

HALF YEARLY
**FINANCIAL
STATEMENTS**

June 30, 2018
(Un-audited)



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SAY NO TO CORRUPTION

COMPANY INFORMATION

BOARD OF DIRECTORS

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

Chairman

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

Chief Executive & Managing Director

Mr Qaiser Javed

Dr Nadeem Inayat

Engr Rukhsana Zuberi

Mr Farhad Shaikh Mohammad

Mr Per Kristian Bakkerud

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

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

Mr Manzoor Ahmed

Mr Shoaib Mir

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

Mr Maroof Afzal

CHIEF FINANCIAL OFFICER

Mr Mohammad Munir Malik

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

E-mail: munir_malik@ffc.com.pk

COMPANY SECRETARY

Brig Ashfaq Ahmed, SI(M) (Retd)

Tel No. +92-51-8453101, Fax No. +92-51-8459931

E-mail: secretary@ffc.com.pk

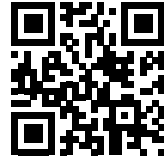
REGISTERED OFFICE

156 The Mall, Rawalpindi Cantt, Pakistan

Website: www.ffc.com.pk

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

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



PLANTSITES

Goth Machhi, Sadiqabad

(Distt: Rahim Yar Khan), Pakistan

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

Mirpur Mathelo

(Distt: Ghotki), Pakistan

Tel No. +92-723-661500-09, Fax No. +92-723-661462

MARKETING DIVISION

Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat, Lahore, Pakistan

Tel No. +92-42-36369137-40, Fax No. +92-42-36366324

KARACHI OFFICE

B-35, KDA Scheme No. 1, Karachi, Pakistan

Tel No. +92-21-34390115-16, Fax No. +92-21-34390117 & +92-21-34390122

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 Shahr-e-Faisal, Karachi – 74400

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

Directors' Review

For the Half Year ended June 30, 2018

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to report net earnings of Rs 4.72 billion for the half year ended June 30, 2018.

The Company achieved aggregate Sona urea production of 1,239 thousand tonnes lower by 42 thousand tonnes only compared to last year owing to planned maintenance turnaround of Plant II during the period, with a combined operating efficiency of 121% and achievement of over 12 million man-hours of safe operations.

The Company achieved highest ever all product sales of 1,413 thousand tonnes, with a combined FFC / FFBL urea market share of 55% compared to 48% recorded last year. Aggregate sales revenue (including subsidy) also registered an increase of 34% compared to the corresponding period of 2017 and stood at a benchmark level of Rs 45.67 billion.

Dividend income however declined by Rs 351 million while Super tax also continues to be levied. Despite these factors, the Company managed profitability growth of 24% compared to last year with earnings per share of Rs 3.71, mainly due to higher sales revenue besides improved investment income of Rs 1.15 billion and 36% reduction in finance cost to Rs 765 million.

With a view to providing attractive returns to our shareholders, the Board is pleased to announce second interim dividend of 14.00% (Rs 1.40 per share), with aggregate distribution of 31.50% (Rs 3.15 per share) for the period.

Subsequent to signing of Shareholders' Agreement, the Company has injected an equity of over Rs 1.10 billion in Thar Energy Limited and the project is progressing as per schedule. Our food project, Fauji Fresh n Freeze, has registered noticeable progress with increase in demand of OPA french fries. Ambient products have also been launched and expansion of the product portfolio has been strategically rolled out to build the local market acceptance of IQF products. Owing to initial gestation period, the project is expected to register profitability in due course and FFC remains committed to make the project a success.

Subsidy on urea has been discontinued by the Government effective July 1, 2018 and any continued pricing pressures by the Government in the absence of subsidy, would negatively impact the Company margins. Output GST rate on urea has also been decreased effective July 1, 2018, without a corresponding decrease in input sales tax, resulting in substantial increase in unadjusted input GST, which in addition to delayed receipt of subsidy claims, and the sharp decline in the value of Pak Rupee, pose further risks towards the liquidity and profitability of the Company.

Favourable Government policies are therefore critical for continuation of the encouraging results of the first half of 2018, during the remainder of the year.

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
 July 31, 2018

ڈائریکٹرز کا تجزیہ

بورڈ آف ڈائریکٹرز کی جانب سے ہمیں یہ اعلان کرتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی نے 30 جون 2018 کے نصف سال کے اختتام پر 4.72 ارب روپے کا خالص منافع کمایا ہے۔

کمپنی نے 1,239 ہزار ٹن کی مجموعی سونا پوریا پیداوار حاصل کی جو کہ اس ششماہی میں پلانٹ II کے طے شدہ مرمت اور بحالی کے کام کی وجہ سے پچھلے سال کی نسبت صرف 42 ہزار ٹن کم رہی جو کہ کل پیداواری صلاحیت کے 121 فیصد تھی اور اس کے علاوہ کمپنی نے 12 ملین مین آؤرز کے محفوظ آپریشن مکمل کئے۔

کمپنی نے تمام پروڈکٹس پر مشتمل 1,413 ہزار ٹن کی بلند ترین فروخت کرتے ہوئے FFC/FFBL کا مجموعی مارکیٹ شیئر 55 فیصد حاصل کیا جو کہ پچھلے سال 48 فیصد تھا۔ مجموعی آمدن (بشمول سبسڈی) 2017 کی اسی مدت کے مقابلے میں 34 فیصد اضافہ کے ساتھ 45.67 ارب روپے کے بلند ترین سطح پر رہی۔

منافع منقسمہ کی آمدن (Dividend income) میں 351 ملین روپے کی کمی ہوئی اور سپر ٹیکس کا نفاذ بھی برقرار رہا۔ ان عوامل کے باوجود کمپنی نے شرح منافع میں پچھلے سال سے 24 فیصد بہتری کے ساتھ 3.71 روپے فی حصہ آمدنی حاصل کی۔ جس کی نمایاں وجہ زیادہ آمدن 1.15 ارب روپے کا اضافی سرمایہ کاری آمدن جبکہ مالیاتی لاگت (Finance Cost) میں 36 فیصد کمی جس کی وجہ سے مالیاتی لاگت 765 ملین روپے رہی۔

حصص یافتگان کو پُرکشش آمدن مہیا کرنے کے پیش نظر بورڈ دوسرے عبوری منافع منقسمہ 14.00 فیصد (فی حصہ 1.40 روپے) کا اعلان کرتا ہے۔ جس سے اسی مدت کی مجموعی ادائیگی 31.50 فیصد (فی حصہ 3.15 روپے) رہی۔

شراکت کے معاہدے پر دستخط کے بعد کمپنی نے تھرانر جی لمیٹڈ (Thar Energy Limited) میں 1.10 ارب روپے کی سرمایہ کاری کی اور منصوبہ شیڈول کے مطابق آگے بڑھ رہا ہے۔

ہمارے نوڈز پر جیکٹ فوجی فریژ اینڈ فریز (Fauji Fresh n Freeze) نے OPA فریج فرائیز کی بڑھتی ہوئی مانگ کے منظر قابل ذکر کارکردگی دکھائی۔ Ambient products بھی متعارف کرا دیے گئے ہیں جبکہ مارکیٹ میں IQF پراڈکٹس کی مقبولیت بڑھانے کے پیش نظر اپنی مصنوعات (Product portfolio) میں توسیع کی حکمت عملی اختیار کی گئی ہے۔ یہ پراجیکٹ اپنے ابتدائی دور سے گزر رہا ہے اور وقت کے ساتھ ساتھ منافع بخش ہوجانے کی امید ہے اور FFC اس پراجیکٹ کی حتمی کامیابی کے لئے پرعزم ہے۔

یورپا سبسڈی حکومت نے یکم جولائی 2018 سے ختم کر دی ہے اور سبسڈی کے بغیر کھاد کی قیمتوں پر کوئی بھی حکومتی دباؤ کمپنی کے شرح منافع پر منفی اثر ڈالے گا۔ یورپا کی فروخت پر Output GST کی شرح یکم جولائی 2018 سے کم کر دی گئی ہے تاہم Input Sales Tax کی شرح میں اسی مناسبت سے کمی نہ ہونے کی وجہ سے Unadjusted input GST میں مزید اضافہ ہوتا جائے گا جو سبسڈی کی وصولی میں تاخیر اور روپے کی قدر میں تیزی سے کمی کے ساتھ مل کر کمپنی کی سیالیت (Liquidity) اور منافع پر مزید دباؤ کا باعث بن سکتے ہیں۔ موافق حکومتی پالیسیاں 2018 کی پہلی ششماہی کے حوصلہ افزا نتائج کے تسلسل کے لئے بہت اہم ہیں۔

بورڈ کی جانب سے

Jamilhan

لیفٹیننٹ جنرل طارق خان

ہلال امتیاز (ملٹری)، (ریٹائرڈ)
چیف ایگزیکٹو اور مینجنگ ڈائریکٹر

Ramg Nadar

لیفٹیننٹ جنرل سید طارق ندیم گیلانی

ہلال امتیاز (ملٹری)، (ریٹائرڈ)
چیئر مین

راولپنڈی

31 جولائی 2018

Independent Auditors' Review Report

To the members of Fauji Fertilizer Company Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Fauji Fertilizer Company Limited ("the Company") as at 30 June 2018 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of condensed interim financial statements 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 condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditors' report is Atif Zamurad Malik.

Other matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarter ended 30 June 2018 have not been reviewed and we do not express a conclusion on them.



Islamabad
July 31, 2018

KPMG Taseer Hadi & Co.
Chartered Accountants



Condensed Interim Financial Statements



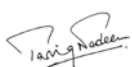
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2018

	Note	Un-audited June 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	14,848,664	16,176,474
Surplus on remeasurement of investments available for sale to fair value - net of tax		148,142	293,523
		27,879,188	29,352,379
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	11,743,089	15,571,491
Deferred liabilities		4,509,883	4,697,189
		16,252,972	20,268,680
CURRENT LIABILITIES			
Trade and other payables	7	45,660,506	38,781,144
Mark-up and profit accrued		135,954	190,707
Short term borrowings - secured	8	12,997,681	11,539,083
Unpaid dividend		1,223,404	-
Unclaimed dividend		358,190	437,291
Current portion of long term borrowings - secured	6	7,469,304	6,831,804
Taxation		1,786,494	1,229,780
		69,631,533	59,009,809
TOTAL EQUITY AND LIABILITIES		113,763,693	108,630,868
CONTINGENCIES AND COMMITMENTS	9		

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

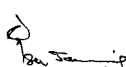
	Note	Un-audited June 30, 2018	Audited December 31, 2017
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	22,003,159	22,312,363
Intangible assets		1,579,655	1,585,018
Long term investments	11	29,830,872	27,868,846
Long term loans and advances		1,019,987	965,959
Long term deposits and prepayments		14,203	13,896
		54,447,876	52,746,082
CURRENT ASSETS			
Stores, spares and loose tools		3,330,933	3,496,117
Stock in trade		13,375,706	395,113
Trade debts		3,191,332	3,721,587
Loans and advances		1,717,956	1,633,916
Deposits and prepayments		199,883	77,792
Other receivables	12	14,698,934	13,964,851
Short term investments	13	19,261,810	30,882,685
Cash and bank balances		3,539,263	1,712,725
		59,315,817	55,884,786
TOTAL ASSETS		113,763,693	108,630,868



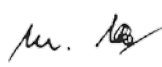
Chairman



Chief Executive



Director



Chief Financial Officer

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

For the period ended June 30, 2018

	Note	For the quarter ended		For the period ended	
		June 30,	June 30,	June 30,	June 30,
		2018	2017	2018	2017
		(Rupees '000)		(Rupees '000)	
Sales - net	14	22,708,267	18,970,955	43,266,076	30,161,304
Cost of sales		17,281,600	15,333,988	33,746,527	23,922,987
GROSS PROFIT		5,426,667	3,636,967	9,519,549	6,238,317
Distribution cost		2,444,382	2,394,821	4,369,655	4,070,466
		2,982,285	1,242,146	5,149,894	2,167,851
Finance cost		387,554	658,817	764,662	1,186,083
Other expenses		455,388	360,721	837,519	669,576
		2,139,343	222,608	3,547,713	312,192
Other income		2,157,852	2,780,387	4,243,609	5,550,934
PROFIT BEFORE TAXATION		4,297,195	3,002,995	7,791,322	5,863,126
Provision for taxation		1,847,000	1,378,000	3,076,000	2,046,000
PROFIT AFTER TAXATION		2,450,195	1,624,995	4,715,322	3,817,126
Earnings per share - basic and diluted (Rupees)		1.93	1.28	3.71	3.00

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


Chairman

Chief Executive

Director

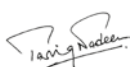
Chief Financial Officer

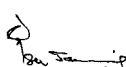
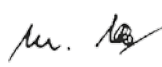
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended June 30, 2018

	For the quarter ended		For the period ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Rupees '000)		(Rupees '000)	
Profit after taxation	2,450,195	1,624,995	4,715,322	3,817,126
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	(62,642)	(49,282)	(145,381)	(79,876)
Total comprehensive income	2,387,553	1,575,713	4,569,941	3,737,250

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


Chairman

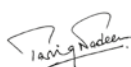
Chief Executive

Director

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the period ended June 30, 2018

	Note	June 30, 2018	June 30, 2017
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	15	(453,539)	(5,768,798)
Finance cost paid		(819,415)	(1,112,761)
Income tax paid		(2,706,592)	(2,384,855)
Subsidy received on sale of fertilizer		2,202,383	2,256,424
		(1,323,624)	(1,241,192)
Net cash used in operating activities		(1,777,163)	(7,009,990)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(773,404)	(1,336,571)
Proceeds from sale of property, plant and equipment		3,165	10,679
Investment in subsidiary company - FFF		(800,000)	-
Investment in associated company - TEL		(1,100,400)	-
Decrease / (increase) in other investments - net		1,803,018	(705,697)
Interest and profit received		755,170	520,438
Dividend received		443,169	1,048,598
Net cash from / (used in) investing activities		330,718	(462,553)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Draw-downs		-	4,000,000
Repayments		(3,190,902)	(2,805,902)
Dividend paid		(4,898,829)	(5,290,463)
Net cash used in financing activities		(8,089,731)	(4,096,365)
Net decrease in cash and cash equivalents		(9,536,176)	(11,568,908)
Cash and cash equivalents at beginning of the period		18,963,048	(6,041,304)
Effect of exchange rate changes		155,429	2,740
Cash and cash equivalents at end of the period		9,582,301	(17,607,472)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		3,539,263	3,513,809
Short term highly liquid investments		19,040,719	7,244,419
Short term borrowings		(12,997,681)	(28,365,700)
		9,582,301	(17,607,472)

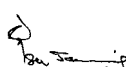
The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



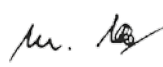
Chairman



Chief Executive



Director



Chief Financial Officer

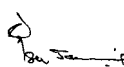
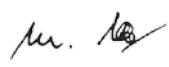
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended June 30, 2018

			Revenue reserves		Surplus on remeasurement of investments available for sale to fair value	
	Share capital	Capital reserves	General reserves	Unappropriated profit		Total
	(Rupees '000)					
Balance as at January 1, 2017	12,722,382	160,000	6,802,360	8,039,603	486,950	28,211,295
Total comprehensive income for the period						
Profit after taxation	-	-	-	3,817,126	-	3,817,126
Other comprehensive income - net of tax	-	-	-	-	(79,876)	(79,876)
	-	-	-	3,817,126	(79,876)	3,737,250
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)
	-	-	-	(5,407,012)	-	(5,407,012)
Other changes in equity						
Transfer to general reserves	-	-	2,000,000	(2,000,000)	-	-
Balance as at June 30, 2017	12,722,382	160,000	8,802,360	4,449,717	407,074	26,541,533
Balance as at January 1, 2018	12,722,382	160,000	8,802,360	7,374,114	293,523	29,352,379
Total comprehensive income for the period						
Profit after taxation	-	-	-	4,715,322	-	4,715,322
Other comprehensive income - net of tax	-	-	-	-	(145,381)	(145,381)
	-	-	-	4,715,322	(145,381)	4,569,941
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)
	-	-	-	(6,043,132)	-	(6,043,132)
Balance as at June 30, 2018	12,722,382	160,000	8,802,360	6,046,304	148,142	27,879,188

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


Chairman

Chief Executive

Director

Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended June 30, 2018

1. Fauji Fertilizer Company Limited (the Company) is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at 156, The Mall, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, cement, energy generation, food processing and banking operations.
2. These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017

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

The disclosures in 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 June 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 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 June 30, 2018	Audited December 31, 2017		Un-audited June 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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended June 30, 2018

	Note	Un-audited June 30, 2018	Audited December 31, 2017
(Rupees '000)			
5. REVENUE RESERVES			
General reserves		8,802,360	8,802,360
Unappropriated profit		6,046,304	7,374,114
		14,848,664	16,176,474
6. LONG TERM BORROWINGS - SECURED			
From conventional banks	6.1	17,292,750	19,910,438
From Islamic banks	6.2	1,919,643	2,492,857
		19,212,393	22,403,295
Less: Current portion shown under current liabilities			
From conventional banks		6,422,875	5,735,375
From Islamic banks		1,046,429	1,096,429
		7,469,304	6,831,804
		11,743,089	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		(2,617,688)	(6,537,874)
Closing balance	6.1.1	17,292,750	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 June 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
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 32,336,878 thousand (2017: Rs 22,944,401 thousand) on account of Gas Infrastructure Development Cess (GIDC).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended June 30, 2018

	Note	Un-audited June 30, 2018	Audited December 31, 2017
(Rupees '000)			
8. SHORT TERM BORROWINGS - SECURED			
From conventional banks	8.1	12,284,709	11,039,083
From Islamic banks	8.2	712,972	500,000
		12,997,681	11,539,083

- 8.1** Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 41.71 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 19, 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 + 0.03% 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 3.50 billion (2017: Rs 3.50 billion) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto December 31, 2018.

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

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

(b) Commitments in respect of:

(i) Capital expenditure	571,955	2,498,658
(ii) Purchase of fertilizer, stores, spares and other operational items	3,899,403	2,821,573
(iii) Investment in Fauji Fresh n Freeze Limited	840,000	640,000
(iv) Investment in Thar Energy Limited	3,585,887	-
(v) Rentals under lease agreements:		
Premises	256,571	312,656
Vehicles	97,900	83,674

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended June 30, 2018

	Note	Un-audited June 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	772,255	3,275,533
Written down value of disposals		(108)	(14,131)
Depreciation during the period / year	10.1 & 10.2	(1,081,351)	(2,181,771)
		<u>22,003,159</u>	<u>22,312,363</u>
10.1	Additions in and depreciation on property, plant and equipment during the period ended June 30, 2017 were Rs 1,335,193 thousand and Rs 1,081,393 thousand respectively.		
		Un-audited June 30, 2018	Audited December 31, 2017
		(Rupees '000)	
10.2 Depreciation charge has been allocated as follows:			
Cost of sales		1,037,189	2,093,416
Distribution cost		36,063	70,233
Other expenses		1,064	1,850
Charged to FFBL under the Company Services Agreement		7,035	16,272
		<u>1,081,351</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		3,995,500	3,195,500
		<u>6,433,750</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		1,100,400	-
Investment in joint venture (Unquoted) - at cost			
Pakistan Maroc Phosphore S.A., Morocco		705,925	705,925
Investments available for sale			
Term Deposit Receipts - from conventional banks		116,568	108,894
Pakistan Investment Bonds		6,704,367	6,912,055
		<u>6,820,935</u>	<u>7,020,949</u>
		<u>31,681,850</u>	<u>29,981,464</u>
Less: Current portion shown under short term investments			
Investments available for sale			
Term Deposit Receipts - from conventional banks		21,912	28,834
Pakistan Investment Bonds		1,829,066	2,083,784
	13	<u>1,850,978</u>	<u>2,112,618</u>
		<u>29,830,872</u>	<u>27,868,846</u>

12. OTHER RECEIVABLES

Other receivables include Rs 6,961,878 thousand (2017: 6,763,903 thousand) on account of subsidy receivable and Rs 7,189,335 thousand (2017: 5,210,457 thousand) on account of sales tax receivable from the Government.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended June 30, 2018

	Note	Un-audited June 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		15,500,000	26,000,000
Foreign currency		1,706,734	1,530,343
		17,206,734	27,530,343
Investments at fair value through profit or loss			
Conventional investments		-	1,038,628
Shariah compliant investments		204,098	201,096
		204,098	1,239,724
Current maturity of long term investments			
Investments available for sale	11	1,850,978	2,112,618
		19,261,810	30,882,685
		For the quarter ended	For the period ended
		June 30, 2018	June 30, 2017
14. SALES - NET			
		(Rupees '000)	(Rupees '000)
Manufactured urea - local		18,600,918	19,099,992
Manufactured urea - export		-	368,608
Purchased and packaged fertilizers		5,210,197	2,426,618
		23,811,115	21,895,218
Sales tax		(1,102,848)	(1,361,530)
Trade discount		-	(1,562,733)
		(1,102,848)	(2,924,263)
		22,708,267	18,970,955
15. CASH USED IN OPERATIONS			
Profit before taxation		7,791,322	5,863,126
Adjustments for:			
Depreciation		1,074,316	1,072,374
Amortization		6,512	5,234
Provision for slow moving spares		25,811	34,029
Finance cost		746,999	1,170,407
(Gain) / loss on disposal of property, plant and equipment		(3,057)	3,376
Interest and profit on loans, deposits and investments		(748,873)	(521,395)
Exchange (gain) / loss - net		(137,766)	12,936
Gain on re-measurement of investments at fair value through profit or loss		(137,837)	(35,613)
Dividend income		(696,969)	(1,048,598)
Subsidy on sale of fertilizer		(2,400,358)	(3,860,567)
		(2,271,222)	(3,167,817)
		5,520,100	2,695,309
Changes in:			
Stores, spares and loose tools		139,373	(305,465)
Stock in trade		(12,980,593)	(11,060,931)
Trade debts		530,255	(3,940,948)
Loans and advances		(84,040)	(955,820)
Deposits and prepayments		(122,091)	(122,959)
Other receivables		(281,570)	(3,593,320)
Trade and other payables		6,879,362	11,523,555
		(5,919,304)	(8,455,888)
Changes in long term loans and advances		(54,028)	(7,882)
Changes in long term deposits and prepayments		(307)	(337)
		(453,539)	(5,768,798)

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

For the period ended June 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 INFORMATION (UN-AUDITED)

For the period ended June 30, 2018

	Carrying Amount			Fair Value				
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets (Rupees '000)	Level 1	Level 2	Level 3	Total
June 30, 2018								
Financial assets not measured at fair value								
Non - current assets								
Long term investments	-	94,656	-	-	-	-	-	-
Long term loans and advances	1,019,987	-	-	-	-	-	-	-
Long term deposits	12,378	-	-	-	-	-	-	-
Current assets								
Trade debts - net of provision	3,191,332	-	-	-	-	-	-	-
Loans and advances	1,567,118	-	-	-	-	-	-	-
Deposits	944	-	-	-	-	-	-	-
Other receivables	7,144,725	-	-	-	-	-	-	-
Short term investments	17,206,734	21,912	-	-	-	-	-	-
Cash and bank balances	3,539,263	-	-	-	-	-	-	-
	33,682,481	116,568	-	-	-	-	-	-
June 30, 2018								
Financial assets measured at fair value								
Non - current assets								
Long term investments	-	4,875,301	-	-	-	4,875,301	-	4,875,301
Current assets								
Short term investment	-	1,829,066	204,098	-	204,098	1,829,066	-	2,033,164
	-	6,704,367	204,098	-	204,098	6,704,367	-	6,908,465
	33,682,481	6,820,935	204,098	-	204,098	6,704,367	-	6,908,465
Financial liabilities not measured at fair value								
Non - current liabilities								
Long term borrowings - secured	-	-	-	11,743,089	-	-	-	-
Current liabilities								
Trade and other payables	-	-	-	41,173,536	-	-	-	-
Mark-up and profit accrued	-	-	-	135,954	-	-	-	-
Short term borrowings - secured	-	-	-	12,997,681	-	-	-	-
Unpaid dividend	-	-	-	1,223,404	-	-	-	-
Unclaimed dividend	-	-	-	358,190	-	-	-	-
Current portion of long term borrowings - secured	-	-	-	7,469,304	-	-	-	-
	-	-	-	75,101,158	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (AUDITED)

For the period ended June 30, 2018

	Carrying Amount			Fair Value				
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets / liabilities (Rupees '000)	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	-	-	-	-	-	-
December 31, 2017								
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	2,083,784	-	3,323,508
	-	6,912,055	1,239,724	-	1,239,724	6,912,055	-	8,151,779
	43,355,256	7,020,949	1,239,724	-	1,239,724	6,912,055	-	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 June 30, 2018

	June 30, 2018	June 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	1,108,667	2,164,145
Investment in subsidiary company - FFF	800,000	-
Dividend receivable *	-	500,000
Balances receivable - unsecured *	1,346,012	1,312,959
Transactions and balances with associated undertakings / joint ventures / companies due to common ownership		
Investment in associated company - TEL	1,100,400	-
Expenses charged on account of marketing of fertilizer on behalf of associated company - FFBL	484,883	517,839
Commission on sale of products	9,272	9,234
Payments under consignment account	14,977,136	19,862,880
Purchase of gas as feed and fuel stock	8,377,588	10,883,909
Sale of fertilizers	840	-
Donations	41,968	52,631
Dividend income	696,969	1,048,598
Dividend paid	2,680,129	2,398,010
Others	16,209	16,750
Dividend receivable *	253,800	-
Short term investment *	-	500,000
Long term investments *	116,568	108,894
Short term borrowing *	3,509,133	694,857
Running finance *	262,766	133,819
Balances receivable - unsecured *	48,354	45,352
Balances payable - unsecured *	35,700,773	24,596,243
Key management personnel - Restated		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2018: 1 and 344 (2017: 1 and 345) respectively.	1,979,363	1,908,899
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	215,345	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	3,892
Balance payable to Gratuity Fund Trust *	(309,184)	(397,886)
Balance payable to Pension Fund Trust *	(284,854)	(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 June 30, 2018

18. POST BALANCE SHEET EVENT

The Board of Directors of the Company in its meeting held on July 31, 2018 proposed second interim dividend of Rs 1.40 per share.

19. GENERAL

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

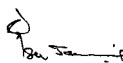
19.2 These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on July 31, 2018.



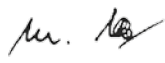
Chairman



Chief Executive



Director



Chief Financial Officer



Condensed Interim Consolidated Financial Statements



 **FFC ENERGY**

Askari Bank Ltd



Fauji Fresh n Freeze Ltd



 **FFBL**
Fauji Fertilizer & Chemicals Limited

 **Fauji Cement Company Ltd**

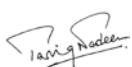
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2018

	Note	Un-audited June 30, 2018	Audited December 31, 2017
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		2,734,358	2,101,184
Revenue reserves	5	33,636,547	35,360,005
(Deficit) / surplus on remeasurement of investments available for sale to fair value - net of tax		(13,066)	934,733
		49,080,221	51,118,304
Share in revaluation reserve of associates - net		848,685	759,892
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	16,671,270	21,162,157
Deferred liabilities		5,798,715	5,973,370
Liability against assets subject to finance lease		7,366	8,440
		22,477,351	27,143,967
CURRENT LIABILITIES			
Trade and other payables	7	46,051,537	39,288,679
Mark-up and profit accrued		159,835	216,140
Short term borrowings - secured	8	13,724,534	11,939,083
Unpaid dividend		1,223,404	-
Unclaimed dividend		358,190	437,291
Current portion of long term borrowings - secured	6	9,059,864	8,633,497
Current portion of land lease liability		2,566	2,566
Taxation		1,787,595	1,230,841
		72,367,525	61,748,097
TOTAL EQUITY AND LIABILITIES		144,773,782	140,770,260
CONTINGENCIES AND COMMITMENTS			
	9		

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

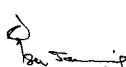
	Note	Un-audited June 30, 2018	Audited December 31, 2017
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	33,661,284	34,351,610
Intangible assets		1,945,467	1,951,383
Long term investments	11	46,468,502	45,665,306
Long term loans and advances		1,019,987	965,959
Long term deposits and prepayments		32,516	31,173
		83,127,756	82,965,431
CURRENT ASSETS			
Stores, spares and loose tools		3,341,976	3,511,899
Stock in trade		13,794,876	640,655
Trade debts		5,201,322	4,817,924
Loans and advances		745,702	585,527
Deposits and prepayments		232,148	83,824
Other receivables	12	14,584,212	13,735,003
Short term investments	13	19,709,810	31,657,685
Cash and bank balances		4,035,980	2,772,312
		61,646,026	57,804,829
TOTAL ASSETS		144,773,782	140,770,260



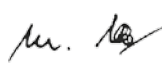
Chairman



Chief Executive



Director



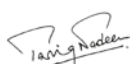
Chief Financial Officer

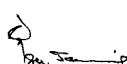
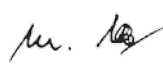
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the period ended June 30, 2018

	Note	For the quarter ended		For the period ended	
		June 30,	June 30,	June 30,	June 30,
		2018	2017	2018	2017
		(Rupees'000)		(Rupees'000)	
Sales - net	14	23,826,342	20,034,942	45,058,336	31,598,286
Cost of sales		17,799,540	15,757,584	34,886,528	24,701,380
GROSS PROFIT		6,026,802	4,277,358	10,171,808	6,896,906
Administrative expenses and distribution cost		2,534,263	2,558,489	4,603,549	4,313,219
		3,492,539	1,718,869	5,568,259	2,583,687
Finance cost		524,788	884,513	1,060,702	1,622,724
Other expenses		455,388	360,721	837,519	669,576
		2,512,363	473,635	3,670,038	291,387
Other income		1,828,955	2,804,978	3,580,597	4,552,069
Share of profit of associates and joint venture		62,962	581,126	497,865	908,238
PROFIT BEFORE TAXATION		4,404,280	3,859,739	7,748,500	5,751,694
Provision for taxation		1,859,533	1,451,761	3,157,780	2,168,121
PROFIT AFTER TAXATION		2,544,747	2,407,978	4,590,720	3,583,573

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

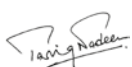

Chairman

Chief Executive

Director

Chief Financial Officer

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

	For the quarter ended		For the period ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Rupees'000)		(Rupees'000)	
Net profit after taxation	2,544,747	2,407,978	4,590,720	3,583,573
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	-	-	(8,949)	13,198
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	(62,642)	(49,282)	(145,381)	(79,876)
Share of equity accounted investees - share of OCI, net of tax	(266,462)	221,010	(431,341)	(343,166)
	(329,104)	171,728	(576,722)	(423,042)
Comprehensive income taken to equity	2,215,643	2,579,706	4,005,049	3,173,729
Comprehensive income not recognised in equity				
Items that may be subsequently reclassified to profit or loss	-	-	88,793	114,076
Total comprehensive income for the period	2,215,643	2,579,706	4,093,842	3,287,805

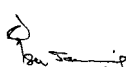
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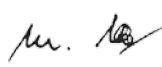
Chairman



Chief Executive



Director



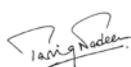
Chief Financial Officer

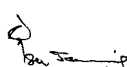
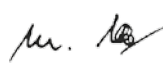
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the period ended June 30, 2018

	Note	June 30, 2018	June 30, 2017
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	16	(1,136,377)	(5,442,834)
Finance cost paid		(1,117,007)	(1,548,899)
Income tax paid		(2,713,652)	(2,245,480)
Subsidy received on sale of fertilizer		2,202,383	2,256,424
		(1,628,276)	(1,537,955)
Net cash used in operating activities		(2,764,653)	(6,980,789)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(832,381)	(1,386,929)
Proceeds from sale of property, plant and equipment		3,656	282,317
Investment in associated company - TEL		(1,100,400)	-
Decrease in investments - net		2,443,183	621,006
Interest and profit received		802,123	592,079
Dividend received		443,169	1,048,598
Net cash from investing activities		1,759,350	1,157,071
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Draw-downs		-	4,000,000
Repayments		(4,079,355)	(3,487,497)
Dividend paid		(4,898,829)	(5,290,463)
Net cash used in financing activities		(8,978,184)	(4,777,960)
Net decrease in cash and cash equivalents		(9,983,487)	(10,601,678)
Cash and cash equivalents at beginning of the period		19,622,635	(6,073,964)
Effect of exchange rate changes		161,017	2,740
Cash and cash equivalents at end of the period		9,800,165	(16,672,902)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		4,035,980	4,753,698
Short term highly liquid investments		19,488,719	7,244,419
Short term borrowings - secured		(13,724,534)	(28,671,019)
		9,800,165	(16,672,902)

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


Chairman

Chief Executive

Director

Chief Financial Officer

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

For the period ended June 30, 2018

	Capital reserves				Revenue reserves			Surplus on remeasurement of available for sale investments to fair value	Total
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserve	General reserve	Unappropriated profit		
					(Rupees '000)				
Balance at January 1, 2017	12,722,382	40,000	120,000	251,153	985,519	6,802,360	27,069,130	2,726,211	50,716,755
Total comprehensive income for the period	-	-	-	-	-	-	3,583,573	-	3,583,573
Profit after taxation	-	-	-	(48,652)	-	-	13,198	(374,390)	(409,844)
Other comprehensive income - net of tax	-	-	-	(48,652)	-	-	3,596,771	(374,390)	3,173,729
Distributions to owners - recorded directly in equity	-	-	-	-	-	-	(3,498,655)	-	(3,498,655)
Final dividend 2016: Rs 2.75 per share	-	-	-	-	-	-	(1,908,357)	-	(1,908,357)
First interim dividend 2017: Rs 1.50 per share	-	-	-	-	-	-	(5,407,012)	-	(5,407,012)
Other changes in equity	-	-	-	-	-	-	(2,000,000)	-	-
Transfer to general reserve	-	-	-	-	244,071	-	(244,071)	-	-
Transfer to statutory reserve	-	-	-	-	244,071	2,000,000	(2,244,071)	-	-
Balance as at June 30, 2017	12,722,382	40,000	120,000	202,501	1,229,590	8,802,360	23,014,818	2,351,821	48,483,472
Balance at January 1, 2018	12,722,382	40,000	120,000	372,893	1,568,291	8,802,360	26,557,645	934,733	51,118,304
Total comprehensive income for the period	-	-	-	-	-	-	4,590,720	-	4,590,720
Profit after taxation	-	-	-	371,077	-	-	(8,949)	(947,799)	(585,671)
Other comprehensive income - net of tax	-	-	-	371,077	-	-	4,581,771	(947,799)	4,005,049
Distributions to owners - recorded directly in equity	-	-	-	-	-	-	(3,816,715)	-	(3,816,715)
Final dividend 2017: Rs 3.00 per share	-	-	-	-	-	-	(2,226,417)	-	(2,226,417)
First interim dividend 2018: Rs 1.75 per share	-	-	-	-	-	-	(6,043,132)	-	(6,043,132)
Other changes in equity	-	-	-	-	-	-	(262,097)	-	-
Transfer to general reserve	-	-	-	-	262,097	-	(262,097)	-	-
Transfer to statutory reserve	-	-	-	-	262,097	-	(262,097)	-	-
Balance as at June 30, 2018	12,722,382	40,000	120,000	743,970	1,830,388	8,802,360	24,834,187	(13,066)	49,080,221

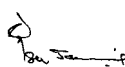
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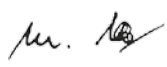
Chairman



Chief Executive



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

3. The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of 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 June 30, 2018	Audited December 31, 2017		Un-audited June 30, 2018	Audited December 31, 2017
(Numbers of shares)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs.10 each, issued for consideration in cash.	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs.10 each issued as fully paid bonus shares.	10,157,423	10,157,423
1,272,238,247	1,272,238,247		12,722,382	12,722,382

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2018

	Note	Un-audited June 30, 2018	Audited December 31, 2017
(Rupees '000)			
5. REVENUE RESERVES			
General reserves		8,802,360	8,802,360
Unappropriated profit		24,834,187	26,557,645
		33,636,547	35,360,005
6. LONG TERM BORROWINGS - SECURED			
From conventional banks			
Fauji Fertilizer Company Limited	6.1	17,292,750	19,910,438
FFC Energy Limited	6.2	5,687,508	6,154,901
Fauji Fresh n Freeze Limited	6.3	831,233	1,237,458
From Islamic banks			
Fauji Fertilizer Company Limited	6.4	1,919,643	2,492,857
		25,731,134	29,795,654
Less: Current portion shown under current liabilities			
From conventional banks		8,013,435	7,537,068
From Islamic banks		1,046,429	1,096,429
		9,059,864	8,633,497
		16,671,270	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		(2,617,688)	(6,537,874)
Closing balance		17,292,750	19,910,438
6.2 Movement during the period / year is as follows:			
Opening balance		6,154,901	6,981,494
Repayments during the period / year		(481,828)	(858,914)
		5,673,073	6,122,580
Less: Transaction cost			
Amortized during the period / year		14,435	32,321
Closing balance		5,687,508	6,154,901
6.3 Movement during the period / year is as follows:			
Opening balance		1,237,458	1,908,350
Repayments during the period / year		(406,625)	(671,625)
		830,833	1,236,725
Less: Transaction cost			
Amortized during the period / year		400	733
Closing balance		831,233	1,237,458
6.4 Movement during the period / year is as follows:			
Opening balance		2,492,857	3,639,286
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 32,336,878 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 June 30, 2018

	Un-audited June 30, 2018	Audited December 31, 2017
	(Rupees '000)	
8. SHORT TERM BORROWINGS - SECURED		
From conventional banks	13,011,562	11,439,083
From Islamic banks	712,972	500,000
	13,724,534	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	35,816,136	35,703,594
(iv) Group's share of contingencies in Fauji Cement Company Limited as at March 31, 2018 (2017: September 30, 2017)	109,448	272,518
(v) Group's share of contingencies in Askari Bank Limited as at March 31, 2018 (2017: September 30, 2017)	139,180,525	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.		

	Un-audited June 30, 2018	Audited December 31, 2017
	(Rupees '000)	
(b) Commitments in respect of:		
(i) Capital expenditure	571,955	2,498,658
(ii) Purchase of fertilizer, stores, spares and other operational items	3,954,736	2,821,573
(iii) Investment in Thar Energy Limited	3,585,887	-
(iv) Group's share of commitments of PMP as at March 31, 2018 (2017: September 30, 2017)	12,767	17,133
(v) Rentals under lease agreements:		
Premises	305,434	364,085
Vehicles	97,900	83,674

10. PROPERTY PLANT AND EQUIPMENT

Opening written down value	34,351,610	34,295,455
Additions during the period / year	831,232	3,399,664
Written down value of disposals / adjustments	(495)	(286,357)
Depreciation during the period / year	(1,521,063)	(3,057,152)
	33,661,284	34,351,610

10.1 Additions in and depreciation on property, plant and equipment during the period ended June 30, 2017 were Rs 1,385,551 thousand and Rs 1,517,702 thousand respectively.

	Un-audited June 30, 2018	Audited December 31, 2017
	(Rupees '000)	
10.2 Depreciation charge has been allocated as follows:		
Cost of sales	1,472,320	2,959,733
Distribution cost	40,644	79,297
Other expenses	1,064	1,850
Charged to FFBL under the Company Services Agreement	7,035	16,272
	1,521,063	3,057,152

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2018

	Note	Un-audited June 30, 2018	Audited December 31, 2017
		(Rupees '000)	
11. LONG TERM INVESTMENTS			
Equity accounted investments	11.1	41,498,545	40,756,975
Other long term investments	11.2	4,969,957	4,908,331
		<u>46,468,502</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		(583,538)	945,641
Share of OCI for the period / year		155,974	(269,977)
Dividend received		(349,419)	(279,535)
		<u>19,354,627</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		1,045,487	2,202,716
Share of OCI for the period / year		(709,047)	(1,462,968)
Dividend received		-	(1,359,420)
		<u>16,865,379</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		113,939	166,248
Dividend received		(93,750)	(178,125)
		<u>2,071,431</u>	<u>2,051,242</u>
Thar Energy Limited			
Investment during the period		1,100,400	-
		<u>1,100,400</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		(78,023)	220,728
Gain on translation of net assets		139,547	70,174
Dividend received		-	(106,630)
		<u>2,106,708</u>	<u>2,045,184</u>
		<u>41,498,545</u>	<u>40,756,975</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2018

Note	Un-audited June 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

116,568	108,894
6,704,367	6,912,055
6,820,935	7,020,949

Less: Current portion shown under short term investments

Investments available for sale

Term Deposit Receipts

Pakistan Investment Bonds

21,912	28,834
1,829,066	2,083,784

13

1,850,978	2,112,618
4,969,957	4,908,331

12. OTHER RECEIVABLES

Other receivables include Rs 6,961,878 thousand (2017: 6,763,903 thousand) on account of subsidy receivable and Rs 7,189,335 thousand (2017: 5,210,457 thousand) on account of sales tax receivable from the Government.

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

13. SHORT TERM INVESTMENTS

Loans & receivables - conventional instruments

Term deposits with banks and financial institutions

Local currency

Foreign currency

15,948,000	26,775,000
1,706,734	1,530,343

Investments at fair value through profit or loss

Conventional investments

Shariah compliant investments

-	1,038,628
204,098	201,096

Current maturity of long term investments

Investments available for sale

11

1,850,978	2,112,618
19,709,810	31,657,685

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

For the period ended June 30, 2018

	For the quarter ended		For the period ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Rupees '000)		(Rupees '000)	
14. SALES - NET				
Fertilizers	22,708,267	18,970,955	43,266,076	30,161,304
Power	992,877	985,418	1,318,150	1,304,259
Food	125,198	78,569	474,110	132,723
	23,826,342	20,034,942	45,058,336	31,598,286

15. SEGMENT INFORMATION

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

	Reportable segments			
	Fertilizers	Power	Food	Total
	(Rupees '000)			
June 30, 2018 (Un-audited)				
Assets				
Segment assets (Total)	87,666,293	11,710,619	3,898,325	103,275,237
Equity accounted investees	41,498,545	-	-	41,498,545
Liabilities				
Segment liabilities (Total)	85,827,485	6,213,337	2,804,054	94,844,876
Capital expenditure	772,255	23,228	35,749	831,232
Depreciation	1,081,351	296,841	142,871	1,521,063
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 June 30, 2018

	June 30, 2018	June 30, 2017
	(Rupees '000)	
16. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	7,748,500	5,751,694
Adjustments for:		
Depreciation	1,514,028	1,508,683
Amortization	7,065	5,234
Amortization of transaction cost	14,835	16,774
Provision for slow moving spares	25,811	34,029
Provision for stock in trade	2,297	-
Finance cost	1,068,289	1,633,971
(Gain) / loss on sale of property, plant and equipment	(3,161)	3,376
Income on loans, deposits and investments	(753,194)	(566,396)
Share of profit of associated companies and joint venture	(497,865)	(908,238)
Exchange gain - net	(168,604)	(13,987)
Gain on remeasurement of investments at fair value through profit or loss	(3,002)	(7,496)
Subsidy on sale of fertilizer	(2,400,358)	(3,860,567)
	(1,193,859)	(2,154,617)
	6,554,641	3,597,077
Changes in:		
Stores and spares	144,112	(308,606)
Stock in trade	(13,156,518)	(11,240,718)
Trade debts	(383,398)	(4,635,083)
Loans and advances	(160,175)	(297,243)
Deposits and prepayments	(148,324)	(144,912)
Other receivables	(693,128)	(4,031,735)
Trade and other payables	6,762,858	11,641,089
	(7,634,573)	(9,017,208)
Changes in long term loans and advances	(54,028)	(7,882)
Changes in long term deposits and prepayments	(1,343)	(16,104)
Change in liability under finance lease	(1,074)	1,283
	(1,136,377)	(5,442,834)

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

For the period ended June 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 June 30, 2018

	Carrying Amount			Fair Value					
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets (Rupees '000)	Total	Level 1	Level 2	Level 3	Total
June 30, 2018									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	94,656	-	-	94,656	-	-	-	-
Long term loans and advances	1,019,987	-	-	-	1,019,987	-	-	-	-
Long term deposits	30,691	-	-	-	30,691	-	-	-	-
Current assets									
Trade debts - net of provision	5,201,322	-	-	-	5,201,322	-	-	-	-
Loans and advances	560,451	-	-	-	560,451	-	-	-	-
Deposits	944	-	-	-	944	-	-	-	-
Other receivables	6,748,727	-	-	-	6,748,727	-	-	-	-
Short term investments	17,654,734	21,912	-	-	17,676,646	-	-	-	-
Cash and bank balances	4,035,980	-	-	-	4,035,980	-	-	-	-
	35,252,836	116,568	-	-	35,369,404	-	-	-	-
June 30, 2018									
Financial assets measured at fair value									
Non - current assets									
Long term investments	-	4,875,301	-	-	4,875,301	-	4,875,301	-	4,875,301
Current assets									
Short term investment	-	1,829,066	204,098	-	-	204,098	1,829,066	-	2,033,164
	-	6,704,367	204,098	-	4,875,301	204,098	6,704,367	-	6,908,465
	35,252,836	6,820,935	204,098	-	40,244,705	204,098	6,704,367	-	6,908,465
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowings - secured	-	-	-	16,671,270	16,671,270	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	41,765,618	41,765,618	-	-	-	-
Mark-up and profit accrued	-	-	-	159,835	159,835	-	-	-	-
Short term borrowings - secured	-	-	-	13,724,534	13,724,534	-	-	-	-
Unpaid dividend	-	-	-	1,223,404	1,223,404	-	-	-	-
Unclaimed dividend	-	-	-	358,190	358,190	-	-	-	-
Current portion of long term borrowings - secured	-	-	-	9,059,864	9,059,864	-	-	-	-
	-	-	-	82,962,715	82,962,715	-	-	-	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (AUDITED)

For the period ended June 30, 2018

	Carrying Amount			Fair Value					
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets / liabilities (Rupees '000)				Total	
					Level 1	Level 2	Level 3		
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	29,655	-	-	-	-	-	-	-	-
Current assets									
Trade debts - net of provision	4,817,924	-	-	-	-	-	-	-	-
Loans and advances	387,623	-	-	-	-	-	-	-	-
Deposits	944	-	-	-	-	-	-	-	-
Other receivables	7,442,448	-	-	-	-	-	-	-	-
Short term investments	28,305,343	28,834	-	-	-	-	-	-	-
Cash and bank balances	2,772,312	-	-	-	-	-	-	-	-
	44,722,208	108,894	-	-	-	-	-	-	-
December 31, 2017									
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	1,239,724	2,083,784	-	3,323,508
	-	6,912,055	1,239,724	-	1,239,724	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 June 30, 2018

	June 30, 2018	June 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	1,100,400	-
Expenses charged on account of marketing of fertilizer on behalf of associated company - FFBL	484,883	517,839
Commission on sale of products	9,272	9,234
Payment under consignment account	14,977,136	19,862,880
Purchase of gas as feed and fuel stock	8,377,588	10,883,909
Sale of fertilizers	840	-
Donation	41,968	52,631
Dividend income	696,969	1,048,598
Dividends paid	2,680,129	2,398,010
Others	16,209	16,750
Dividend receivable *	253,800	-
Short term investment *	-	500,000
Long term investment *	116,568	108,894
Short term borrowing *	3,509,133	694,857
Long term borrowing *	-	-
Bank balance *	142,786	116,536
Running finance *	262,766	133,819
Balance receivable *	48,354	45,352
Balance payable *	35,700,773	24,596,243
Key management personnel - Restated		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2018: 1 and 395 (2017: 1 and 371) respectively.	2,092,169	1,994,286
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	215,345	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	3,892
Balance payable to Gratuity Fund Trust *	(309,184)	(405,493)
Balance payable to Pension Fund Trust *	(284,854)	(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 June 30, 2018

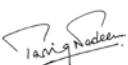
19. POST BALANCE SHEET EVENT

The Board of Directors of FFC in its meeting held on July 31, 2018 declared second interim dividend of Rs 1.40 per share.

20. GENERAL

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

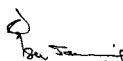
20.2 These condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of FFC on July 31, 2018.



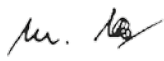
Chairman



Chief Executive



Director



Chief Financial Officer

INVESTORS' EDUCATION








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


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