47,340
Travel and conveyance	135,207	103,305	215,894	216,327
Repairs and maintenance	873,683	447,973	1,263,160	727,738
Depreciation and amortisation	463,488	432,999	945,239	849,982
Communication and other expenses	450,044	511,896	807,030	797,861
Provision for slow moving spares	31,656	38,040	31,656	38,040
Opening stock - work in process	91,241	35,813	64,860	67,903
Closing stock - work in process	(88,673)	(51,707)	(88,673)	(51,707)
Cost of goods manufactured	11,642,664	11,107,651	22,699,204	21,528,877
Opening stock of manufactured urea	452,553	417,675	584,930	71,424
Closing stock of manufactured urea	(109,547)	(78,725)	(109,547)	(78,725)
	343,006	338,950	475,383	(7,301)
Cost of sales - manufactured urea	11,985,670	11,446,601	23,174,587	21,521,576
Opening stock of purchased fertilizers	292,198	97,130	21,504	-
Purchase of fertilizers for resale	808,420	307,704	1,994,961	421,270
	1,100,618	404,834	2,016,465	421,270
Closing stock of purchased fertilizers	(687,177)	(263,382)	(687,177)	(263,382)
Cost of sales - purchased fertilizers	413,441	141,452	1,329,288	157,888
	12,399,111	11,588,053	24,503,875	21,679,464
15. EARNINGS PER SHARE				
Net profit after tax (Rupees '000)	2,358,530	3,603,484	8,265,810	8,161,283
Weighted average number of shares in issue during the period - (Number '000)	1,272,238	1,272,238	1,272,238	1,272,238
Basic and diluted earnings per share (Rupees)	1.85	2.83	6.50	6.41

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

For the half year ended June 30, 2015

	June 30, 2015	June 30, 2014
	(Rupees '000)	
16. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	12,821,810	11,637,283
Adjustments for:		
Depreciation and amortisation	1,003,139	900,891
Provision for slow moving spares	31,656	38,040
Finance cost	443,210	429,852
Loss / (gain) on sale of property, plant and equipment	3,208	(13,038)
Income on loans, deposits and investments	(1,137,375)	(645,731)
Exchange (gain) / loss - net	(25,905)	58,789
Gain on remeasurement of investment at fair value through profit or loss	(3,205)	(3,556)
Dividend Income	(1,685,775)	(1,139,587)
	<u>(1,371,047)</u>	<u>(374,340)</u>
	11,450,763	11,262,943
Changes in working capital:		
Decrease / (increase) in current assets		
Stores, spares and loose tools	69,741	(115,254)
Stock in trade	(40,484)	(298,691)
Trade debts	(1,049,395)	(1,772,165)
Loans and advances	(296,636)	320,953
Deposits and prepayments	(654,888)	(181,826)
Other receivables	(15,075)	(487,562)
(Decrease) / increase in current liabilities		
Trade and other payables	(23,869,542)	6,448,230
	<u>(25,856,279)</u>	<u>3,913,685</u>
Changes in long term loans and advances	(98,554)	(76,604)
Changes in long term deposits and prepayments	1,154	(11,703)
Changes in deferred liabilities	178,297	171,784
	<u>(14,324,619)</u>	<u>15,260,105</u>

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

For the half year ended June 30, 2015

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	June 30, 2015	June 30, 2014
	(Rupees '000)	
Transactions with subsidiary companies		
Expenses charged on account of marketing of fertilizer on behalf of subsidiary company	-	293,825
Commission on sale of subsidiary company's products	-	6,059
Payment under consignment account	-	19,065,171
Dividend income	-	1,069,274
Long term investment	-	100,000
Term deposits	-	2,207,695
Bank balance	-	178,360
Balance receivable - unsecured	908,746	619,603*
Transactions with associated undertaking / companies due to common directorship		
Expenses charged on account of marketing of fertilizer on behalf of associated company	319,963	-
Commission on sale of products	6,729	-
Payments under consignment account	17,710,356	-
Purchase of gas as feed and fuel stock	15,274,508	14,893,940
Services and materials received	-	174,123
Sale of fertilizer	1,090	1,073
Dividend income	1,685,775	70,313
Dividend paid	4,197,928	3,949,663
Long term investments	120,536	-
Bank balance	74,690	-
Balance receivable - unsecured	51,511	8,353*
Balance payable - unsecured	3,569,826	26,119,281*
Other related parties		
Remuneration of Chief Executive and Executives:		
Remuneration including benefits and perquisites of chief executive and other executives. No of persons 2015: 1 and 764 (2014: 1 and 712) respectively.	2,609,962	2,223,941
Payments to:		
Employees' Provident Fund Trust	179,315	156,802
Employees' Gratuity Fund Trust	74,893	586,201
Employees' Pension Fund Trust	459,371	94,067
Others:		
Balance receivable from Gratuity Fund Trust	53,546	28,090*
Balance receivable from Pension Fund Trust	449,018	59,019*

* Comparative figures of receivable / payable balances are as of December 31, 2014.

18. GENERAL

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

18.2 The Board of Directors in its meeting held on July 30, 2015 proposed a second interim dividend of Rs 1.75 per share.


18.3 This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on July 30, 2015.



Chairman



Chief Executive



Director



Condensed
**Interim Consolidated
Financial Information**



Condensed Interim Consolidated Balance Sheet

As at June 30, 2015

		Un-audited June 30, 2015	Audited December 31, 2014
	Note		
		(Rupees '000)	
EQUITY AND LIABILITIES			
EQUITY			
Share capital	3	12,722,382	12,722,382
Capital reserves		433,516	611,592
Revenue reserves	4	29,327,891	30,032,528
Surplus on remeasurement of investments available for sale to fair value - net		789,730	303,564
		43,273,519	43,670,066
NON - CURRENT LIABILITIES			
Long term borrowings	5	23,775,136	11,406,203
Deferred liabilities		4,269,883	4,574,028
Liability against assets subject to finance lease		4,176	2,893
		28,049,195	15,983,124
CURRENT LIABILITIES			
Trade and other payables		14,062,946	38,526,069
Interest and mark - up accrued		237,042	115,891
Short term borrowings		9,326,704	11,602,443
Current portion of long term borrowings		3,958,226	3,054,000
Current portion of liability against assets subject to finance lease		83	238
Taxation		2,155,066	2,501,510
		29,740,067	55,800,151
		101,062,781	115,453,341
CONTINGENCIES AND COMMITMENTS			

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial information.

		Un-audited June 30, 2015	Audited December 31, 2014
	Note		
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	7	34,826,662	33,104,620
Intangible assets		1,936,314	1,974,531
Long term investments	8	42,420,995	41,787,131
Long term loans and advances		921,742	823,188
Long term deposits and prepayments		16,650	17,804
		80,122,363	77,707,274

CURRENT ASSETS

Stores, spares and loose tools		3,213,426	3,314,823
Stock in trade		1,128,191	985,347
Trade debts		3,325,270	2,221,263
Loans and advances		602,459	531,379
Deposits and prepayments		692,593	27,589
Other receivables		1,258,935	1,182,227
Short term investments	9	8,282,312	27,432,837
Cash and bank balances		2,437,232	2,050,602
		20,940,418	37,746,067

101,062,781

115,453,341



Chairman



Chief Executive



Director

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

For the half year ended June 30, 2015

	Note	For the quarter ended (Re-presented)		For the half year ended (Re-presented)	
		June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
		(Rupees'000)		(Rupees'000)	
Sales		19,898,242	19,301,193	40,572,291	37,208,486
Cost of sales	10	12,592,706	11,768,177	24,887,562	22,045,570
GROSS PROFIT		7,305,536	7,533,016	15,684,729	15,162,916
Administrative expenses and distribution cost		1,665,711	1,584,667	3,280,832	3,105,876
		5,639,825	5,948,349	12,403,897	12,057,040
Finance cost		564,251	545,687	1,062,595	1,078,104
Other expenses		443,466	452,003	1,183,599	1,042,769
		4,632,108	4,950,659	10,157,703	9,936,167
Other income		508,833	214,954	1,281,241	722,921
Share of profit / (loss) of associate and joint venture		1,293,520	(256,951)	1,882,327	190,285
NET PROFIT BEFORE TAXATION		6,434,461	4,908,662	13,321,271	10,849,373
Provision for taxation		2,227,877	1,376,783	4,560,456	3,538,783
NET PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		4,206,584	3,531,879	8,760,815	7,310,590
Discontinued operations - net of tax		-	754,011	-	801,943
Profit for the period		4,206,584	4,285,890	8,760,815	8,112,533

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial information.



Chairman



Chief Executive



Director

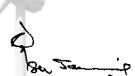
Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the half year ended June 30, 2015

	For the quarter ended		For the half year ended	
	(Re-presented)		(Re-presented)	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	(Rupees'000)		(Rupees'000)	
Net profit after taxation	4,206,584	4,285,890	8,760,815	8,112,533
Other comprehensive income for the period				
Items that may be subsequently reclassified to profit or loss				
Exchange difference on translation of investment in foreign company	(121,155)	(117,561)	(178,076)	(68,767)
Surplus on remeasurement of investments available for sale to fair value - net	322,203	(2,810)	486,166	775
Other comprehensive income from continuing operations - net	201,048	(120,371)	308,090	(67,992)
Discontinued operations - net	-	(235,122)	-	(137,534)
Total comprehensive income for the period	4,407,632	3,930,397	9,068,905	7,907,007

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial information.


Chairman

Chief Executive

Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the half year ended June 30, 2015

		(Re-presented)	
	Note	June 30, 2015	June 30, 2014
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	11	(13,456,498)	15,328,782
Finance cost paid		(1,002,301)	(713,671)
Income tax paid		(5,389,341)	(4,518,712)
		(6,391,642)	(5,232,383)
Net cash (used in) / generated from operating activities		(19,848,140)	10,096,399
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,927,913)	(1,999,248)
Proceeds from sale of property, plant and equipment		37,211	130,931
Interest received		1,168,167	729,411
Dividend / (increase) in investment		1,408,388	(1,320,608)
Dividend received		1,685,775	84,375
Net cash generated from / (used in) investing activities		1,371,628	(2,375,139)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - disbursements		15,116,250	-
- repayments		(1,864,519)	(875,817)
Dividends paid		(9,754,875)	(7,654,079)
Net cash generated from / (used in) investing activities		3,496,856	(8,529,896)
CASH FLOWS FROM DISCONTINUED OPERATIONS			
Operating cash flows		-	(2,220,378)
Investing cash flows		-	(379,934)
Financing cash flows		-	(4,335,373)
Net cash used in discontinued operations		-	(6,935,685)
Net decrease in cash and cash equivalents		(14,979,656)	(7,744,321)
Cash and cash equivalents at beginning of the period		16,157,977	16,409,752
Effect of exchange rate changes		16,451	(65,825)
Cash and cash equivalents at end of the period		1,194,772	8,599,606
CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,437,232	7,025,478
Short term highly liquid investments		8,084,244	17,670,279
Short term running finances		(9,326,704)	(16,096,151)
		1,194,772	8,599,606


The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial information.



Chairman



Chief Executive



Director

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

For the half year ended June 30, 2015

	Attributable to equity holders of Fauji Fertilizer Company Limited							Non-controlling interests	Total
	Share capital	Capital reserves			Revenue reserves		Surplus on remeasurement of available for sale investments to fair value		
		Capital reserves	Translation reserve	Statutory reserve	General reserve	Unappropriated profit			
(Rupees '000)									
Balance as at January 1, 2014	12,722,382	276,184	1,048,107	6,436	6,802,360	7,574,207	10,508	6,757,655	35,197,839
Total comprehensive income for the period									
Profit for the period after taxation	-	-	-	-	-	7,663,932	-	448,601	8,112,533
Other comprehensive income - net of tax	-	-	(138,744)	-	-	-	775	(67,557)	(205,526)
Total comprehensive income for the period - net of tax	-	-	(138,744)	-	-	7,663,932	775	381,044	7,907,007
Distributions to owners - recorded directly in equity									
FFC dividends:									
Final dividend 2013: Rs 4.00 per share	-	-	-	-	-	(5,088,952)	-	-	(5,088,952)
First interim dividend 2014: Rs 3.00 per share	-	-	-	-	-	(3,816,714)	-	-	(3,816,714)
Dividend to FFBL non - controlling interest holders:									
Final dividend 2013: Rs 2.25 per share	-	-	-	-	-	-	-	(1,032,473)	(1,032,473)
Total transactions with owners	-	-	-	-	-	(8,905,666)	-	(1,032,473)	(9,938,139)
Balance as at June 30, 2014	12,722,382	276,184	909,363	6,436	6,802,360	6,332,473	11,283	6,106,226	33,166,707
Balance as at January 1, 2015	12,722,382	160,000	451,592	-	6,802,360	23,230,168	303,564	-	43,670,066
Total comprehensive income for the period									
Profit for the period after taxation	-	-	-	-	-	8,760,815	-	-	8,760,815
Other comprehensive income - net of tax	-	-	(178,076)	-	-	-	486,166	-	308,090
Total comprehensive income for the period - net of tax	-	-	(178,076)	-	-	8,760,815	486,166	-	9,068,905
Distributions to owners - recorded directly in equity									
FFC dividends:									
Final dividend 2014: Rs 3.50 per share	-	-	-	-	-	(4,452,834)	-	-	(4,452,834)
First interim dividend 2015: Rs 3.94 per share	-	-	-	-	-	(5,012,618)	-	-	(5,012,618)
	-	-	-	-	-	(9,465,452)	-	-	(9,465,452)
Balance as at June 30, 2015	12,722,382	160,000	273,516	-	6,802,360	22,525,531	789,730	-	43,273,519

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial information.


Chairman


Chief Executive


Director

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

For the half year ended June 30, 2015

1. Fauji Fertilizer Company Limited (the Company) is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The registered office of the Company is situated at 156 - The Mall, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, other manufacturing, energy generation and banking operations.

1% equity of Fauji Fertilizer Bin Qasim Limited (FFBL) aggregating to 9,341,100 ordinary shares, held by the Company, were sold to Fauji Foundation (FF) on October 3, 2014 at the closing market price. Further, the Company irrevocably appointed FF as its proxy, to represent the Company in the general meetings of FFBL and Askari Bank Limited (AKBL) allowing FF to vote for and on behalf of the Company and resolved that representatives of FF may be elected or co-opted or appointed on the Board of Directors of FFBL and AKBL, as nominated by FF. This resulted in loss of control over FFBL and AKBL. Accordingly, the status of FFBL and AKBL has been changed to associated companies of the Company and therefore the group has classified FFBL and AKBL as discontinued operations, for the year ended December 31, 2014.

2. This condensed interim consolidated financial report is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial report of the Group for the period ended June 30, 2015 has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The applicable financial framework for banks also includes the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP).

This condensed interim consolidated financial report does not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2014. Comparative condensed interim consolidated balance sheet is extracted from annual audited financial statements for the year ended December 31, 2014 where as comparative condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity are stated from un-audited condensed interim financial report for the period ended June 30, 2014.

3. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2014: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2014: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2015	December 31, 2014		Un-audited June 30, 2015	Audited December 31, 2014
(Number of shares)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs.10 each issued for consideration in cash	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs.10 each issued as fully paid bonus shares	10,157,423	10,157,423
<u>1,272,238,247</u>	<u>1,272,238,247</u>		<u>12,722,382</u>	<u>12,722,382</u>

Notes To The Condensed Interim Consolidated Financial Information

For the half year ended June 30, 2015

	Note	Un-audited June 30, 2015	Audited December 31, 2014
(Rupees '000)			
4. REVENUE RESERVES			
General reserve		6,802,360	6,802,360
Unappropriated profit		22,525,531	23,230,168
		<u>29,327,891</u>	<u>30,032,528</u>
5. LONG TERM BORROWINGS			
Loans from banking companies - secured	5.1	17,715,000	4,280,000
Long term loan - Government of Pakistan loan FFBL (un-secured)	5.2	-	-
Long term loan - FFCEL (secured)	5.3	8,037,278	8,963,275
Long term loan - FFF (MCB)	5.4	1,981,083	1,216,928
		<u>27,733,361</u>	<u>14,460,203</u>
Less: Current portion shown under current liabilities		3,958,225	3,054,000
		<u>23,775,136</u>	<u>11,406,203</u>
5.1 Movement in this account during the period / year is as follows:			
Opening balance		4,280,000	5,740,000
Draw-downs during the period / year		14,352,500	-
Repayments during the period / year		(917,500)	(1,460,000)
Closing balance		<u>17,715,000</u>	<u>4,280,000</u>
5.2 Movement in this account during the period / year is as follows:			
Opening balance		-	2,592,802
Adjustment during the period / year		-	(2,592,802)
Closing balance		<u>-</u>	<u>-</u>
5.3 Movement in this account during the period / year is as follows:			
Opening balance		8,210,119	9,157,138
Less: Transaction Cost			
Initial transaction cost		(269,797)	(269,797)
Amortised during the period / year		96,956	75,934
Closing balance		<u>8,037,278</u>	<u>8,963,275</u>
5.4 Movement in this account during the period / year is as follows:			
Opening balance		1,216,928	1,220,000
Disbursements during the period / year		766,822	-
Less: Transaction Cost		(4,000)	(4,000)
Amortised during the period / year		1,333	928
Closing balance		<u>1,981,083</u>	<u>1,216,928</u>

Notes To The Condensed Interim Consolidated Financial Information

For the half year ended June 30, 2015

	Un-audited June 30, 2015	Audited December 31, 2014
	(Rupees '000)	
6. CONTINGENCIES AND COMMITMENTS		
a) Contingencies:		
i) Guarantees issued by banks on behalf of the Group companies	21,412	50,997
ii) Claims against FFC and / or potential exposure not acknowledged as debt	50,696	50,696
iii) During the period, FFCEL received notice under section 48 of the Sales Tax Act, 1990 for the payment of default surcharge on the sales tax amounts for the period from August 2013 to November 2013. FFCEL's appeal against the notice is currently in the High Court. The management is expecting a favorable outcome and accordingly provision has not been recognized against this amount.	49,923	56,123
iv) Group's share of contingencies in Fauji Fertilizer Bin Qasim Limited	16,800,914	17,604,632
v) Group's share of contingencies in Fauji Cement Company Limited as at March 31, 2015 (2014: September 30, 2014)	113,233	111,086
vi) Group's share of contingencies in Askari Bank Limited as at March 31, 2015 (2014: September 30, 2014)	66,720,543	69,952,374
vii) The Competition Commission of Pakistan has imposed a penalty of Rs 5.5 billion on FFC for alleged unreasonable increase in urea prices during the year 2011. However, the fact remains that price increase was essentially caused by extended gas curtailment and delayed urea imports by the Government of Pakistan resulting in product shortage leading to market imbalance and price hike. FFC has filed an appeal against the above penalty before the Competition Appellate Tribunal. Based on legal advice from the FFC's legal advisor, the Company is confident that there are reasonable grounds for a favourable decision.		
	Un-audited June 30, 2015	Audited December 31, 2014
	(Rupees '000)	

b) Commitments in respect of:

i) Capital expenditure	1,505,400	2,994,277
ii) Purchase of fertilizer, stores, spares and other operational items	603,255	2,869,125
iii) Investment in Fauji Fresh n Freeze Limited	435,000	100,000
iv) Rentals under lease agreements:		
Premises	247,920	229,041
Vehicles	98,824	95,460

Notes To The Condensed Interim Consolidated Financial Information

For the half year ended June 30, 2015

	Note	Un-audited June 30, 2015	Audited December 31, 2014
		(Rupees '000)	
7. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		33,104,620	44,314,880
Additions during the period / year	7.1	3,010,198	7,829,632
Written down value of disposals / adjustments		(14,267)	(2,287,916)
Depreciation during the period / year		(1,273,889)	(3,471,748)
		34,826,662	46,384,848
Discontinued operations		-	(13,280,228)
		34,826,662	33,104,620

- 7.1 Additions in and depreciation on property, plant and equipment during the half year ended June 30, 2014 were Rs 2,317,475 thousand and Rs 1,859,880 thousand respectively.

	Note	Un-audited June 30, 2015	Audited December 31, 2014
		(Rupees '000)	
8. LONG TERM INVESTMENTS			
Equity accounted investments	8.1	34,471,602	34,453,126
Other long term investments	8.2	7,949,393	7,334,005
		42,420,995	41,787,131

8.1 Equity accounted investments

Investment in associated companies - under equity method

Fauji Fertilizer Bin Qasim Limited (FFBL)

Balance at the beginning	19,479,310	18,710,223
Share of profit for the period / year	646,336	1,118,510
Dividend received	(1,048,257)	(349,423)
	19,077,389	19,479,310

Askari Bank Limited (AKBL)

Balance at the beginning	11,859,580	11,859,580
Share of profit for the period / year	947,592	-
Dividend received	(543,768)	-
	12,263,404	11,859,580

Fauji Cement Company Limited (FCCL)

Balance at the beginning	1,824,000	2,149,878
Share of profit for the period / year	135,860	207,670
Dividend received	(93,750)	(168,750)
	1,866,110	2,188,798
Discontinued operations	-	(364,798)
	1,866,110	1,824,000

Foundation Wind Energy - I Limited

Advance for issue of shares - balance at beginning	-	923,941
Advance for issue of shares during the period / year	-	189,043
Share of loss for the year	-	(10,631)
	-	1,102,353
Discontinued operations	-	(1,102,353)
	-	-

Foundation Wind Energy - II (Private) Limited

Advance for issue of shares - balance at beginning	-	971,100
Advance during the period / year	-	96,226
Share of profit / (loss) for the period / year	-	(1,653)
	-	1,065,673
Discontinued operations	-	(1,065,673)
	-	-

Notes To The Condensed Interim Consolidated Financial Information

For the half year ended June 30, 2015

	Note	Un-audited June 30, 2015	Audited December 31, 2014
		(Rupees '000)	
Investment in joint venture - under equity method			
Pakistan Maroc Phosphore S.A., Morocco (PMP)			
Balance at the beginning		1,290,236	1,961,774
Share of profit for the period / year		152,539	553,461
(Loss) / gain on translation of net assets		(178,076)	1,354,774
		1,264,699	3,870,009
Discontinued operations		-	(2,579,773)
		1,264,699	1,290,236
		34,471,602	34,453,126
8.2 Other long term investments			
Investments available for sale			
Certificates of Investment (COIs) / Term Deposit Receipts (TDRs)		120,535	113,868
Pakistan Investment Bonds (PIBs)		7,786,638	7,178,198
Term Finance Certificates (TFCs)		101,750	99,500
		8,008,923	7,391,566
Less: Current portion shown under short term investments	9		
Investments available for sale			
Certificates of Investment (COIs) / Term Deposit Receipts (TDRs)		28,128	27,094
Pakistan Investment Bonds (PIBs)		31,402	30,467
		59,530	57,561
		7,949,393	7,334,005
9. SHORT TERM INVESTMENTS			
Loans and receivables			
Term deposits with banks and financial institutions			
Local currency		6,700,000	25,400,000
Foreign currency		1,343,499	1,309,818
Investments at fair value through profit or loss - Held for trading		179,283	665,458
Current maturity of long term investments	8.2	59,530	57,561
		8,282,312	27,432,837

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

For the half year ended June 30, 2015

	For the quarter ended		For the half year ended	
	(Re-presented)		(Re-presented)	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	(Rupees'000)		(Rupees'000)	
10. COST OF SALES				
Raw materials consumed	5,899,125	5,944,850	12,179,211	11,961,738
Fuel and power	1,904,676	1,940,707	3,817,768	3,735,049
Chemicals and supplies	110,962	90,139	178,866	170,707
Salaries, wages and benefits	1,572,329	1,432,114	2,872,881	2,591,162
Training and employees welfare	199,137	177,474	371,435	381,554
Rent, rates and taxes	4,717	5,582	10,511	7,058
Insurance	22,815	22,301	84,300	82,515
Travel and conveyance	135,207	103,305	215,894	216,327
Repairs and maintenance	886,876	451,295	1,286,894	739,886
Depreciation and amortisation	616,147	585,966	1,250,258	1,156,890
Communication and other expenses	450,044	511,896	807,030	797,861
Provision for slow moving spares	31,656	38,040	31,656	38,040
Opening stock - work in process	91,241	35,813	64,860	67,903
Closing stock - work in process	(88,673)	(51,707)	(88,673)	(51,707)
Cost of goods manufactured	11,836,259	11,287,775	23,082,891	21,894,983
Add: Opening stock - manufactured fertilizers	452,553	417,675	584,930	71,424
Less: Closing stock - manufactured fertilizers	(109,547)	(78,725)	(109,547)	(78,725)
	343,006	338,950	475,383	(7,301)
Cost of sales - manufactured fertilizers	12,179,265	11,626,725	23,558,274	21,887,682
Opening stock of purchased fertilizers	292,198	97,130	21,504	-
Purchase of fertilizers for resale	808,420	307,704	1,994,961	421,270
	1,100,618	404,834	2,016,465	421,270
Less: Closing stock of purchased fertilizers	(687,177)	(263,382)	(687,177)	(263,382)
Cost of sale of purchased fertilizers	413,441	141,452	1,329,288	157,888
	12,592,706	11,768,177	24,887,562	22,045,570

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

For the half year ended June 30, 2015

(Re-presented)

June 30,
2015

June 30,
2014

(Rupees '000)

11. CASH GENERATED FROM OPERATIONS

Net profit before taxation	13,321,271	10,849,373
Adjustments for:		
Depreciation and amortisation	1,332,969	1,209,780
Provision for slow moving spares	31,656	38,040
Finance cost	1,041,572	918,082
Income on loans, deposits and investments	(1,163,587)	(645,767)
Share of profit of associate and joint venture	(1,882,327)	(190,286)
Loss / (gain) on sale of property, plant and equipment	3,208	(13,038)
Exchange (gain) / loss	(26,319)	16,267
Gain on remeasurement of investments at fair value through profit or loss	(3,205)	(3,556)
	<u>(666,033)</u>	<u>1,329,522</u>
	12,655,238	12,178,895
Changes in working capital		
Decrease / (increase) in current assets:		
Stores and spares	69,741	(115,254)
Stock in trade	(142,844)	(298,691)
Trade debts	(1,104,008)	(2,080,132)
Loans and advances	(71,569)	324,442
Deposits and prepayments	(665,003)	(194,663)
Other receivables	(92,939)	129,895
(Decrease) / increase in current liabilities:		
Trade and other payables	(24,727,422)	5,244,400
	<u>(26,734,044)</u>	<u>3,009,997</u>
Changes in long term loans and advances	442,857	(76,604)
Changes in long term deposits and prepayments	1,154	(12,478)
Changes in deferred liabilities	178,297	228,972
	<u>(13,456,498)</u>	<u>15,328,782</u>

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

For the half year ended June 30, 2015

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	June 30, 2015	June 30, 2014
	(Rupees '000)	
Transactions with associated undertakings / companies due to common directorship		
Long term investments	120,536	179,346
Sale of fertilizer	1,090	1,073
Dividends paid	4,197,928	4,313,041
Purchase of gas as feed and fuel stock	15,274,508	14,893,948
Expenses charged on account of marketing of fertilizer	319,963	-
Commission on sale of products	6,729	-
Payment under consignment account	17,710,356	-
Services received	-	174,123
Balance payable	3,569,826	26,119,281*
Balance receivable	51,511	3,275,428*
Transactions with joint venture company		
Raw material purchased	-	10,726,841
Expenses incurred on behalf of joint venture company	-	7,201
Balance receivable	-	8,353*
Other related parties		
Remuneration including benefits and perquisites of chief executive and executives, No. of persons 2015: 1 and 764 (2014: 1 and 647).	2,609,962	2,335,943
Payments to:		
Employees' Provident Fund Trust	179,315	185,618
Employees' Gratuity Fund Trust	74,893	621,975
Employees' Pension Fund Trust	459,371	94,067
Others:		
Balance receivable from Gratuity Fund Trust	53,546	28,090*
Balance receivable from Pension Fund Trust	449,018	59,019*

*Comparative figures of receivable / payable balances are as of December 31, 2014.

13. GENERAL

- 13.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 13.2 The Board of Directors of FFC in its meeting held on July 30, 2015 proposed a second interim dividend of Rs.1.75 per share.
- 13.3 This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of FFC on July 30, 2015.



Chairman



Chief Executive



Director

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