



# PEOPLE, PROCESS, POWER

For a Sarsabz Pakistan.

1<sup>st</sup> QUARTERLY  
REPORT  
2019



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# COMPANY INFORMATION

## Board of Directors

Mr. Arif Habib

*Chairman*

Mr. Fawad Ahmed Mukhtar

*Chief Executive Officer*

Mr. Fazal Ahmed Sheikh

*Director*

Mr. Faisal Ahmed Mukhtar

*Director*

Mr. M. Abad Khan

*Director*

Mr. Muhammad Kashif Habib

*Director*

Ms. Anja E. Nielsen

*Independent Director*

Mr. Tariq Jamali

*Nominee Director – NBP*

## Director Finance & Chief Financial Officer

Mr. Asad Murad

## Company Secretary

Mr. Ausaf Ali Qureshi

*(communications@fatima-group.com)*

## Key Management

Mr. Arif-ur-Rehman

*Chief Manufacturing Officer*

Mr. Rehman Hanif

*Plant Manager*

Mr. Khurram Javed Maqbool

*Director Sales & Marketing*

Ms. Sadia Irfan

*Director HR*

Mr. Iftikhar Mahmood Baig

*Director Business Development*

Mr. Ahsen-ud-Din

*Director Technology Division*

Sardar Naufil Mahmud

*Chief Information Officer*

Mr. Salman Ahmad

*Head of Internal Audit*

Mr. Faisal Jamal

*Corporate HSE & Technical Support Manager*

Mr. Asghar Naveed

*Plant Manager Fatimafert Limited*

## Audit Committee Members

Ms. Anja E. Nielsen

*Chairman*

Mr. Muhammad Kashif Habib

*Member*

Mr. Faisal Ahmed Mukhtar

*Member*

Mr. M. Abad Khan

*Member*

Mr. Tariq Jamali

*Member*

## HR and Remuneration Committee Members

Ms. Anja E. Nielsen

*Chairman*

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Mr. M. Abad Khan

*Member*

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Mr. Muhammad Kashif Habib

*Member*

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Mr. Faisal Ahmed Mukhtar

*Member*

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## Legal Advisors

M/s. Chima & Ibrahim Advocates  
1-A/245, Tufail Road, Lahore-Cantt

## Auditors

M/s. Deloitte Yousuf Adil  
Chartered Accountants, Lahore  
(A member firm of Deloitte Touche  
Tohmatsu Limited)  
134-A, Abu Bakar Block,  
New Garden Town, Lahore  
Tel: +92 42 3591 3595-7, +92 42 3544 0520  
Fax: +92 42 3544 0521  
Web: www.deloitte.com.pk

## Registrar and Share Transfer Agent

Central Depository Company of  
Pakistan Limited  
Share Registrar Department,  
CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main  
Shahra-e-Faisal, Karachi-74400  
Tel: Customer Support Services  
(Toll Free) 0800-CDCPL (23275)  
Fax: (92-21) 3432 6053  
Email: info@cdcpak.com  
Website: www.cdcpakistan.com

## Bankers

Allied Bank Limited  
Habib Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Askari Bank Limited  
Habib Metropolitan Bank Limited  
Standard Chartered Bank, United Kingdom  
Bank Alfalah Limited  
MCB Bank Limited  
Summit Bank Limited  
Bank Al-Habib Limited  
Meezan Bank Limited  
The Bank of Khyber  
Bank Islami Pakistan Limited  
National Bank of Pakistan  
The Bank of Punjab  
Citibank N.A.  
Sindh Bank Limited  
United Bank Limited  
Faysal Bank Limited  
Soneri Bank Limited

## Registered Office / Head Office

E-110, Khayaban-e-Jinnah,  
Lahore-Cantt, Pakistan  
UAN: 111-FATIMA (111-328-462)  
Fax: +92 42 3662 1389

## Plant Site

Mukhtar Garh, Sadiqabad, Distt.  
Rahim Yar Khan, Pakistan  
Tel: 068 – 5951000  
Fax: 068 – 5951166

# DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Fatima Fertilizer Company Limited, we are pleased to present the un-audited financial statements of the Company for the three months ended March 31, 2019 along with brief overview of operational and financial performance of the Company.

## Market Overview - Global

Global urea prices were under pressure on seasonal slump in demand in various importing hubs. Major drop was seen in Indian imports due to increase in indigenous production capacity, while Sri Lanka, Nepal and South Korea were in the market for smaller lots. Buying is expected to ramp up in the second quarter with demand from Latin America and higher demand from India.

Phosphates demand and supply in Asia remained firm. Production capacity growth in China is expected to stabilize, while Indian off-take is showing healthy demand.

## Market Overview – Pakistan

The first quarter of 2019 closed with a total fertilizer industry off-take of 1.8 million MT, lower by almost 4% against 1.9 million MT during corresponding period last year. The drop is attributable to a slow phosphate market as DAP and NP slid by 48% and 21% respectively. Urea off-take improved by 8% from 1.25 million MT to 1.35 million MT including 82K MT imported urea.

## Company Performance:

The operational and financial performance of the Company remained satisfactory. Local sales volume increased by 4% but the overall sale volume remained lower by 12% over the comparative period last year due to absence of export sales of more than 60K MT.

Products	Sales Volume	
	Jan to Mar – 2019 ("000" Tons)	Jan to Mar - 2018
Urea	133	149
CAN	149	159
NP	79	101
Total	361	409

The Company commenced Turnaround (TA) activity in second half of March. For the first time in the plants' 9-year history TA was carried out on a two-year cycle and entailed more scope than earlier ones which were carried out on a 12 month's cycle. This posed greater challenge on job safety, quality and timeline, but the Company accomplished the task safely and successfully within the target timelines. More than 7,400 jobs were executed with peak daily involvement of over 6,000 workers, with zero recordable injury (TRIR), which is a feat in itself accomplished through meticulous HSE review of all hazard potential jobs and ensuring safe execution.

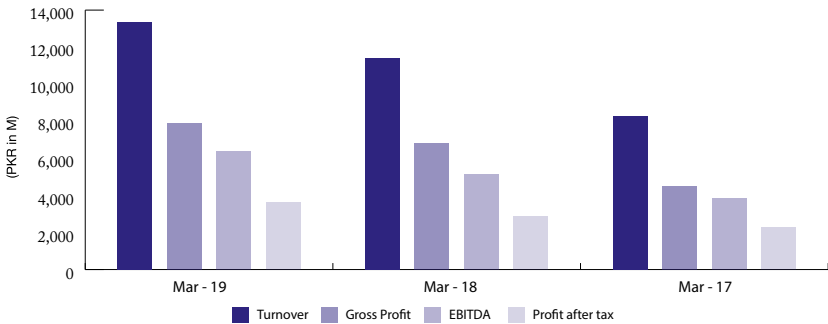
Consequently, production volumes remained lower by 13% compared to comparative period last year.

Production		
Products	Jan to Mar – 2019	Jan to Mar – 2018
	("000" Tons)	
Ammonia	121	145
Nitric Acid	118	134
Urea	88	116
CAN	108	126
NP	107	107

Fertilizer prices remained firm during the quarter as the Company posted total revenue of PKR 13.3 billion compared to PKR 11.4 billion posted in same period last year. The strain of Rupee devaluation and increasing input prices resulted in 20% increase in cost of sales. Gross Profit of the Company increased from PKR 6.8 billion to PKR 7.9 billion.

As a result, the Company posted Profit before Tax of PKR 5.2 billion and After Tax Profit of PKR 3.6 billion compared to PKR 4.3 billion and PKR 2.9 billion posted for comparative period last year. Company's Earnings per Share (EPS) stood at Rs. 1.73 per share against Rs. 1.37 per share in the corresponding period last year.

### Financial Performance



Fatima Plant Site has achieved combined 49.84 Million safe man-hours at the end of Safe Turnaround 2019. TA-19 added 1.592 Million Safe Man Hours to the statistic. Compliance of stringent HSE systems in line with Dupont PSM model and OSHA's guidelines remained intact. Our state of the art plant safety management systems received international recognition as it secured distinction in International Safety Award (British Safety Council) and received Gold Award from Royal Society for Prevention of Accident (ROSPA).

## Consolidated Financial Results

During the first quarter of the current year, Fatimafert Limited (FFT), despite operating on expensive gas, remained non-operative for 22 days due to non-supply of gas. During the period it produced 92,918 MT Urea against nil production for comparative period last year due to non-availability of natural gas at viable rates. During the period, FFT sold 61,759 MT of Urea and 2,802 MT DAP compared to 2,472 MT DAP only in comparative period last year.

Summary of consolidated financial results for the three months ended March 31, 2019 is as follows:

	PKR in Million
Sale	15,659
Gross Profit	7,314
Profit Before Tax	4,385
Profit After Tax	3,087

The Board of Directors in their meeting held on October 15, 2018, have decided to amalgamate Fatimafert Limited with effect from January 01, 2019. The Company is in the process of obtaining the requisite corporate and regulatory authorizations, consents and approvals.

## Future Outlook

The demand and prices of fertilizers is expected to remain stable for the remainder of the year with supportive Government policies. Company performance is expected to improve further post TA with improved plant reliability and efficiency. With its strong financial and liquidity position, your Company is considering various additional initiatives from within and outside fertilizer sector to maintain and enhance its earnings for the benefit of its stakeholders.

## Acknowledgements

The Board places on record its gratitude for the hard work and dedication of every employee of the Company. The Board also appreciates and acknowledges the assistance, guidance and cooperation of all stakeholders including the Government of Pakistan, financial institutions, commercial banks, business associates, customers and all others whose efforts and contributions strengthened the Company.

**For and on behalf of the Board**

Lahore  
April 23, 2019

  
**Fawad Ahmed Mukhtar**  
Chief Executive Officer

  
**Arif Habib**  
Chairman





**CONDENSED INTERIM  
FINANCIAL STATEMENTS**

for the three months ended March 31, 2019

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2019

	Note	Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)			
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized share capital 2,500,000,000 (December 31, 2018: 2,500,000,000) shares of Rs 10 each		25,000,000	25,000,000
Issued, subscribed and paid up share capital 2,100,000,000 (December 31, 2018: 2,100,000,000) ordinary shares of Rs 10 each		21,000,000	21,000,000
Reserves	4	44,899,518	41,261,314
		65,899,518	62,261,314
<b>NON CURRENT LIABILITIES</b>			
Long term finances	5	6,750,569	6,887,911
Deferred liabilities	6	15,908,987	15,807,481
Long term deposits		72,352	49,006
		22,731,908	22,744,398
<b>CURRENT LIABILITIES</b>			
Trade and other payables		14,806,016	13,688,406
Accrued finance cost		595,755	224,119
Short term finances - secured	7	3,736,130	4,821,661
Unclaimed dividend		31,373	68,832
Current maturity of long term finances	5	6,148,980	6,142,276
		25,318,254	24,945,294
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	8		
		113,949,680	109,951,006

The annexed explanatory notes from 1 to 21 form an integral part of these condensed interim financial statements.

	Note	Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	9	79,405,495	78,261,964
Intangible assets	10	80,417	78,653
		79,485,912	78,340,617
Long term investments		2,240,360	2,240,360
Long term loan to associated company		1,999,333	1,999,333
Long term deposits		327,484	254,294
		84,053,089	82,834,604
<b>CURRENT ASSETS</b>			
Stores and spares	11	5,886,567	5,058,691
Stock in trade	12	5,080,512	5,028,170
Trade debts		1,953,910	2,397,405
Short term loans		7,183,923	6,072,923
Advances, deposits, prepayments and other receivables		8,550,252	7,398,286
Short term investments		726,801	623,273
Cash and bank balances		514,626	537,654
		29,896,591	27,116,402
		113,949,680	109,951,006



Chief Executive Officer



Director



Chief Financial Officer

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

For the three months ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
		(Rupees in thousand)	
Sales	13	13,346,789	11,388,598
Cost of sales	14	(5,459,488)	(4,554,766)
<b>Gross profit</b>		7,887,301	6,833,832
Distribution cost		(1,259,909)	(1,342,264)
Administrative expenses		(569,027)	(625,591)
		6,058,365	4,865,977
Finance cost	15	(562,771)	(323,475)
Other operating expenses		(588,280)	(357,380)
		4,907,314	4,185,122
Other income		301,556	153,752
<b>Profit before tax</b>		5,208,870	4,338,874
Taxation		(1,570,666)	(1,451,801)
<b>Profit for the period</b>		3,638,204	2,887,073
<b>Earnings per share - basic and diluted (Rupees)</b>	17	1.73	1.37

The annexed explanatory notes from 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF **COMPREHENSIVE INCOME** (UN AUDITED)

For the three months ended March 31, 2019

	March 31, 2019	March 31, 2018
	(Rupees in thousand)	
Profit for the period	3,638,204	2,887,073
Other comprehensive income	–	–
<b>Total comprehensive income for the period</b>	<b>3,638,204</b>	<b>2,887,073</b>

The annexed explanatory notes from 1 to 21 form an integral part of these condensed interim financial statements.



**Chief Executive Officer**



**Director**



**Chief Financial Officer**

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the three months ended March 31, 2019

	Ordinary share capital	Capital Reserve	Revenue Reserve	Post retirement benefit obligation reserve	Deficit on remeasurement of investment available for sale	Total
	Share premium	Unappropriated profit				
(Rupees in thousand)						
Balance at December 31, 2017 (Audited)	21,000,000	1,790,000	31,002,102	(49,073)	(1,237)	53,741,792
Profit for the period	-	-	2,887,073	-	-	2,887,073
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	2,887,073	-	-	2,887,073
<b>Balance at March 31, 2018 (Un audited)</b>	21,000,000	1,790,000	33,889,175	(49,073)	(1,237)	56,628,865
Balance at December 31, 2018 (Audited)	21,000,000	1,790,000	39,549,494	(74,029)	(4,151)	62,261,314
Profit for the period	-	-	3,638,204	-	-	3,638,204
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	3,638,204	-	-	3,638,204
<b>Balance at March 31, 2019 (Un audited)</b>	21,000,000	1,790,000	43,187,698	(74,029)	(4,151)	65,899,518

The annexed explanatory notes from 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN AUDITED)

For the three months ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
(Rupees in thousand)			
<b>Cash flows from operating activities</b>			
Cash generated from operations	18	5,170,228	4,439,259
Net increase in long term deposits		23,346	582
Finance cost paid		(191,135)	(109,185)
Taxes paid		(715,296)	(329,503)
Employee retirement benefits paid		(8,068)	(11,185)
<b>Net cash from operating activities</b>		<b>4,279,075</b>	<b>3,989,968</b>
<b>Cash flows from investing activities</b>			
Additions in property, plant and equipment		(1,751,990)	(252,406)
Additions in intangible assets		(8,610)	-
Proceeds from disposal of property plant and equipment		281	35
Long term investment		-	(1,960)
Short term loans		(1,111,000)	(1,240,000)
Short term investment		(103,528)	40
Profit received on short term loan and saving accounts		12,827	172,803
Dividend received		2,042	-
Net (increase) / decrease in long term loans and deposits		(73,191)	1,173
<b>Net cash used in investing activities</b>		<b>(3,033,169)</b>	<b>(1,320,315)</b>
<b>Cash flows from financing activities</b>			
Repayment of long term finances		(145,944)	(115,899)
Dividend paid		(37,459)	(37)
Decrease in short term finances - net		(1,085,531)	(869,276)
<b>Net cash used in financing activities</b>		<b>(1,268,934)</b>	<b>(985,212)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(23,028)</b>	<b>1,684,441</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>537,654</b>	<b>809,945</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>514,626</b>	<b>2,494,386</b>

The annexed explanatory notes from 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

For the three months ended March 31, 2019

## 1 Legal Status and nature of business

Fatima Fertilizer Company Limited ('the Company'), was incorporated in Pakistan on December 24, 2003 as a public company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is listed on Pakistan Stock Exchange.

The principal activity of the Company is manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals. Registered office of the Company is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt. The manufacturing facility of the Company is located at Mukhtargarh, Sadiqabad Pakistan.

These financial statements are the separate financial statements of the Company in which investments in subsidiary company and associates are accounted for on the basis of actual cost incurred to acquire subsidiary or associates rather than on the basis of reported results. Consolidated financial statements are prepared separately.

## 2 Basis of preparation

- 2.1 These condensed interim financial statements of the Company for the three months ended March 31, 2019 have 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 Act, 2017. In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2 These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2018. Comparative condensed interim statement of financial position is extracted from annual audited financial statements for the year ended December 31, 2018 and comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are stated from un audited condensed interim financial statements for the three months ended March 31, 2018.
- 2.3 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

## 3 Accounting polices and estimates

The accounting policies, related judgments, estimates and related assumptions adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended December 31, 2018.



	Note	Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)			
<b>4 Reserves</b>			
<b>Capital reserve:</b>			
Share premium		1,790,000	1,790,000
<b>Revenue reserve:</b>			
Unappropriated profit		43,187,698	39,549,494
Post retirement benefit obligation reserve		(74,029)	(74,029)
Deficit on remeasurement of investments available for sale		(4,151)	(4,151)
		44,899,518	41,261,314
<b>5 Long term finances</b>			
Rated, listed and secured Ijarah Sukuk Certificates		6,300,000	6,300,000
Secured loans from banking companies / financial institutions		6,599,549	6,730,187
		12,899,549	13,030,187
Less: Current portion		6,148,980	6,142,276
		6,750,569	6,887,911
<b>5.1 Movement of long term finances</b>			
Opening balance		13,030,187	16,426,334
Disbursements		–	2,156,282
Repayments		(145,944)	(5,907,718)
Exchange loss on translation of foreign currency loan		15,306	355,289
Closing balance		12,899,549	13,030,187
<b>6 Deferred liabilities</b>			
Deferred taxation	6.1	15,232,325	15,163,271
Employee retirement benefits	6.2	676,662	644,210
		15,908,987	15,807,481

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

For the three months ended March 31, 2019

## 6.1 Deferred taxation

	March 31, 2019 (Un audited)			
	At December 31, 2018	Charged to		At March 31, 2019
		Profit or loss	Other comprehensive income	
(Rupees in thousand)				
<b>Deferred tax liabilities:</b>				
Accelerated tax depreciation	15,192,988	69,054	–	15,262,042
<b>Deferred tax asset:</b>				
Short term investment - available for sale	(1,703)	–	–	(1,703)
Remeasurement of defined benefit obligation	(28,014)	–	–	(28,014)
	(29,717)	–	–	(29,717)
	15,163,271	69,054	–	15,232,325

	December 31, 2018 (Audited)			
	At December 31, 2017	Charged / (credited) to		At December 31, 2018
		Profit or loss	Other comprehensive income	
(Rupees in thousand)				
<b>Deferred tax liabilities:</b>				
Accelerated tax depreciation	15,319,359	(126,371)	–	15,192,988
<b>Deferred tax asset:</b>				
Provision for retirement benefits	(50,541)	50,541	–	–
Short term investment - available for sale	(530)	–	(1,173)	(1,703)
Remeasurement of defined benefit obligation	(21,494)	–	(6,520)	(28,014)
	(72,565)	50,541	(7,693)	(29,717)
	15,246,794	(75,830)	(7,693)	15,163,271

Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)	

## 6.2 Employee retirement benefits

Gratuity	478,089	449,612
Accumulating compensated absences	198,573	194,598
	676,662	644,210

## 7 Short term finances

The Company has obtained short term financing facilities from various banks for working capital requirements in the nature of Running Finance, Cash Finance and Financing against Imported Merchandise.

The facilities are secured by Pari Passu charge on present and future current assets of the Company with 25% margin over financed amount, pledge of raw material and finished goods and personal guarantees of sponsoring directors.

These facilities carry mark up ranging from 10.46% to 11.78% (December 31, 2018: 5.78% to 11.40%) per annum for Running Finance and Cash Finance and 10.76% to 11.67% (December 31, 2018: 7.53% to 10.65%) per annum for Finance against Imported Merchandise.

## 8 Contingencies and commitments

### 8.1 Contingencies

As at March 31, 2019, there is no material change in the status of contingencies as reported in the notes to the financial statements of the Company for the year ended December 31, 2018, except for the following:

Deciding on the appeal filed by the Company, the Commissioner Inland Revenues (Appeals) has annulled the order passed under section 122(5A) of Income Tax Ordinance, 2001, by the Additional Commissioner Inland Revenues (ACIR) Multan. ACIR had raised a demand of Rs 1,592 million against the Company by disallowing and adding back various admissible deductions claimed by the Company towards its taxable income for Tax year 2017.

	Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)		
<b>8.2 Commitments in respect of:</b>		
(i) Contracts for capital expenditure	1,018,763	1,844,529
(ii) Contracts for other than capital expenditure	858,432	850,480
(iii) The amount of future payments under non cancellable operating leases:		
Not later than one year	254,530	273,053
Later than one year but not later than five years	241,533	217,901
	496,063	490,954

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

For the three months ended March 31, 2019

	Note	Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)			
<b>9 Property, plant and equipment</b>			
Operating fixed assets- tangible	9.1	71,375,037	71,603,766
Capital work in progress	9.2	8,030,458	6,658,198
		<b>79,405,495</b>	<b>78,261,964</b>
<b>9.1 Movement of operating fixed assets- tangible</b>			
Opening book value		71,603,766	70,142,753
Additions during the period	9.1.1	379,730	4,748,923
		<b>71,983,496</b>	<b>74,891,676</b>
Less: Depreciation charged during the period		608,345	3,287,910
Book value of disposals during the period		114	–
Closing book value		<b>71,375,037</b>	<b>71,603,766</b>
<b>9.1.1 Additions during the period</b>			
Building on freehold land		–	95,234
Building on leasehold land		–	30,445
Plant and machinery		98,220	2,863,361
Aircraft		–	1,567,285
Catalysts		209,263	–
Furniture and fixtures		1,200	9,456
Office equipment		4,587	3,226
Electric installations and appliances		18,569	57,207
Computers		3,231	85,472
Vehicles		44,660	37,237
		<b>379,730</b>	<b>4,748,923</b>
<b>9.2 Capital work in progress</b>			
Civil works		790,203	737,158
Plant and machinery		3,071,542	1,980,124
Capital stores		1,114,815	644,617
Advances			
- Freehold land		187,879	187,879
- Civil works		4,310	2,724
- Plant and machinery		2,861,709	3,105,696
		<b>3,053,898</b>	<b>3,296,299</b>
		<b>8,030,458</b>	<b>6,658,198</b>

Un audited  
March 31, 2019

Audited  
December 31, 2018

(Rupees in thousand)

	Un audited March 31, 2019	Audited December 31, 2018
<b>9.2.1 Movement of capital work in progress</b>		
Opening balance	6,658,198	2,847,204
Additions during the period	1,372,260	6,457,731
	8,030,458	9,304,935
Less: capitalization during the period	–	2,646,737
Closing balance	8,030,458	6,658,198
<b>10 Intangible assets</b>		
Opening book value	78,653	38,196
Additions during the period	8,610	57,655
	87,263	95,851
Less: amortization charged during the period	6,846	17,198
Closing book value	80,417	78,653
<b>11 Stores and spares</b>		
Stores	324,548	251,433
Spares	4,308,077	3,765,897
Catalyst and chemicals	1,253,942	1,041,361
	5,886,567	5,058,691
<b>12 Stock in trade</b>		
Raw material {including in transit Rs 220.358 million (December 31, 2018: Rs 14.831 million)}	1,305,386	1,474,847
Packing material	27,005	1,590
<b>Mid products</b>		
Ammonia	46,625	18,638
Nitric Acid	1,186	17,740
Others	838	424
	48,649	36,802
<b>Finished goods</b>		
Urea	453,570	847,362
NP	2,836,182	2,004,330
CAN	318,795	577,154
Certified emission reductions	90,925	86,085
	3,699,472	3,514,931
	5,080,512	5,028,170

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

For the three months ended March 31, 2019

	Note	For the quarter ended	
		March 31, 2019	March 31, 2018
		(Rupees in thousand)	
<b>13 Sales</b>			
Local sales	13.1	13,346,789	9,932,590
Export sales		–	1,456,008
		<b>13,346,789</b>	<b>11,388,598</b>
<b>13.1 Local sales</b>			
Fertilizer products		13,586,323	10,617,401
Mid products		130,570	76,469
Subsidy from Government of Pakistan		–	171,512
		<b>13,716,893</b>	<b>10,865,382</b>
Less: Sales tax		284,562	782,156
Discounts		85,542	150,636
		<b>13,346,789</b>	<b>9,932,590</b>
<b>14 Cost of sales</b>			
Raw material consumed		2,481,748	1,600,097
Packing material consumed		223,209	218,279
Salaries, wages and other benefits		678,012	694,698
Fuel and power		810,126	704,620
Chemicals and catalyst consumed		149,923	116,695
Stores and spares consumed		433,825	225,366
Technical assistance		19,976	21,017
Repair and maintenance		164,222	53,983
Insurance		50,134	39,427
Travelling and conveyance		14,763	15,610
Rent, rates and taxes		16,077	10,003
Vehicle running and maintenance		15,734	11,369
Depreciation		569,092	449,668
Others		29,035	14,570
<b>Manufacturing cost</b>		<b>5,655,876</b>	<b>4,175,402</b>
Opening stock of mid products		36,802	10,116
Closing stock of mid products		(48,649)	(29,302)
<b>Cost of goods manufactured</b>		<b>5,644,029</b>	<b>4,156,216</b>
Opening stock of finished goods		3,514,931	2,451,009
Closing stock of finished goods		(3,699,472)	(2,052,459)
		<b>5,459,488</b>	<b>4,554,766</b>

	For the quarter ended	
	March 31, 2019	March 31, 2018
	(Rupees in thousand)	
<b>15 Finance cost</b>		
Markup on long term finances	346,295	289,558
Markup on short term finances	198,607	19,388
Bank charges and others	17,869	14,529
	<b>562,771</b>	<b>323,475</b>

## 16 Transactions with related parties

The related parties comprise the associated undertakings, directors and other key management personnel of the Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transaction	For the quarter ended	
		March 31, 2019	March 31, 2018
		(Rupees in thousand)	
Subsidiary company	Short term loan provided	1,111,000	1,240,000
	Other income	96,616	60,370
	Miscellaneous expenses	-	11,942
Associated companies	Purchase of raw / packing material	250,260	267,559
	Miscellaneous expenses	73,925	92,430
	Sale of product	7,462	-
	Other income	187,250	86,950
	Stores and spares	297	2,597
	Fee for services	190,530	258,775
Key management personnel	Remuneration including benefits and perquisites	52,684	55,974
Retirement benefit plans	Retirement benefit expense	55,976	40,106

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM

**FINANCIAL STATEMENTS** (UN AUDITED)

For the three months ended March 31, 2019

	For the quarter ended	
	March 31, 2019	March 31, 2018
<b>17 Earnings per share - basic and diluted</b>		
Profit attributable to ordinary shareholders (Rupees in thousand)	3,638,204	2,887,073
Weighted average number of shares (Numbers of shares)	2,100,000,000	2,100,000,000
Basic and diluted earnings per share (Rupees)	1.73	1.37
	For the quarter ended	
	March 31, 2019	March 31, 2018
	(Rupees in thousand)	
<b>18 Cash generated from operations</b>		
Profit before tax	5,208,870	4,338,874
Adjustments for :		
Depreciation on property, plant and equipment	608,345	468,965
Amortization of intangible assets	6,846	3,384
Finance cost	562,771	323,475
Provision for staff retirement benefits	40,520	26,340
Exchange loss on translation of foreign currency loan	15,306	66,870
Profit on short term loans to related parties	(283,866)	(147,320)
Dividend Income	(2,042)	-
Profit on saving accounts	(9,056)	(6,178)
Gain on disposal of property, plant and equipment	(167)	(35)
	938,657	735,501
Operating cash flows before working capital changes	6,147,527	5,074,375
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets:		
Stores and spares	(827,876)	(61,650)
Stock in trade	(52,342)	592,483
Trade debts	443,495	(789,246)
Advances, deposits, prepayments and other receivables	(871,870)	(682,559)
Increase in creditors, accrued and other liabilities	331,294	305,856
	(977,299)	(635,116)
	5,170,228	4,439,259



## 19 Financial instruments

The carrying amount of financial assets and financial liabilities as at March 31, 2019 and as at December 31, 2018 approximate their fair values.

## 20 Date of Authorization of Issue

These financial statements have been authorized for issue on April 23, 2019 by the Board of Directors of the Company.

## 21 General

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



**Chief Executive Officer**



**Director**



**Chief Financial Officer**





**CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL STATEMENTS**

**for the three months ended March 31, 2019**

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2019

	Note	Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)			
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized share capital 2,500,000,000 (December 31, 2018: 2,500,000,000) shares of Rs 10 each		25,000,000	25,000,000
Issued, subscribed and paid up share capital 2,100,000,000 (December 31, 2018: 2,100,000,000) ordinary shares of Rs 10 each		21,000,000	21,000,000
Reserves	4	54,864,673	51,777,612
		75,864,673	72,777,612
<b>NON CURRENT LIABILITIES</b>			
Long term finances	5	7,494,902	8,376,578
Deferred liabilities	6	15,239,507	15,426,838
Long term deposits		80,467	57,183
		22,814,876	23,860,599
<b>CURRENT LIABILITIES</b>			
Trade and other payables		20,650,640	18,069,248
Accrued finance cost		608,231	306,253
Short term finances - secured	7	4,896,130	5,494,802
Unclaimed dividend		31,373	68,832
Current maturity of long term finances	5	7,637,647	7,630,942
		33,824,021	31,570,077
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	8		
		132,503,570	128,208,288

The annexed explanatory notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.

	Note	Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	9	93,077,344	91,718,705
Intangible assets	10	5,980,486	5,978,747
		99,057,830	97,697,452
Long term investments		151,283	145,802
Long term loan to associated company		1,999,333	1,999,333
Long term deposits		328,011	254,820
		101,536,457	100,097,407
<b>CURRENT ASSETS</b>			
Stores and spares	11	6,670,739	5,833,825
Stock in trade	12	7,328,032	6,099,971
Trade debts		1,970,863	2,564,524
Short term loans		3,241,723	3,241,723
Advances, deposits, prepayments and other receivables		10,416,073	9,030,134
Short term investments		726,802	623,273
Cash and bank balances		612,881	717,431
		30,967,113	28,110,881
		132,503,570	128,208,288



Chief Executive Officer



Director



Chief Financial Officer

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

For the three months ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
		(Rupees in thousand)	
Sales	13	15,659,315	11,599,311
Cost of sales	14	(8,345,607)	(5,015,152)
<b>Gross profit</b>		7,313,708	6,584,159
Distribution cost		(1,282,639)	(1,343,261)
Administrative expenses		(609,379)	(677,137)
		5,421,690	4,563,761
Finance cost	15	(661,348)	(414,100)
Other operating expenses		(588,280)	(357,380)
		4,172,062	3,792,281
Other income		208,572	98,082
Share of profit from associated company		4,653	–
<b>Profit before tax</b>		4,385,287	3,890,363
Taxation		(1,298,226)	(1,343,916)
<b>Profit for the period</b>		3,087,061	2,546,447
<b>Earnings per share - basic and diluted (Rupees)</b>	17	1.47	1.21

The annexed explanatory notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME** (UN AUDITED)

For the three months ended March 31, 2019

	March 31, 2019	March 31, 2018
	(Rupees in thousand)	
Profit for the period	3,087,061	2,546,447
Other comprehensive income	–	–
<b>Total comprehensive income for the period</b>	<b>3,087,061</b>	<b>2,546,447</b>

The annexed explanatory notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



**Chief Executive Officer**



**Director**



**Chief Financial Officer**

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the three months ended March 31, 2019

	Ordinary share capital	Capital Reserve	Revenue Reserve	Post retirement benefit obligation reserve	Deficit on remeasurement of investment available for sale	Total
	Share premium	Unappropriated profit				
(Rupees in thousand)						
Balance at December 31, 2017 (Audited)	21,000,000	1,790,000	42,899,054	(42,819)	(1,237)	65,644,998
Profit for the period	-	-	2,546,447	-	-	2,546,447
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	2,546,447	-	-	2,546,447
<b>Balance at March 31, 2018 (Un audited)</b>	21,000,000	1,790,000	45,445,501	(42,819)	(1,237)	68,191,445
Balance at December 31, 2018 (Audited)	21,000,000	1,790,000	50,087,609	(95,846)	(4,151)	72,777,612
Profit for the period	-	-	3,087,061	-	-	3,087,061
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	3,087,061	-	-	3,087,061
<b>Balance at March 31, 2019 (Un audited)</b>	21,000,000	1,790,000	53,174,670	(95,846)	(4,151)	75,864,673

The annexed explanatory notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



**Chief Executive Officer**



**Director**



**Chief Financial Officer**



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF **CASH FLOWS** (UN AUDITED)

For the three months ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
		(Rupees in thousand)	
<b>Cash flows from operating activities</b>			
Cash generated from operations	18	4,757,214	4,248,751
Net increase in long term deposits		23,346	582
Finance cost paid		(359,370)	(339,499)
Taxes paid		(774,834)	(344,161)
Employee retirement benefits paid		(12,568)	(15,156)
<b>Net cash from operating activities</b>		<b>3,633,788</b>	<b>3,550,517</b>
<b>Cash flows from investing activities</b>			
Additions in property, plant and equipment		(2,041,689)	(254,400)
Additions in intangible assets		(8,610)	-
Proceeds from disposal of property plant and equipment		281	769
Long term investment		-	(1,960)
Short term investment		(103,528)	40
Profit received on short term loan and saving accounts		12,827	172,804
Dividend received		2,042	-
Net (increase) / decrease in long term loans and deposits		(73,252)	4,086
<b>Net cash used in investing activities</b>		<b>(2,211,929)</b>	<b>(78,661)</b>
<b>Cash flows from financing activities</b>			
Repayment of long term finances		(890,277)	(860,232)
Dividend paid		(37,459)	(37)
Decrease in short term finances - net		(598,672)	(860,011)
<b>Net cash used in financing activities</b>		<b>(1,526,408)</b>	<b>(1,720,280)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(104,549)</b>	<b>1,751,576</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>717,430</b>	<b>832,088</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>612,881</b>	<b>2,583,664</b>

The annexed explanatory notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the three months ended March 31, 2019

## 1 Legal Status and nature of business

Fatima Fertilizer Company Limited (the Holding Company) and its wholly owned subsidiary - Fatimafert Limited (FFT) collectively referred to as 'the Group' were incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Holding Company is listed on Pakistan Stock Exchange Limited. The control of FFT was transferred to the Holding Company on July 01, 2015.

The principal activity of the Holding Company and FFT is manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals.

Registered offices of the Holding Company and FFT are located in Lahore, Pakistan. The manufacturing facility of the Holding Company is located at Mukhtargarh, Sadiqabad, Pakistan and that of FFT is located near Chichoki Mallian at Sheikhpura Road.

The Board of Directors in their meeting held on October 15, 2018, have decided to amalgamate Fatimafert Limited with effect from January 01, 2019. The Company is in the process of obtaining the requisite corporate and regulatory authorizations, consents and approvals.

## 2 Basis of preparation

- 2.1 These condensed interim consolidated financial statements of the Group for the three months ended March 31, 2019 have 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 Act, 2017. In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2 These condensed interim consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2018. Comparative condensed interim consolidated statement of financial position is extracted from annual audited consolidated financial statements for the year ended December 31, 2018 and comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows are stated from un audited condensed interim consolidated financial statements for the three months ended March 31, 2018.
- 2.3 These condensed interim consolidated financial statements are presented in Pak Rupees, which is the Group functional and presentation currency.

## 3 Accounting polices and estimates

The accounting policies, related judgments, estimates and related assumptions adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of annual consolidated financial statements of the Group for the year ended December 31, 2018.

	Un audited March 31, 2019	Audited December 31, 2018
	(Rupees in thousand)	
<b>4 Reserves</b>		
<b>Capital reserves:</b>		
Share premium	1,790,000	1,790,000
<b>Revenue reserves:</b>		
Unappropriated profit	53,174,670	50,087,609
Post retirement benefit obligation reserve	(95,846)	(95,846)
Deficit on remeasurement of investments available for sale	(4,151)	(4,151)
	54,864,673	51,777,612
<b>5 Long term finances</b>		
<b>Fatima Fertilizer Company Limited</b>		
Rated, Listed and Secured Ijarah Sukuk	6,300,000	6,300,000
Secured loans from Banking companies / financial institutions	6,599,549	6,730,187
	12,899,549	13,030,187
Less: Current portion	6,148,980	6,142,276
	6,750,569	6,887,911
<b>Fatimafert Limited</b>		
Musharaka arrangement	2,233,000	2,977,333
Less: Current portion	1,488,667	1,488,666
	7,494,902	8,376,578
<b>5.1 Movement of Long term finances</b>		
Opening balance	16,007,520	20,892,334
Disbursements	–	2,156,282
	16,007,520	23,048,616
Repayments	(890,277)	(7,396,384)
Exchange loss on translation of foreign currency loan	15,306	355,288
Closing Balance	15,132,549	16,007,520

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the three months ended March 31, 2019

	Note	Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)			
<b>6</b>	<b>Deferred liabilities</b>		
	Deferred taxation	14,448,096	14,666,815
	Employee retirement benefits	6.1 791,411	760,023
		15,239,507	15,426,838
<b>6.1</b>	<b>Employee retirement benefits</b>		
	Gratuity	536,057	507,580
	Accumulating compensated absences	255,354	252,443
		791,411	760,023

## 7 Short term finances

The Group has obtained short term financing facilities from various banks for working capital requirements in the nature of Running Finance, Cash Finance and Financing against Imported Merchandise.

The facilities are secured by Pari Passu charge on present and future current assets of the Company with 25% margin over financed amount, pledge of raw material and finished goods and personal guarantees of sponsoring directors.

The facilities carry mark up ranging from 10.46% to 11.78% (December 31, 2018: 5.78% to 11.40%) per annum for Running Finance and Cash Finance and 10.76% to 11.80% (December 31, 2018: 7.28% to 11.71%) per annum for Finance against Imported Merchandise.

## 8 Contingencies and commitments

### 8.1 Contingencies

As at March 31, 2019, there is no material change in the status of contingencies as reported in the notes to the financial statements of the Group for the year ended December 31, 2018, except for the following:

Deciding on the appeal filed by the Company, the Commissioner Inland Revenues (Appeals) has annulled the order passed under section 122(5A) of Income Tax Ordinance, 2001, by the Additional Commissioner Inland Revenues (ACIR) Multan. ACIR had raised a demand of Rs 1,592 million against the Company by disallowing and adding back various admissible deductions claimed by the Company towards its taxable income for the Tax year 2017.

		Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)			
<b>8.2 Commitments</b>			
<b>8.2.1 Fatima Fertilizer Company's Commitments in respect of:</b>			
(i)	Contracts for capital expenditure	1,018,763	1,844,529
(ii)	Contracts for other than capital expenditure	858,432	850,480
(iii)	The amount of future payments under non cancellable operating leases:		
	Not later than one year	254,530	273,053
	Later than one year but not later than five years	241,533	217,901
		496,063	490,954
<b>8.2.2 Fatimafert Limited commitments in respect of</b>			
	Letters of credit for purchase of raw materials and spares	41,309	10,657
		41,309	10,657
		Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)			
		Note	
<b>9 Property, plant and equipment</b>			
	Operating fixed assets- tangible	9.1	84,638,540
	Capital work in progress	9.2	8,438,804
			93,077,344
<b>9.1 Movement of operating fixed assets- tangible</b>			
	Opening book value		84,941,860
	Additions during the period	9.1.1	379,730
			85,321,476
	Less: Depreciation charged during the period		682,936
	Book value of disposals during the period		114
			3,576,719
			26
	Closing book value		84,638,540
			84,941,860

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the three months ended March 31, 2019

	Un audited March 31, 2019	Audited December 31, 2018
(Rupees in thousand)		
<b>9.1.1 Additions during the period</b>		
Building on freehold land	–	95,234
Building on leasehold land	–	30,445
Plant and machinery	98,220	2,970,537
Air craft	–	1,567,285
Catalyst	209,263	–
Furniture and fixtures	1,200	9,456
Office equipment	4,587	12,102
Electric installations and appliances	18,569	57,207
Computers	3,231	112,917
Vehicles	44,660	37,301
	379,730	4,892,484
<b>9.2 Capital work in progress</b>		
Civil works	796,310	743,264
Plant and machinery	3,386,615	2,005,499
Capital stores	1,201,981	731,783
Advances :		
- Freehold land	187,879	187,879
- Civil works	4,310	2,724
- Plant and machinery	2,861,709	3,105,696
	3,053,898	3,296,299
	8,438,804	6,776,845
<b>9.2.1 Movement of capital work in progress</b>		
Opening balance	6,776,845	3,078,678
Addition during the period	1,661,959	6,457,762
	8,438,804	9,536,440
Less: Capitalization during the period	–	2,753,913
Provision for obsolescence for Capital Stores	–	5,682
Closing balance	8,438,804	6,776,845

Un audited  
March 31, 2019                      Audited  
December 31, 2018

(Rupees in thousand)

<b>10 Intangible assets</b>		
Opening book value	5,978,747	5,938,386
Addition during the period	8,610	57,655
	5,987,357	5,996,041
Less: Amortization charged during the period	6,871	17,294
Closing book value	5,980,486	5,978,747
<b>11 Stores and spares</b>		
Stores	594,466	491,542
Spares	4,992,455	4,471,046
Catalyst and chemicals	1,253,942	1,041,361
	6,840,863	6,003,949
Less: Provision for obsolete items	170,124	170,124
	6,670,739	5,833,825
<b>12 Stock in trade</b>		
Raw material {including in transit Rs 220.358 million (December 31, 2018: Rs 14.831 million)}	1,305,386	1,474,847
Packing material	45,536	4,726
<b>Mid Products</b>		
Ammonia	232,606	195,876
Nitric Acid	1,186	17,740
Others	838	424
	234,630	214,040
<b>Finished goods</b>		
- own manufactured		
Urea	1,464,442	847,362
NP	2,836,182	2,004,330
CAN	318,795	577,154
Certified emission reductions	90,925	86,085
	4,710,344	3,514,931
- purchased for resale		
DAP	1,032,136	891,427
	7,328,032	6,099,971

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the three months ended March 31, 2019

	Note	For the quarter ended	
		March 31, 2019	March 31, 2018
		(Rupees in thousand)	
<b>13 Sales</b>			
Local Sales	13.1	15,659,315	10,143,303
Export Sales		–	1,456,008
		15,659,315	11,599,311
<b>13.1 Local Sales</b>			
Fertilizer Products:			
- own manufactured		15,683,493	10,617,445
- purchased for resale		193,056	157,034
Subsidy from Government of Pakistan		–	171,512
Mid products		217,793	136,318
		16,094,342	11,082,309
Less: Sales Tax		347,732	788,369
Discounts		87,295	150,637
		15,659,315	10,143,303
<b>14 Cost of sales</b>			
Raw material consumed		5,076,068	1,600,097
Packing material consumed		288,149	218,279
Salaries, wages and other benefits		836,894	820,285
Fuel and power		1,520,118	704,720
Chemicals and catalyst consumed		167,569	125,487
Stores and spares consumed		491,611	279,390
Technical assistance		20,246	21,022
Repair and maintenance		171,551	59,784
Insurance		61,423	48,212
Travelling and conveyance		26,948	25,484
Rent, rates and taxes		16,077	12,997
Vehicle running and maintenance		18,463	14,898
Depreciation		643,111	520,885
Others		39,537	41,731
<b>Manufacturing cost</b>		9,377,765	4,493,271
Opening stock of mid products		214,040	80,380
Closing stock of mid products		(234,630)	(66,444)
<b>Cost of goods manufactured</b>		9,357,175	4,507,207
Opening stock of finished goods		3,514,931	2,451,009
Closing stock of finished goods		(4,710,344)	(2,052,459)
Cost of sales - own manufactured		8,161,762	4,905,757
Cost of sales - purchased for resale		183,845	109,395
		8,345,607	5,015,152



	For the quarter ended	
	March 31, 2019	March 31, 2018
	(Rupees in thousand)	
<b>15 Finance cost</b>		
Markup on long term finances	420,044	373,680
Markup on short term finances	210,121	21,271
Bank charges and others	31,183	19,149
	<b>661,348</b>	<b>414,100</b>

## 16 Transactions with related parties

The related parties comprise the associated undertakings, directors and other key management personnel of the Group. Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties have been disclosed in the relevant notes to the financial statements. Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transaction	For the quarter ended	
		March 31, 2019	March 31, 2018
		(Rupees in thousand)	
Associated companies	Purchase of raw / packing material	318,724	267,559
	Miscellaneous expenses	76,618	95,894
	Sale of product	7,462	–
	Other income	187,250	86,950
	Stores and spares	297	2,597
	Fee for services	219,289	259,363
Key management personnel	Remuneration including benefits and perquisites	78,909	75,304
Retirement benefit plans	Retirement benefit expense	65,641	49,198

		For the quarter ended	
		March 31, 2019	March 31, 2018
		(Rupees in thousand)	
<b>17 Earnings per share - basic and diluted</b>			
Profit attributable to ordinary shareholders	(Rupees in thousand)	3,087,061	2,546,447
Weighted average number of shares	Numbers of shares	2,100,000,000	2,100,000,000
Basic and diluted earnings per share	(Rupees)	1.47	1.21

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN AUDITED)

For the three months ended March 31, 2019

	For the quarter ended	
	March 31, 2019	March 31, 2018
(Rupees in thousand)		
<b>18 Cash generated from operations</b>		
Profit before tax	4,385,287	3,890,363
Adjustments for:		
Depreciation on property, plant and equipment	682,934	540,960
Amortization of intangible assets	6,870	3,408
Finance cost	661,348	414,100
Provision for staff retirement benefits	43,956	29,571
Exchange loss on translation of foreign currency loan	15,306	66,870
Profit on short term loans to related parties	(283,866)	(86,950)
Dividend income	(2,042)	–
Share of profit from associated company	(4,653)	–
Profit on saving accounts	(9,056)	(6,179)
Gain on disposal of property, plant and equipment	96,449	(743)
	1,207,246	961,037
Operating cash flows before working capital changes	5,592,533	4,851,400
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets:		
Stores and spares	(836,914)	(23,765)
Stock in trade	(1,228,062)	497,113
Trade debts	593,661	(677,908)
Advances, deposits, prepayments and other receivables	(1,159,079)	(709,731)
Increase in creditors, accrued and other liabilities	1,795,075	311,642
	(835,319)	(602,649)
	4,757,214	4,248,751

## 19 Financial instruments

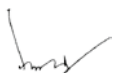
The carrying amount of financial assets and financial liabilities as at March 31, 2019 and as at December 31, 2018 approximate their fair values.

## 20 Date of Authorization of Issue

These consolidated financial statements have been authorized for issue on April 23, 2019 by the Board of Directors of the Holding Company.

## 21 General

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



Chief Executive Officer



Director



Chief Financial Officer

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












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