

First Quarter

Accounts

2016



FFBL
Fauji Fertilizer Bin Qasim Limited

Company Information

DIRECTORS

- Lt Gen Khalid Nawaz Khan, HI(M), Sitara-i-Esar, (Retd)
Chairman
- Lt Gen Muhammad Haroon Aslam, HI(M), SBt, (Retd)
Chief Executive & Managing Director
- Lt Gen Shafqaat Ahmed, HI(M), (Retd)
- Mr Qaiser Javed
- Dr. Nadeem Inayat
- Maj Gen Nasir Mahmood, HI(M), (Retd)
- Maj Gen Muhammad Farooq Iqbal, HI(M), (Retd)
- Maj Gen Syed Jamal Shahid, HI(M), (Retd)
- Brig Raja Jahanzeb, SI(M), (Retd)
- Mr Naved A. Khan
- Mr Nasier A. Sheikh
- Dr Rashid Bajwa

COMPANY SECRETARY

Brig Muhammad Azam, SI(M), (Retd)

CFO

Syed Aamir Ahsan

REGISTERED OFFICE

FFBL Tower, C1/C2, Sector B, Jinnah Boulevard,
DHA II, Islamabad.

Tel: 051-8763325 Fax: 051-8763302

E-mail: secretary@ffbl.com

Website: <http://www.ffbl.com>

PLANTSITE

Plot No. EZII/P-1, Eastern Zone, Bin Qasim, Karachi, Pakistan

LEGAL ADVISORS

Orr Dignam & Co Advocates,
3-A, Street 32, Sector F-8/1,
Islamabad, Pakistan

AUDITORS

EY Ford Rhodes Sidat Hyder & Co
Chartered Accountants
Eagle Plaza, Fazl-ul-Haq Road,
Blue Area, Islamabad.

SHARES REGISTRAR

Corplink (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.
Tel: (042) 35839182, 35887262
Fax: (042) 35869037

Directors' Review

For the Quarter Ended March 31, 2016

The Board of Directors is pleased to present a brief overview of the operational and financial performance of the Company for the first quarter ended March 31, 2016.

By the grace of Almighty, the overall performance of the plants remained satisfactory during the period. The quarter saw gas supply to the Company improve after almost five years where it received full quota of its share. This had a positive impact resulting in good production numbers in the first quarter. Production of Ammonia at 89 thousand tonnes, Urea at 93 thousand tonnes and DAP at 162 thousand tonnes was higher by 126%, 476% and 15% respectively compared with the corresponding period.

FFBL Urea (G) sales during Jan-Mar 2016 were 35 Kt, showing increase of 127% as compared to 15 Kt sales of corresponding period of 2015 due to higher production. Sona DAP sales during the period were 71 Kt, 17% lower than 85 Kt sales of Jan-Mar 2015.

Industry Urea off-take remained depressed throughout the first quarter. International Urea prices dropped down to US \$ 190 FOB Ex-Arabian Gulf, which was the lowest offering price since 2004; this explicitly threatened local manufacturers with the possibility of cheap imports. Urea industry sales during Jan-Mar 2016 are estimated at 775 Kt showing a decrease of 48% as compared to 1,504 Kt sales during the same period of 2015. DAP industry sales during Jan-Mar 2016 are estimated at 228 Kt, 27% higher than 179 Kt sales of 2015.

During Jan-Mar 2016 FFBL share in Urea and DAP market is estimated to be 4.5% and 31% respectively.

FFBL's financial results for the first quarter 2016 show a gross loss of Rs. 697 million as compared to profit of Rs. 710 million in corresponding period. The main reasons include classification of DAP subsidy of Rs. 708 million in other income, lower sales volume and significant decrease in selling price of DAP during the quarter. The Company sold 71 Kt of DAP as compared to 85 Kt in the corresponding period. Average selling price of DAP decreased by 9% during the period. These, coupled with increase in feed and fuel gas prices effective Sep 1, 2015, have further squeezed profit margins, the impact of which could not be passed on to the customers.

Other income mainly includes dividend received from Askari Bank Limited and Fauji Cement Company Limited and GoP subsidy on DAP sales. Net loss after tax, as a result of the above stated factors stood at Rs 514 million against profit of Rs. 98 million in the corresponding period. Company's (loss) / earnings per share at March 31, 2016 stood at Rs. (0.55) against Rs. 0.11 in the corresponding period.

By the grace of Almighty Allah, FFBL's subsidiary, Fauji Meat Ltd (FML) achieved its commercial production on April 2, 2016. FML is expected to provide its shareholders a continuous stream of revenue in the times to come.

The overall PMP plant performance remained satisfactory for the quarter ended. PMP produced 96 thousand tonnes of P_2O_5 during the quarter out of which 31 thousand tonnes was exported to FFBL. PMP reported a net profit of MAD 321 million for the year ended December 31, 2015.

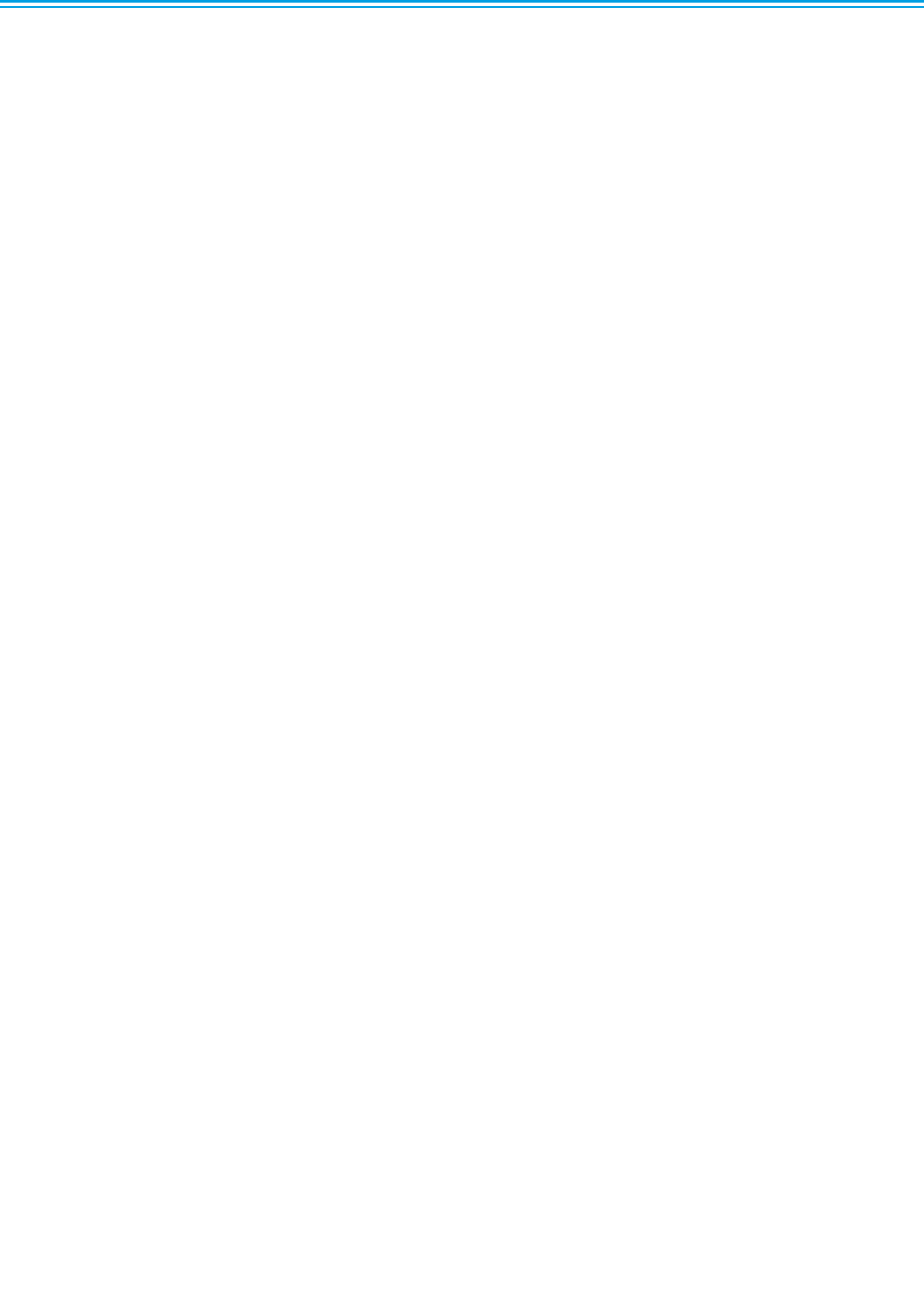
Better availability of gas to the Company resulted in increased production of Urea (G) and DAP during the quarter. FFBL is in close coordination with Ministry of Petroleum and SSGCL for continuous and improved supply of gas in the context of growing fertilizer demand in the country. We are optimistic that going forward we will InshaAllah have better gas supply, better production and sales numbers and better results for our valued stakeholders.

For and on behalf of the Board



Lt Gen Khalid Nawaz Khan, HI(M), Sitara-i-Esar (Retd)
Chairman

Islamabad
April 21, 2016



Condensed Interim Financial Information



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

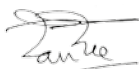
		Un - audited March 31, 2016	Audited December 31, 2015
	Note	(Rupees '000)	
EQUITY AND LIABILITIES			
ISSUED SHARE CAPITAL AND RESERVES			
Share capital		9,341,100	9,341,100
Capital reserve		228,350	228,350
Accumulated profit		1,348,802	4,711,566
		10,918,252	14,281,016
NON-CURRENT LIABILITIES			
Long term loans	5	8,583,333	9,375,000
Deferred liabilities	7	2,675,747	2,734,408
		11,259,080	12,109,408
CURRENT LIABILITIES			
Trade and other payables		12,856,456	12,828,378
Mark - up accrued		245,528	279,593
Short term borrowings	8	18,970,762	17,987,560
Current portion of long term loans	5	1,416,667	625,000
Current portion of deferred Government assistance	6	1,296,401	1,296,401
		34,785,814	33,016,932
		56,963,146	59,407,356

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

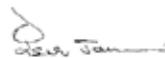
		Un - audited March 31, 2016	Audited December 31, 2015
	Note	(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	12,073,370	12,126,103
Long term investments	11	19,157,847	17,894,621
Long term deposits		78,643	78,643
		31,309,860	30,099,367
CURRENT ASSETS			
Stores and spares		2,439,530	2,473,487
Stock in trade		9,850,246	4,549,432
Trade debts		660,750	1,024,702
Advances		715,111	797,346
Trade deposits and short term prepayments		92,562	40,609
Interest accrued		39,438	51,781
Other receivables	12	2,170,213	4,871,072
Income tax refundable - net		1,670,158	823,321
Sales tax refundable		1,820,402	1,128,203
Short term investments	13	2,007,748	4,607,748
Cash and bank balances		4,187,128	8,940,288
		25,653,286	29,307,989
		56,963,146	59,407,356



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016**

		2016	2015
	Note	(Rupees '000)	
Sales - net		4,414,121	5,798,941
Cost of sales	14	(5,110,654)	(5,088,508)
Gross (loss) / profit		(696,533)	710,433
Selling and distribution expenses		(677,369)	(492,113)
Administrative expenses		(347,618)	(274,783)
		(1,721,520)	(56,463)
Finance costs		(405,701)	(421,117)
Other operating expenses		(902)	(4,973)
		(2,128,123)	(482,553)
Other income	15	1,253,022	569,908
(Loss) / Profit before taxation		(875,101)	87,355
Taxation	16	361,380	10,768
(Loss) / Profit after taxation		(513,721)	98,123
(Loss) / Earnings per share - basic and diluted (Rupees)		(0.55)	0.11

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.


CHAIRMAN

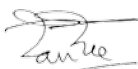

CHIEF EXECUTIVE


DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016**

	2016	2015
	(Rupees '000)	
(Loss) / Profit after taxation	(513,721)	98,123
Other comprehensive income	-	-
Total comprehensive (loss) / income	(513,721)	98,123

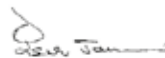
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CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016**

		2016	2015
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	17	(3,479,980)	(3,083,065)
Income tax paid		(561,352)	(560,605)
Payment to Gratuity Fund		1,949	1,256
Finance cost paid		(444,138)	(339,199)
Compensated absences paid		(2,149)	(10,896)
Received from / (Payment to) Workers' (Profit) Participation Fund		10,971	(20,557)
Net cash used in operating activities		(4,474,699)	(4,013,066)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(305,246)	(76,280)
Long term investments		(1,263,226)	(2,628,438)
Short term investments		-	1,119,687
Profit received on bank balances and term deposits		100,057	51,608
Net cash used in investing activities		(1,468,415)	(1,533,423)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(3,175,000)	550,000
Dividend paid		(2,393,248)	(1,298,825)
Net cash used in financing activities		(5,568,248)	(748,825)
Net decrease in cash and cash equivalents		(11,511,362)	(6,295,314)
Cash and cash equivalents at the beginning of the quarter		9,260,476	5,137,262
Cash and cash equivalents at the end of the quarter		(2,250,886)	(1,158,052)
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the statement of cash flows comprises the following balance sheet amounts:			
- Cash and bank balances		4,187,128	4,315,547
- Short term highly liquid investments		2,007,748	480,000
- Short term running finance		(8,445,762)	(5,953,599)
		(2,250,886)	(1,158,052)

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016**

	Share capital	Capital reserve	Accumulated profit / (loss)	Total
	(Rupees '000)			
Balance as at January 01, 2015	9,341,100	228,350	3,502,187	13,071,637
Total comprehensive income				
Profit for the period after taxation	-	-	98,123	98,123
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	98,123	98,123

Transactions with owners, recorded directly in equity

Distributions to owners

Final dividend 2014 (Rs. 2.25 per ordinary share)	-	-	(2,101,748)	(2,101,748)
Total transactions with owners	-	-	(2,101,748)	(2,101,748)
Balance as at March 31, 2015	9,341,100	228,350	1,498,562	11,068,012

Balance as at January 01, 2016	9,341,100	228,350	4,711,566	14,281,016
Total comprehensive income / (loss)				
(Loss) for the period after taxation	-	-	(513,721)	(513,721)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	(513,721)	(513,721)

Transactions with owners, recorded directly in equity

Distributions to owners

Final dividend 2015 (Rs. 3.05 per ordinary share)	-	-	(2,849,043)	(2,849,043)
Total transactions with owners	-	-	(2,849,043)	(2,849,043)
Balance as at March 31, 2016	9,341,100	228,350	1,348,802	10,918,252

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2016

1. Fauji Fertilizer Bin Qasim Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and its shares are quoted on the Pakistan Stock Exchange (PSX) in Pakistan previously known as Karachi, Lahore and Islamabad stock exchanges. The registered office of the Company is situated at FFBL Tower, Plot No. C1 & C2, Sector B, Jinnah Boulevard, Phase II, DHA, Islamabad. The Company is domiciled in Islamabad, Pakistan. The principal objective of the Company is manufacturing, purchasing and marketing of fertilizers. The Company commenced its commercial production effective January 1, 2000.
2. This condensed interim financial information of the Company for the quarter ended March 31, 2016 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in this condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended December 31, 2015. Comparative balance sheet is extracted from annual financial statements as of December 31, 2015 whereas comparative profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity are extracted from unaudited condensed interim financial information for the quarter ended March 31, 2015.

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

Consequent to preparation of consolidated financial statements, investments in subsidiaries and associates are now being accounted on the basis of direct equity interest at cost rather than reported results and net assets of the investees in this separate interim financial information of the Company. Accordingly corresponding figures for period ended March 31, 2015 have also been presented on the same basis.

3. The accounting policies and method of computation adopted for the preparation of this condensed interim financial information is same as those applied in preparation of financial statements for the preceding year ended December 31, 2015.
4. Status of significant shareholding as at March 31, 2016 is given below:

	Shares	Percentage
Fauji Fertilizer Company Limited	465,891,896	49.88
Fauji Foundation	170,842,386	18.29
	Un - audited March 31, 2016	Audited December 31, 2015
	(Rupees '000)	

5. LONG TERM LOANS

Loans from banking companies - secured	10,000,000	10,000,000
Less: Current portion shown under current liabilities	1,416,667	-
	8,583,333	10,000,000

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

		Un - audited March 31, 2016	Audited December 31, 2015
Note		(Rupees '000)	
6. DEFERRED GOVERNMENT ASSISTANCE			
Deferred Government assistance from Government of Pakistan (GoP)		1,298,539	1,298,539
Less: Current portion shown under current liabilities		1,296,401	1,296,401
		2,138	2,138
Deferred Government assistance		(2,138)	(2,138)
		-	-
7. DEFERRED LIABILITIES			
Compensated leave absences		457,176	439,942
Deferred tax	7.1	2,218,571	2,294,466
		2,675,747	2,734,408
7.1 The balance of deferred tax is in respect of the following major temporary differences:			
Accelerated depreciation		2,244,638	2,344,293
Provision for inventory obsolescence		(26,067)	(49,827)
		2,218,571	2,294,466
8. SHORT TERM BORROWINGS - SECURED			
The Company has short term running finance and demand finance facilities limits aggregating to Rs. 23,270,000 thousand (2015: Rs. 13,630,000 thousand). These are secured against hypothecation charge over stocks and current assets of the Company and carry mark up ranging between 7.23% to 6.44% per annum (2015: 10.33% to 8.64% per annum).			
9. CONTINGENCIES AND COMMITMENTS			
Contingencies			
i) Guarantees issued by banks on behalf of the Company.		77,780	55,612
Commitments			
i) Capital expenditures - contracted.		990,967	830,063
ii) Letters of credit for purchase of stores, spares and raw materials.		981,499	859,046
10. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		12,126,103	12,202,673
Additions		305,246	1,330,544
Disposals		-	(49,456)
Depreciation		(357,979)	(1,398,223)
Depreciation on disposed off items		-	40,565
Closing written down value		12,073,370	12,126,103

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

		Un - audited March 31, 2016	Audited December 31, 2015
	Note	(Rupees '000)	
11. LONG TERM INVESTMENTS			
Investment in joint venture - at cost	11.1	1,411,150	1,411,150
Investment in associates - at cost	11.2	9,732,117	8,471,413
Subsidiary companies - at cost	11.3	8,014,580	8,012,058
Other long term investments	11.4	-	-
		<u>19,157,847</u>	<u>17,894,621</u>
11.1. Investment in jointly controlled entity - at cost			
Pakistan Maroc Phosphore S.A, Morocco (PMP)		1,411,150	1,411,150
11.2. Investment in associates - at cost			
Fauji Cement Company Limited (FCCL)		300,000	300,000
Askari Bank Limited (AKBL)		5,230,991	5,230,991
Noon Pakistan Limited (NPL)			
Voting Shares		242,928	242,928
Non Voting Shares		236,929	236,929
Share Deposit Money *		1,260,704	-
		1,740,561	479,857
Foundation Wind Energy - I Limited (FWE-I)			
Shares		740,374	740,374
Share Deposit Money		485,499	485,499
		1,225,873	1,225,873
Foundation Wind Energy - II (Pvt) Limited (FWE-II)			
Shares		687,935	687,935
Share Deposit Money		546,757	546,757
		1,234,692	1,234,692
		<u>9,732,117</u>	<u>8,471,413</u>
11.3. Investment in subsidiaries			
Fauji Meat Limited (FML)			
Shares		2,250,000	2,250,000
		2,250,000	2,250,000
Fauji Foods Limited (FFL)			
Shares		285,197	285,197
Share Deposit Money		13,758	11,236
		298,955	296,433
FFBL Power Company Limited (FPCL)			
Shares		5,465,625	5,167,500
Share Deposit Money		-	298,125
		5,465,625	5,465,625
		<u>8,014,580</u>	<u>8,012,058</u>
11.4. Investment - available for sale - unquoted			
Arabian Sea Country Club Limited (ASCCL)			
300,000 ordinary shares of Rs. 10 each		3,000	3,000
Less: Impairment in value of investment		3,000	3,000
		-	-
		<u>-</u>	<u>-</u>

* The shareholders in their meeting held on March 08, 2016 approved an investment in shares of Noon Pakistan Limited (NPL) upto an amount of Rs. 2.55 Billion, out of which uptill March 31, 2016 an amount of Rs. 1.260 Billion has been paid.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

12. OTHER RECEIVABLES

This includes an amount of Rs. 1,009 million receivable from Fauji Fertilizer Company Limited, an associated company, on account of amounts recovered from customers on sale of the Company's products under inter-company services agreement.

13. SHORT TERM INVESTMENTS

Balance at the period end includes investment in term deposit receipts of various banks having maturity period upto 3 months carrying mark up between 7.25% to 5.00% per annum (2015: 6.50% to 6.00% per annum).

Un - audited		
For the quarter ended March 31,		
	2016	2015
	(Rupees '000)	
14. COST OF SALES		
Raw materials consumed	8,065,303	5,917,673
Packing materials consumed	107,295	90,002
Fuel and power	875,004	568,104
Chemicals and supplies consumed	41,810	48,724
Salaries, wages and benefits	358,523	270,696
Rent, rates and taxes	6,131	6,352
Insurance	24,743	24,905
Travel and conveyance	27,633	24,972
Repairs and maintenance	584,154	408,003
Communication, establishment and others	32,184	20,502
Depreciation	339,631	332,224
Opening stock - work in process	108,069	103,341
Closing stock - work in process	(56,638)	(41,642)
Cost of goods manufactured	10,513,842	7,773,856
Opening stock - finished goods	1,650,560	277,952
Closing stock - finished goods	(7,053,748)	(2,963,300)
Cost of sales	5,110,654	5,088,508
15. OTHER INCOME		
Profit on bank balances & Term deposits	53,554	46,320
Gain / Dividend from mutual funds and other investments	34,260	221,192
Provision written back	77,502	-
Dividend received - FCCL	32,813	18,750
Dividend received - AKBL	339,855	271,884
Subsidy Income on DAP	708,257	-
Scrap sale and other receipts	6,781	11,762
	1,253,022	569,908
16. TAXATION		
Current tax	(285,485)	54,885
Deferred tax	(75,895)	(65,653)
	(361,380)	(10,768)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

		Un - audited	
		For the quarter ended March 31,	
		2016	2015
		(Rupees '000)	
17. CASH USED IN OPERATIONS			
(Loss) / Profit before taxation from ordinary activities		(875,101)	87,355
Adjustment for:			
Provision for gratuity		21,025	20,452
Exchange (gains) / losses		(4,372)	58,741
Provision for compensated absences		19,383	361
Provision for Workers' (Profit) Participation Fund		-	4,598
Depreciation		357,979	345,995
Finance cost		410,073	362,377
Profit on bank balances and term deposits		(87,714)	(60,937)
Dividend income		-	(290,634)
Gain on sale of investments		-	(206,575)
Operating profit before working capital changes		(158,727)	321,733
Changes in working capital			
Stores and spares		33,957	61,068
Stock in trade		(5,300,814)	(3,135,328)
Trade debts		363,952	755,525
Advances		82,235	10,501
Trade deposits and short term prepayments		(51,953)	(102,374)
Other receivables		2,700,859	(423,260)
Sales tax receivable		(692,199)	(335,073)
Trade and other payables		(457,290)	(235,857)
		(3,321,253)	(3,404,798)
Cash used in operations		(3,479,980)	(3,083,065)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

Un - audited
For the quarter ended March 31,
2016 2015
(Rupees '000)

18. RELATED PARTY TRANSACTIONS

Transactions with subsidiary companies

Investment in Fauji Meat Limited (FML)	-	50,000
Investment in Fauji Foods Limited (FFL)	2,522	2,390
Investment in FFBL Power Company Limited (FPCL)	-	1,620,000

Transactions with associated undertakings due to common directorship

Services and material acquired	181,794	93,688
Services and material provided	-	559
Commission charged to the Company	2,120	2,015
Dividend paid	1,942,040	1,432,652
Rent charged to the Company	378	350
Profit on bank balances (AKBL)	17,837	7,823
Balance receivable - unsecured (FFC)	1,009,224	536,643*
Balances at bank (AKBL)	278,729	2,781,914*

Transactions with joint venture

Purchase of raw materials	5,878,990	5,008,832
Expenses incurred on behalf of joint venture	5,279	2,191
Balance payable - secured	5,490,645	5,762,811*
Balance receivable - unsecured	25,829	35,503*

Other related parties

Contribution to Provident Fund	14,731	13,445
Contribution to Gratuity Fund	21,025	20,452
Remuneration including benefits and perquisites of Chief Executive Officer and executives	125,780	64,524
No of persons 2016 : 1 and 21. (2015 : 1 and 16)		
(Receipt from) / Payment to Workers' (Profit) Participation Fund	(10,971)	20,557
Balance payable - (WWF+WPPF) unsecured	1,053,074	1,042,103*
Payable to Gratuity Fund	307,540	284,566*

*Balance of accounts appearing as comparatives are as at December 31, 2015

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

19. GENERAL

19.1 Figures have been rounded off to the nearest thousand rupees.

19.2 Corresponding figures have been re-arranged / restated, wherever necessary, for the purpose of comparison.


19.3 This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on April 21, 2016.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

Condensed Interim Consolidated Financial Information



CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2016

		Un - audited March 31, 2016	Audited December 31, 2015
	Note	(Rupees '000)	
EQUITY AND LIABILITIES			
ISSUED SHARE CAPITAL AND RESERVES			
Share capital		9,341,100	9,341,100
Capital reserve		228,350	228,350
Revaluation reserve on available for sale investments		459,418	482,449
Statutory reserve		397,156	355,039
Translation reserve		659,778	711,110
Accumulated profit		2,888,991	5,757,067
		13,974,793	16,875,115
NON-CONTROLLING INTEREST		2,561,652	2,565,620
		16,536,445	19,440,735
NON-CURRENT LIABILITIES			
Long term loans	5	13,083,333	13,075,000
Deferred liabilities	7	2,788,336	3,005,138
		15,871,669	16,080,138
CURRENT LIABILITIES			
Trade and other payables		13,804,396	13,025,985
Mark - up accrued		579,436	433,269
Short term borrowings		29,867,262	25,336,060
Current portion of long term loans		1,416,667	625,000
Current portion of deferred Government assistance	6	1,296,401	1,296,401
		46,964,162	40,716,715
		79,372,276	76,237,588
CONTINGENCIES AND COMMITMENTS			
	8		

The annexed notes 1 to 16 form an integral part of this condensed interim consolidated financial information.

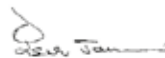
		Un - audited March 31, 2016	Audited December 31, 2015
Note		(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
	9	34,814,457	29,519,433
	10	14,438,776	12,823,721
		78,643	78,643
		49,331,876	42,421,797
CURRENT ASSETS			
		2,443,380	2,473,577
		9,853,807	4,549,432
		680,821	1,024,702
		801,801	802,555
		94,105	126,795
		44,961	51,781
		2,209,282	4,871,604
		330,394	330,394
		1,920,659	1,110,582
		2,165,992	1,439,978
		3,007,748	4,607,748
		6,487,450	12,426,643
		30,040,400	33,815,791
		79,372,276	76,237,588



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016**

		2016	2015
	Note	(Rupees '000)	
Sales - net		4,414,121	5,798,941
Cost of sales	11	(5,110,654)	(5,088,508)
Gross (loss) / profit		(696,533)	710,433
Selling and distribution expenses		(677,369)	(492,113)
Administrative expenses		(357,872)	(292,425)
		(1,731,774)	(74,105)
Finance costs		(407,985)	(421,477)
Other operating expenses		(902)	(5,961)
		(2,140,661)	(501,543)
Other income	12		
Share of profit / (loss) of associates and joint venture		802,385	310,393
Others		892,672	283,069
		1,695,057	593,462
(Loss) / Profit before taxation		(445,604)	91,919
Taxation	13	464,719	22,900
Profit after taxation		19,115	114,819
Attributable to:			
- Owners of the holding Company		23,083	114,819
- Non controlling interest		(3,968)	-
		19,115	114,819
Earnings per share - basic and diluted (Rupees)		0.02	0.12

The annexed notes 1 to 16 form an integral part of this condensed interim consolidated financial information.



CHAIRMAN



CHIEF EXECUTIVE

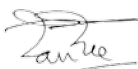


DIRECTOR

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016**

	2016	2015
	(Rupees '000)	
Profit after taxation	19,115	114,819
Other comprehensive income		
Exchange difference on translating a joint venture	(52,075)	(106,960)
Effect of translation - share of Askari Bank Limited under equity method	743	(927)
Revaluation reserve on available for sale investments	(23,031)	-
Total comprehensive (loss) / income	(55,248)	6,932
Attributable to:		
- Owners of the holding Company	(51,280)	6,932
- Non controlling interest	(3,968)	-
	(55,248)	6,932

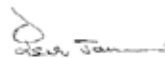
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CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016**

		2016	2015
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	14	(3,081,697)	(3,643,486)
Income tax paid		(524,592)	(598,984)
Payment to Gratuity Fund		(1,949)	1,256
Finance cost paid		(444,138)	(339,559)
Compensated absences paid		(2,149)	(10,897)
Payment to Workers Welfare Fund		-	(180)
Received from / (payment to) Workers' (Profit) Participation Fund		10,971	(11,218)
Net cash used in operating activities		(4,043,554)	(4,603,068)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(5,657,721)	(2,233,147)
Long term investments		(888,037)	-
Long term deposits		-	-
Sale proceeds of scrap		216	-
Short term investments		-	1,119,687
Profit received on bank balances and term deposits		111,949	55,354
Net cash used in investing activities		(6,433,593)	(1,058,106)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(2,375,000)	550,000
Dividend paid		(2,393,248)	(1,298,825)
Net cash used in financing activities		(4,768,248)	(748,825)
Net decrease in cash and cash equivalents		(15,245,395)	(6,409,999)
Cash and cash equivalents at the beginning of the quarter		5,398,331	5,566,842
Cash and cash equivalents at the end of the quarter		(9,847,064)	(843,157)
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the statement of cash flows comprises the following balance sheet amounts:			
- Cash and bank balances		6,487,450	4,630,442
- Short term highly liquid investments		3,007,748	480,000
- Short term running finance		(19,342,262)	(5,953,599)
		(9,847,064)	(843,157)

The annexed notes 1 to 16 form an integral part of this condensed interim consolidated financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2016

	Share capital	Capital reserve	Revaluation reserve on available for sale investments	Statutory reserve	Translation reserve	Accumulated profit	Non-controlling Interest	Total
	(Rupees '000)							
Balance as at January 01, 2015	9,341,100	228,350	-	6,380	904,466	3,773,055	-	14,253,351
Total comprehensive income								
Profit for the period after taxation	-	-	-	-	-	114,819	-	114,819
Other comprehensive income for the period	-	-	-	348,659	(107,887)	-	-	240,772
Total comprehensive income for the period	-	-	-	348,659	(107,887)	114,819	-	355,591
Transactions with owners, recorded directly in equity								
Distributions to owners								
Final dividend 2014 (Rs. 2.25 per ordinary share)	-	-	-	-	-	(2,101,748)	-	(2,101,748)
Total transactions with owners	-	-	-	-	-	(2,101,748)	-	(2,101,748)
Balance as at March 31, 2015	9,341,100	228,350	-	355,039	796,579	1,786,126	-	12,507,194
Balance as at January 01, 2016	9,341,100	228,350	482,449	355,039	711,110	5,757,067	2,565,620	19,440,735
Total comprehensive income								
Profit / (Loss) for the period after taxation	-	-	-	-	-	23,083	(3,968)	19,115
Other comprehensive income for the period	-	-	(23,031)	-	(51,332)	-	-	(74,363)
Total comprehensive income for the period	-	-	(23,031)	-	(51,332)	23,083	(3,968)	(55,248)
Transfer to statutory reserve	-	-	-	42,117	-	(42,117)	-	-
Transactions with owners, recorded directly in equity								
Distributions to owners								
Final dividend 2015 (Rs. 3.05 per ordinary share)	-	-	-	-	-	(2,849,042)	-	(2,849,042)
Total transactions with owners	-	-	-	-	-	(2,849,042)	-	(2,849,042)
Balance as at March 31, 2016	9,341,100	228,350	459,418	397,156	659,778	2,888,991	2,561,652	16,536,445


The annexed notes 1 to 16 form an integral part of this condensed interim consolidated financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2016

1. Fauji Fertilizer Bin Qasim Limited group comprises of Fauji Fertilizer Bin Qasim Limited (FFBL / the holding Company) and its subsidiaries, Fauji Meat Limited (FML), Fauji Foods Limited (FFL) and FFBL Power Company Limited (FPCL), collectively referred to as ("the Group").

FFBL is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and its shares are quoted on the Pakistan Stock Exchange (PSX) in Pakistan previously known as Karachi, Lahore and Islamabad stock exchanges. The registered office of FFBL is situated at FFBL Tower, Plot No. C1 & C2, Sector B, Jinnah Boulevard, Phase II, DHA, Islamabad. The principal objective of FFBL is manufacturing, purchasing and marketing of fertilizers. FFBL commenced its commercial production effective January 1, 2000.

FML is a public limited company incorporated on September 05, 2013 in Pakistan under the Companies Ordinance, 1984. The principal objectives of FML are to establish a meat abattoir unit for halal slaughtering of animals to obtain meat for local and export sale purposes. FFL is a public limited company incorporated on July 04, 2013 in Pakistan under the Companies Ordinance, 1984. The principal objectives of FFL are to produce multi brand dairy products. FFBL Power Company Limited is a public limited company incorporated on June 27, 2014 in Pakistan under the Companies Ordinance, 1984. The principal activity of FPCL is generation and supply of electricity and all other forms of energy.

2. This condensed interim consolidated financial report is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial information of the Company for the quarter ended March 31, 2016 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in this condensed interim consolidated financial information do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2015. Comparative balance sheet is extracted from annual consolidated financial statements as at December 31, 2015 whereas comparative consolidated profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity are extracted from unaudited condensed interim consolidated financial information of FFBL and its subsidiaries for the quarter ended March 31, 2015.

This condensed interim consolidated financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Pakistan Stock Exchange (PSX) previously known as Islamabad, Karachi and Lahore Stock Exchanges.

3. The accounting policies and method of computation adopted for the preparation of this condensed interim consolidated financial information is same as those applied in preparation of consolidated financial statements for the preceding year ended December 31, 2015.
4. Group consists of following subsidiary companies:

	Shares	Percentage
Fauji Meat Limited	225,000,000	75
FFBL Power Company Limited	546,562,500	75
Fauji Foods Limited	28,519,700	100

The condensed interim financial information of subsidiary companies has been consolidated on line by line basis. The carrying value of investments held by the Hold Company is eliminated against the subsidiaries' share capital and pre-acquisition reserves. All material intercompany balances have been eliminated.

Un - audited March 31, 2016	Audited December 31, 2015
(Rupees '000)	

5. LONG TERM LOANS

Loans from banking companies - secured	14,500,000	13,700,000
Less: Current portion shown under current liabilities	1,416,667	625,000
	13,083,333	13,075,000

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

		Un-audited March 31, 2016	Audited December 31, 2015
	Note	(Rupees '000)	
6. DEFERRED GOVERNMENT ASSISTANCE			
Deferred Government assistance from Government of Pakistan (GoP)		1,298,539	1,298,539
Less: Current portion shown under current liabilities		1,296,401	1,296,401
		2,138	2,138
Deferred Government assistance		(2,138)	(2,138)
		-	-
7. DEFERRED LIABILITIES			
Compensated leave absences		457,176	439,942
Deferred tax	7.1	2,331,160	2,565,196
		2,788,336	3,005,138
7.1 The balance of deferred tax is in respect of the following major temporary differences:			
Accelerated depreciation		2,205,143	2,344,293
Share of profit of associates		86,453	201,844
Provision for stores obsolescence		(26,067)	(49,827)
Deferred tax on revaluation of available for sale investments		65,631	68,886
		2,331,160	2,565,196
8. CONTINGENCIES AND COMMITMENTS			
Contingencies			
i) Guarantees issued by banks on behalf of the Company.		77,780	55,612
ii) Company's share of contingent liabilities of Fauji Cement Company Limited as at December 31, 2015.		22,153	22,153
iii) Company's share of contingent liabilities of Foundation Wind Energy - I Limited as at December 31, 2015.		64,190	63,945
iv) Company's share of contingent liabilities of Foundation Wind Energy - II (Pvt) Limited as at December 31, 2015.		64,190	63,945
v) Company's share of contingent liabilities of Askari Bank Limited as at December 31, 2015.		38,419,046	38,858,428
vi) Company's share of contingent liabilities of Noon Pakistan Limited as at December 31, 2015.		23,906	13,727
vii) Letter of credit issued on behalf of Fauji Meat Limited		924,375	-
Commitments			
i) Capital expenditures - contracted.		990,967	830,063
ii) Letters of credit for purchase of stores, spares and raw materials.		981,499	859,046
iii) Commitments with Fauji Foundation for investment in wind power projects.		165,060	164,430
iv) Company's share of commitments of PMP as at December 31, 2015.		5,597	8,080
v) Group's share of commitments of Fauji Meat Limited		753,181	1,988,964
vi) Group's share of commitments of FFBL Power Company Limited		6,619,280	10,584,484
vii) Group's share of commitments of Fauji Cement Company Limited as at December 31, 2015.		2,543	1,795
viii) Group's share of commitments of Noon Pakistan Limited as at December 31, 2015.		979,678	307,913
9. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		29,519,433	14,864,264
Additions		5,657,721	16,072,516
Disposals		-	(49,456)
Depreciation		(362,697)	(1,408,456)
Depreciation on disposed off items		-	40,565
Closing written down value		34,814,457	29,519,433

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

	Un - audited March 31, 2016	Audited December 31, 2015
	(Rupees '000)	
10. LONG TERM INVESTMENTS		
Investment in joint venture - equity method		
Pakistan Maroc Phosphore S.A, Morocco (PMP)		
Balance brought forward	3,094,397	2,579,774
Share of profit	342,542	711,077
Loss during the year on translation of net assets	(52,075)	(196,454)
Closing balance	3,384,864	3,094,397
Investment in associates - equity method		
Fauji Cement Company Limited (FCCL)		
Balance brought forward	379,345	364,800
Share of profit	22,422	61,420
Dividend	(32,813)	(46,875)
Closing balance	368,954	379,345
Foundation Wind Energy - I Limited (FWE-I)		
Opening balance	1,244,195	1,102,352
Advance paid during the year against issue of shares	-	68,343
Share of profit	113,622	73,500
Closing balance	1,357,817	1,244,195
Foundation Wind Energy - II (Pvt) Limited (FWE-II)		
Opening balance	1,231,217	1,149,908
Advance paid during the year against issue of shares	-	44,875
Share of profit	122,273	36,434
Closing balance	1,353,490	1,231,217
Noon Pakistan Limited (NPL)		
Balance brought forward	471,988	479,857
Advance paid during the year against issue of shares *	1,260,705	-
Share of loss	(12,730)	(7,869)
Closing balance	1,719,963	471,988
Askari Bank Limited (AKBL)		
Opening balance	6,402,579	5,342,681
Share of profit	214,255	1,051,485
Dividend	(339,855)	(543,768)
Revenue reserve on revaluation of available for sale investment - Net of Tax	(24,034)	551,370
Effect of translation	743	811
Closing balance	6,253,688	6,402,579
Investment - available for sale - unquoted		
Arabian Sea Country Club Limited (ASCCL)		
300,000 ordinary shares of Rs. 10 each	3,000	3,000
Less: Impairment in value of investment	3,000	3,000
	-	-
	14,438,776	12,823,721

* The shareholders in their meeting held on March 08, 2016 approved an investment in shares of Noon Pakistan Limited (NPL) upto an amount of Rs. 2.55 Billion, out of which uptill March 31, 2016 an amount of Rs. 1.260 Billion has been paid.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

		For the quarter ended March 31,	
		2016	2015
		(Rupees '000)	
11. COST OF SALES			
Raw materials consumed	8,065,303	5,917,673	
Packing materials consumed	107,295	90,002	
Fuel and power	875,004	568,104	
Chemicals and supplies consumed	41,810	48,724	
Salaries, wages and benefits	358,523	270,696	
Rent, rates and taxes	6,131	6,352	
Insurance	24,743	24,905	
Travel and conveyance	27,633	24,972	
Repairs and maintenance	584,154	408,003	
Communication, establishment and others	32,184	20,502	
Depreciation	339,631	332,224	
Opening stock - work in process	108,069	103,341	
Closing stock - work in process	(56,638)	(41,642)	
Cost of goods manufactured	10,513,842	7,773,856	
Opening stock - finished goods	1,650,560	277,952	
Closing stock - finished goods	(7,053,748)	(2,963,300)	
Cost of sales	5,110,654	5,088,508	
12. OTHER INCOME			
Share of profit / (loss) from associates			
Share of profit - PMP	342,542	124,970	
Share of profit / (loss) - FWE-I	113,622	(5,350)	
Share of profit / (loss) - FWE-II	122,273	(22,704)	
Share of profit - FCCL	22,422	14,155	
Share of profit - AKBL	214,256	199,322	
Share of loss - NPL	(12,730)	-	
	802,385	310,393	
Profit on bank balances	65,346	50,114	
Gain / Dividend from mutual funds and other investments	100	206,575	
Income on TDRs	34,260	14,617	
Provision written back	77,502	-	
Scrap sales and other receipts	6,997	11,763	
Subsidy Income on DAP	708,257	-	
Misc Income	209	-	
	892,671	283,069	
	1,695,056	593,462	
13. TAXATION			
Current tax	(285,485)	25,822	
Deferred tax	(179,234)	(48,722)	
	(464,719)	(22,900)	

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

	For the quarter ended March 31,	
	2016	2015
	(Rupees '000)	
14. CASH USED IN OPERATIONS		
(Loss) / profit before taxation from ordinary activities	(445,604)	91,919
Adjustment for:		
Provision for gratuity	21,025	20,452
Exchange (gain) / loss	(4,372)	58,741
Provision for compensated absences	19,383	361
Provision for Workers' (Profit) Participation Fund	-	5,586
Depreciation	362,697	348,029
Finance cost	412,357	362,737
Profit on bank balances and term deposits	136,328	(64,683)
Profit from associates	(802,385)	(310,393)
Gain on sale of investments	-	(206,575)
Gain on sale of scrap	(425)	-
Operating profit before working capital changes	(300,996)	306,174
Changes in working capital		
Stores and spares	30,197	65,428
Stock in trade	(5,304,375)	(3,135,328)
Trade debts	343,881	755,525
Advances	754	(240,281)
Trade deposits and short term prepayments	32,690	(102,347)
Other receivables	2,662,322	(421,950)
Sales tax receivable	(726,014)	(341,118)
Trade and other payables	179,844	(529,589)
	(2,780,701)	(3,949,660)
Cash used in operations	(3,081,697)	(3,643,486)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the quarter ended March 31,

2016 2015

(Rupees '000)

15. RELATED PARTY TRANSACTIONS

Transactions with associated undertakings due to common directorship

Services and material acquired	181,794	93,688
Services and material provided	-	559
Commission charged to the Company	2,120	2,015
Dividend paid	1,942,040	1,432,652
Rent charged to the Company	378	350
Profit on bank balances (AKBL)	17,837	7,823
Balance receivable - unsecured (FFC)	1,009,224	536,643*
Balances at bank (AKBL)	278,736	2,781,921*
Investment in Noon Pakistan Limited	1,260,704	-

Transactions with subsidiary companies

Investment in Fauji Meat Limited (FML)	-	50,000
Investment in Fauji Foods Limited (FFL)	2,522	2,390
Investment in FFBL Power Company Limited (FPCL)	-	1,620,000

Transactions with joint venture

Purchase of raw materials	5,878,990	5,008,832
Expenses incurred on behalf of joint venture	5,279	2,191
Balance payable - secured	5,490,645	5,762,811*
Balance receivable - unsecured	25,829	35,503*

Other related parties

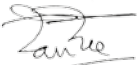
Contribution to Provident Fund	14,731	13,445
Contribution to Gratuity Fund	21,025	20,452
Remuneration including benefits and perquisites of Chief Executive Officer and executives		
No of persons 2016 : 1 and 21. (2015 : 1 and 16)	125,780	64,524
(Received from) / Payment to Workers' (Profit) Participation Fund	(10,971)	20,557
Balance payable - (WWF+WPPF) unsecured	1,053,074	1,134,392*
Payable to Gratuity Fund	307,540	284,566*

*Balance of accounts appearing as comparatives are as at December 31, 2015

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

16. GENERAL


- 16.1 Figures have been rounded off to the nearest thousand rupees.
- 16.2 Corresponding figures have been re-arranged / restated, wherever necessary, for the purpose of comparison.
- 16.3 This condensed interim consolidated financial information was authorized for issue by the Board of Directors of the Company in their meeting held on April 21, 2016.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

