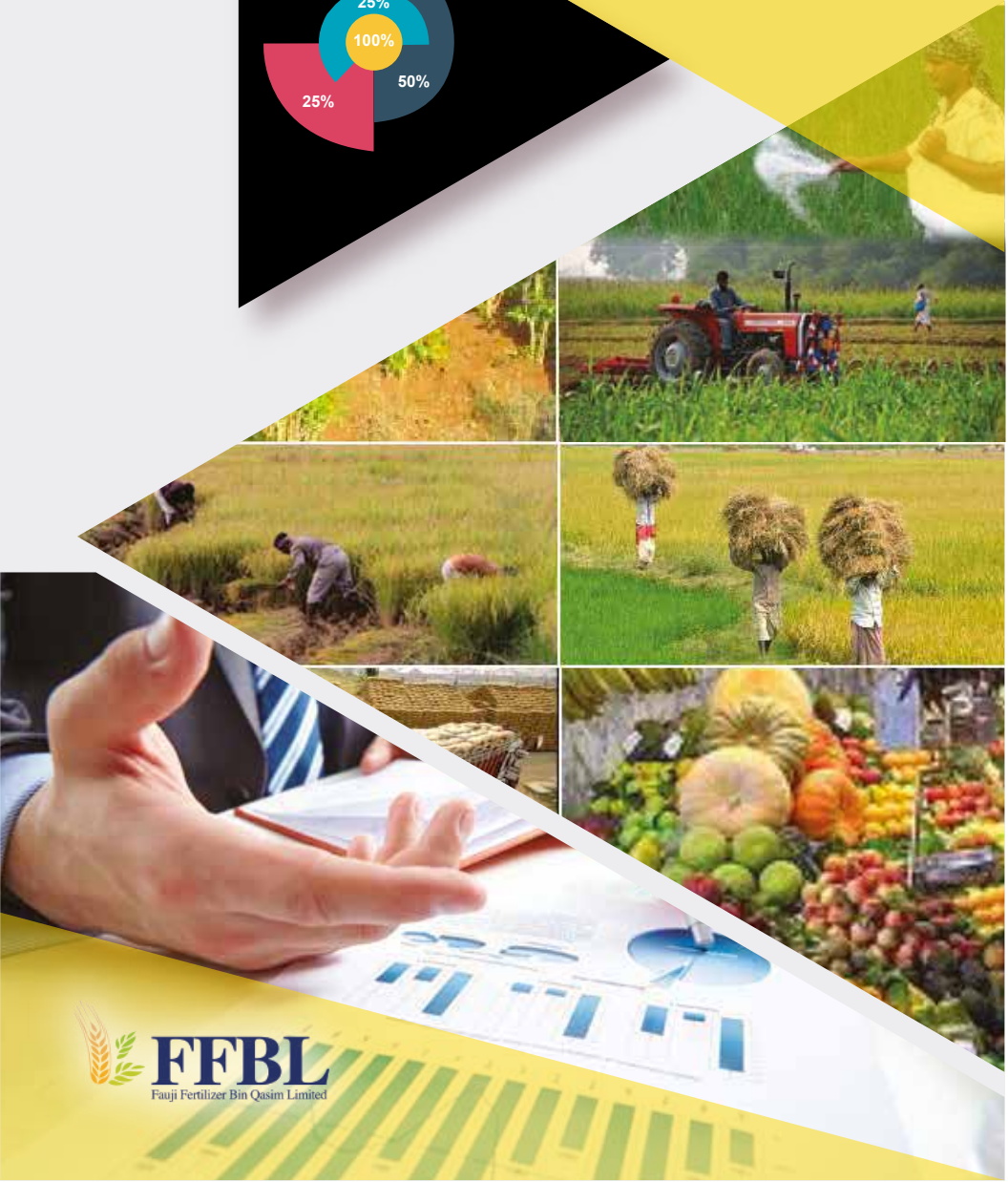
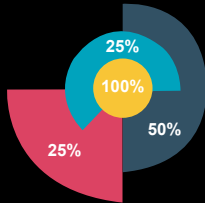


Half Yearly ACCOUNTS 2017



Company Information

DIRECTORS

- Lt Gen Khalid Nawaz Khan, HI(M), Sitara-i-Esar, (Retd)
Chairman
- Lt Gen Javed Iqbal, HI(M), (Retd)
Chief Executive & Managing Director
- Lt Gen Shafqaat Ahmed, HI(M), (Retd)
- Mr Qaiser Javed
- Dr. Nadeem Inayat
- Maj Gen Kaleem Saber Taseer, HI(M) (Retd)
- Maj Gen Tahir Ashraf Khan, HI(M) (Retd)
- Maj Gen Wasim Sadiq, 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)

GROUP GENERAL MANAGER FINANCE

Syed Aamir Ahsan

REGISTERED OFFICE

FFBL Tower, C1 / C2, Sector B, Jinnah Boulevard,
Phase II, DHA Islamabad.
Tel: +92 51 8763325, Fax: +92 51 8763304-05
E-mail: secretary@ffbl.com

PLANTSITE

Plot No. EZ/II/P-1 Eastern Zone, Port Qasim, Karachi 75020.
Tel: +92 21 34724500-29 Fax : +92 21 34750704
Email: information@ffbl.com

WEB PRESENCE

www.ffbl.com

BANKERS

Habib Bank Limited
MCB Bank Limited
United Bank Limited
National Bank of Pakistan
Allied Bank Limited
Askari Bank Limited
Faysal Bank Limited
Standard Chartered Bank (Pakistan) Limited
Habib Metropolitan Bank Limited
Bank Al-Falah Limited
Bank Al-Habib Limited
Silk Bank Limited
The Bank of Punjab

Soneri Bank Limited
Summit Bank Limited
JS Bank Limited
Samba Bank Limited
Zarari Taraqiari Bank Limited
Industrial Bank of China
The Bank of Khyber
Al-Baraka Bank (Pakistan) Limited
Dubai Islamic Bank Pakistan Limited
Bank Islami Pakistan Limited
Meezan Bank Limited
MCB Islamic Bank Limited

LEGAL ADVISORS

Orr Dignam & Co,
Advocates Marina Heights,
2nd floor, 109 East, Jinnah Avenue,
Blue Area, Islamabad, Pakistan
Tel:051-2348645-9

AUDITORS

EY Ford Rhodes
Eagle Plaza, 75 West
Fazal-e-Haq Road
Blue Area, Islamabad .

SHARES REGISTRAR

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

Directors' Review

For the Half Year Ended June 30, 2017

The Board of Directors is pleased to present a brief overview of the operational and financial performance of the Company for the half year ended June 30, 2017.

By the grace of Almighty, the overall performance of the plants remained satisfactory during the period. Supply of gas to the Company was below the allocated quota, the average gas curtailment was 8.5% during the half year ended June 30, 2017 compared to 11.5% in the same period of last year. Production of Ammonia stood at 211,152 MT and Urea at 220,043 MT which were marginally higher by 1.3% and 1% respectively whereas DAP production increased by 3% i.e. 11,229 MT compared with the corresponding period. In addition to less curtailment from same period of 2016 production has increased due to more Power & Steam availability from FFBL Power Company Limited.

FFBL Urea (G) sales during half year ended Jan-Jun 2017 were 198 Kt, showing increase of 28% as compared to 155 Kt sales of corresponding period of 2016. Sona DAP sales during the period were 264 Kt, 58% higher than 167 Kt sales of Jan-Jun 2016.

Urea industry sales during half year ended June 30, 2017 is 2,674 Kt which is 46% higher than 1,830 Kt during the same period of 2016. Urea market witnessed higher ever sales during 2nd quarter in any year. The major reasons for this upturn are the healthy demand in Kharif, improved farm economics, favourable weather conditions and affordable prices. Subsidy on Urea stood at Rs 156/bag which also eased the farmer with the reduction in the retail price. Estimated industry sales during Apr-Jun17 are 1,804 Kt, 71% higher than same period of last year of 1,054 Kt.

Demand in the domestic DAP market persisted during the half year ended June 30, 2017. Industry DAP sales during Jan-Jun 2017 are estimated at 589 Kt, which is higher by 19% from last year of 496 Kt. This is due to continuation of subsidy of Rs 300/bag up to June 30, 2017.

During Jan-Jun 2017 FFBL share in Urea and DAP market is estimated to be 7% and 45% respectively.

FFBL's financial results for the half year ended June 30, 2017 show a gross profit of Rs. 289 million as compared to loss of Rs. 337 million in the corresponding period. The main reason is better sales volume during the half year ended June 30, 2017 as compared to corresponding period of 2016 despite of reduction in net selling prices of Urea & DAP which decreased by 15% and 9% respectively.

Net loss after tax for the period 2017 is Rs. 384 million against loss of Rs. 895 million in the corresponding period. Company's loss per share for the period ending June 30, 2017 stood at

Re. 0.41 against a loss per share of Re. 0.96 in the corresponding period. Despite an increase in the overall volume of DAP & Urea sales, loss during 2017 is due to higher transportation cost as result of more up country despatches and reduction in rate of GoP subsidy on DAP. Other income mainly includes dividend of Rs. 408 million received from Askari Bank Limited and GoP subsidy of Rs. 1.6 billion on DAP sales & Rs. 617 million on Urea sales. The Board of Directors have announced a cash dividend of Re. 0.10 (1%) per share out of profits for the year ended December 31, 2016.

FFBL has already diversified its operations and its subsidiaries Fauji Foods Limited & Fauji Meat Limited which are in operational mode. In order to meet working capital requirement, new product development, business expansion and diversification, FFL has decided to raise funding through additional equity. FFBL being the main sponsor of FFL has strong belief in this business, therefore, your company will be investing in right share offer.

Fauji Meat Limited started its commercial operations in April 2016, being a new industry it needs to grow its supply chain and international customer base, for this purpose FML working capital needs will be arranged from financial institutions, however, FFBL being the main sponsor has agreed to provide it's collateral support.

By the grace of Almighty Allah FFBL Power Company have also started its commercial operations on May 19, 2017, FFBL's management is very optimistic about the prospects of the company and its subsidiaries.

FFBL considers these projects as strategic investments for its growth and is making all its efforts for their success in the times to come.

The overall PMP plant performance remained satisfactory for the half year ended June 30, 2017. PMP produced 216,571 MT of P_2O_5 during the period and sold 205 Kt. PMP reported a net profit of MAD 7 million for the period ended Jan-Mar 2017.

Availability of consistent gas is still a challenge for fertilizer industry. FFBL is in liaison with Ministry of Petroleum and SSGCL for continuous and improved supply of gas in future. We are optimistic that going forward FFBL will provide better results for our valuable stakeholders.

For and on behalf of the Board



Islamabad
July 26, 2017

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

ڈائریکٹر کا تجزیہ (30 جون 2017ء)

بورڈ آف ڈائریکٹر کو 30 جون 2017ء تک کمپنی کی مالیاتی اور پیداواری کارکردگی کا تجزیہ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

اللہ کے فضل و کرم سے اس ششماہی کے دوران پلانٹس کی مجموعی کارکردگی تسلی بخش رہی۔ کمپنی کو گیس کی فراہمی طے شدہ کوٹہ سے کم رہی۔ گیس کی فراہمی میں اوسط کمی 8.5% رہی (جو کہ 30 جون 2017ء تک تھی) یہ کمی پچھلے سال اسی دوران 11.5% تھی۔

امونیا کی پیداوار 211,152 ٹن اور یوریا کی پیداوار 220,043 ٹن رہی، جو کہ بالترتیب 1.3% اور 1% زیادہ تھی، جبکہ DAP کی پیداوار گزشتہ سال اسی عرصہ کی پیداوار سے 3% یعنی 11,229 ٹن زیادہ رہی۔ سال 2017ء کے دوران گیس کی کمی کے باوجود FFBL پاور کمپنی لمیٹڈ کی طرف سے فراہم کردہ بھاپ اور توانائی کی وجہ سے پیداوار میں اضافہ ہوا۔

2017ء کے پہلے 6 ماہ میں FFBL کی یوریا کی فروخت 198Kt رہی جو کہ 2016ء کے مقابلے میں 28% زیادہ ہے، جنوری سے جون 2016ء میں یہ پیداوار 155Kt تھی۔ DAP کی فروخت اس عرصے کے دوران 264Kt رہی جو کہ جنوری تا جون 2016ء سے 58% زیادہ ہے۔ جنوری سے جون 2016ء میں یہ پیداوار 167Kt تھی۔

30 جون 2017ء تک یوریا کی صنعت کی کل فروخت 2,674Kt رہی، جو کہ 2016ء کے اسی عرصے کے مقابلے میں 46% زیادہ ہے۔ 30 جون 2016ء تک یہ پیداوار 1,830Kt تھی۔ سال کے دوسرے کوارٹر میں یوریا کی فروخت بلند ترین سطح پر دیکھنے میں آئی۔ اس کی بڑی وجوہات میں خریف میں بہتر طلب، سازگار موسمی حالات، مناسب قیمتیں اور بہتر زرعی معیشت تھیں۔ یوریا میں سبسڈی 156 روپے فی تھیلہ تھی۔ جس سے قیمت میں کمی اور کسان کو سہولت رہی۔

اپریل سے جون 2017ء کے دوران یوریا کی صنعت کی کل فروخت کا تخمینہ 1,804Kt رہا، جو کہ پچھلے سال 1,054Kt تھی اس طرح یہ پچھلے سال کے مقابلے میں 71% زیادہ رہا۔

30 جون 2017ء تک DAP کی ملکی طلب میں اضافہ رہا۔ جنوری تا جون 2017ء کے دوران DAP کی صنعتی فروخت کا کل اندازہ 589Kt رہا۔ یہ پچھلے سال کے مقابلے میں 19% زیادہ تھا، پچھلے سال یہ 496Kt تھا۔ اس کی وجہ 30 جون 2017ء تک دی جانے والی 300 روپے فی تھیلہ سبسڈی کا تسلسل تھا۔

جنوری تا جون 2017ء کے دوران یوریا اور DAP کی صنعت میں FFBL کی شراکت کا تخمینہ 7% اور 45% رہا۔ 30 جون 2017ء تک FFBL کے مالیاتی نتائج 289 ملین روپے کا مجموعی منافع ظاہر کرتے ہیں جبکہ پچھلے سال اسی دوران 337 ملین روپے کا مجموعی خسارہ رہا۔ اس کی بڑی وجہ 2017ء میں فروخت کے حجم میں اضافہ ہے اور باوجود اس کے کہ DAP اور یوریا کی قیمتوں میں گزشتہ سال سے 15% اور 9% کی کمی رہی۔

2017ء میں ششماہی خسارہ 384 ملین روپے رہا جبکہ پچھلے سال یہی خسارہ 895 ملین روپے تھا۔ کمپنی کو اس عرصے میں فی حصص 0.41 روپے کا نقصان اٹھانا پڑا ہے، جبکہ گذشتہ سال یہ خسارہ 0.96 روپے فی حصص تھا۔

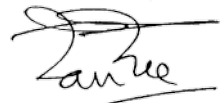
یوریا اور DAP کی فروخت کے حجم میں اضافہ کے باوجود، خسارے کی وجہ ترسیلات کی لاگت میں اضافہ اور DAP پر گورنمنٹ سبسڈی میں کمی ہے۔ غیر پیداواری آمدن میں عسکری بینک سے 408 ملین روپے کا منافع منقسمہ اور DAP پر گورنمنٹ کی طرف سے سبسڈی کی مدد میں 1.6 بلین روپے اور یوریا پر 617 ملین روپے شامل ہیں۔ بورڈ آف ڈائریکٹرز نے 2016ء کے سالانہ منافع میں سے 10 پیسہ (1%) فی حصص منافع منقسمہ کا اعلان کیا ہے۔

FFBL نے اپنے کاروبار کو مختلف جہتوں میں پھیلا یا ہے اور اس کا ذیلی ادارہ FFL پہلے ہی اپنی پیداوار شروع کر چکا ہے۔ FFL نے اپنے کاروبار کی وسعت، مصنوعات میں اضافے اور روزمرہ کی مالی ضروریات کو پورا کرنے کے لیے اپنے موجودہ شراکت داروں کو نئے حصص جاری کرنے کا فیصلہ کیا ہے۔ FFBL بطور کلیدی اسپانسر FFL کے نئے حصص میں اپنا حصہ ڈالے گا۔

FML نے اپریل 2016ء میں اپنی تجارتی پیداوار شروع کی ہے۔ FML اپنے ابتدائی مراحل سے گزر رہی ہے جسکے لیے خام مال کی خرید و فروخت بین الاقوامی خریداروں میں اضافہ کی ضرورت ہے، اس مقصد کے لیے FML کو روزمرہ کے سرمائے کی ضرورت کو پورا کرنے کے لیے مالیاتی اداروں سے سرمائے کی ضرورت ہے۔ FFBL بطور کلیدی اسپانسر اس سلسلہ میں اپنی گارنٹی دے گا۔ اللہ تعالیٰ کے فضل سے FFBL پاور کمپنی لمیٹڈ نے 19 مئی 2017ء کو اپنے تجارتی کام کا آغاز کر دیا ہے۔ FFBL کی انتظامیہ کمپنی اور اس کے ذیلی اداروں کے مستقبل کے بارے میں بہت پُر امید ہے۔ ان منصوبہ جات کو اپنی ترقی کے لیے بہترین سرمایہ کاری سمجھتی ہے، اور آنے والے وقتوں میں اس کی کامیابی کے لیے بھرپور کوشش کر رہی ہے۔

30 جون 2017ء تک PMP پلانٹ کی مجموعی کارکردگی تسلی بخش رہی PMP نے اس عرصے کے دوران P205 کے 216,571 MT پیداوار حاصل کی اور 205Kt فروخت کی، PMP نے جنوری، مارچ کے دوران 7 ملین MAD کا خالص منافع حاصل کیا۔

گیس کی مسلسل دستیابی فریڈلنڈز رائڈسٹری کیلئے اب تک ایک چیلنج ہے۔ FFBL وزارت پٹرولیم اور SSGCL کے ساتھ مستقبل میں گیس کی بہتر سپلائی کے لیے رابطے میں ہے۔ ہمیں امید ہے کہ FFBL اپنے شراکت داروں کو مستقبل میں بہترین نتائج فراہم کرے گی۔



لیفٹیننٹ جنرل خالد نواز خان

ہلال اتیاز (ملٹری)، ستارہ ایثار، (ریٹائرڈ)

چیئرمین

اسلام آباد

26 جولائی 2017ء

Interim Condensed Financial Information



Auditor's Report to the Members on Review of Interim Financial Information

Introduction

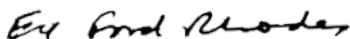
We have reviewed the accompanying interim condensed balance sheet of Fauji Fertilizer Bin Qasim Limited as at 30 June, 2017, the related interim condensed profit and loss account, interim condensed statement of comprehensive income, interim condensed statement of cash flows, interim condensed statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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



Ernst & Young Ford Rhodes

Chartered Accountants

Review Engagement Partner's Name: Khayyam Mushir

Islamabad

Dated: July 26, 2017

INTERIM CONDENSED BALANCE SHEET AS AT JUNE 30, 2017

| | Un - audited June 30, 2017 | Audited December 31, 2016 |
|------|----------------------------------|------------------------------------|
| Note | (Rupees '000) | |
| | 9,341,100 | 9,341,100 |
| | 228,350 | 228,350 |
| | 2,336,270 | 3,187,608 |
| | 11,905,720 | 12,757,058 |
| | | |
| 5 | 15,125,000 | 16,541,667 |
| 7 | 543,996 | 1,485,082 |
| | 15,668,996 | 18,026,749 |
| | | |
| | 16,465,372 | 13,380,007 |
| | 165,325 | 425,593 |
| | 15,598,522 | 15,723,561 |
| 5 | 2,833,333 | 2,833,333 |
| 6 | - | 648,200 |
| | 35,062,552 | 33,010,694 |
| | | |
| | 62,637,268 | 63,794,501 |

CONTINGENCIES AND COMMITMENTS

8

The annexed notes, from 1 to 20, form an integral part of this interim condensed financial information.

| | Un - audited June 30, 2017 | Audited December 31, 2016 |
|------|----------------------------------|------------------------------------|
| Note | (Rupees '000) | |

ASSETS

NON-CURRENT ASSETS

| | | | |
|-------------------------------|----|------------|------------|
| Property, plant and equipment | 9 | 10,806,203 | 11,298,191 |
| Long-term investments | 10 | 21,055,773 | 20,080,773 |
| Long-term deposits | | 78,643 | 78,643 |
| Long-term loans | 11 | - | 22,575 |
| | | 31,940,619 | 31,480,182 |

CURRENT ASSETS

| | | | |
|---|----|------------|------------|
| Stores and spares | | 2,599,440 | 2,695,251 |
| Stock-in-trade | | 7,544,137 | 2,427,140 |
| Trade debts | | 1,940,177 | 3,523,559 |
| Advances | | 1,047,626 | 1,070,760 |
| Current portion of long-term loans | 11 | 33,863 | 22,575 |
| Trade deposits and short-term prepayments | | 71,848 | 53,076 |
| Interest accrued | | 30,988 | 48,250 |
| Other receivables | 12 | 4,769,012 | 4,707,150 |
| Income tax refundable - net | | 1,427,928 | 881,519 |
| Sales tax refundable | | 1,175,734 | 1,112,797 |
| Short-term investments | 13 | 5,463,229 | 9,949,067 |
| Cash and bank balances | | 4,592,667 | 5,823,175 |
| | | 30,696,649 | 32,314,319 |
| | | 62,637,268 | 63,794,501 |



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

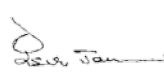
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017**

| | Note | Quarter ended June 30, | | Half year ended June 30, | |
|--|------|------------------------|------------------|--------------------------|--------------------|
| | | 2017 | 2016 | 2017 | 2016 |
| | | (Rupees '000) | | (Rupees '000) | |
| Sales - net | | 7,555,769 | 7,459,162 | 15,554,528 | 11,873,283 |
| Cost of sales | 14 | (7,012,913) | (7,099,310) | (15,265,543) | (12,209,964) |
| Gross profit / (loss) | | 542,856 | 359,852 | 288,985 | (336,681) |
| Selling and distribution expenses | | (1,107,128) | (932,850) | (2,024,286) | (1,610,219) |
| Administrative expenses | | (327,520) | (366,533) | (711,984) | (714,151) |
| | | (891,792) | (939,531) | (2,447,285) | (2,661,051) |
| Finance costs | | (444,582) | (546,438) | (921,957) | (952,139) |
| Other operating expenses | | (36,072) | (456) | (46,256) | (1,358) |
| | | (1,372,446) | (1,486,425) | (3,415,498) | (3,614,548) |
| Other income | 15 | 1,201,053 | 1,215,774 | 2,946,465 | 2,468,796 |
| Loss before taxation | | (171,393) | (270,651) | (469,033) | (1,145,752) |
| Taxation - net | 16 | (78,092) | (110,415) | 84,750 | 250,965 |
| Loss after taxation | | (249,485) | (381,066) | (384,283) | (894,787) |
| Loss per share-basic and diluted (Rupees) | | (0.27) | (0.41) | (0.41) | (0.96) |

The annexed notes, from 1 to 20 form an integral part of this interim condensed financial information.


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

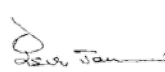
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017**

| | Quarter ended June 30, | | Half year ended June 30, | |
|----------------------------|------------------------|-----------|--------------------------|-----------|
| | 2017 | 2016 | 2017 | 2016 |
| | (Rupees '000) | | (Rupees '000) | |
| Loss after taxation | (249,485) | (381,066) | (384,283) | (894,787) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss | (249,485) | (381,066) | (384,283) | (894,787) |

The annexed notes, from 1 to 20 form an integral part of this interim condensed financial information.


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

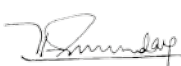
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017

| | | 2017 | 2016 |
|---|------|---------------|--------------|
| | Note | (Rupees '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash used in operating activities | 17 | (18,156) | (12,288,941) |
| Income tax paid | | (1,406,990) | (1,292,672) |
| Contribution from gratuity fund | | 2,120 | 4,151 |
| Finance costs paid | | (1,182,957) | (831,449) |
| Compensated absences paid | | (45,334) | (11,467) |
| Receipt from Workers' (Profit) Participation Fund | | 11,296 | 10,971 |
| Net cash used in operating activities | | (2,640,021) | (14,409,407) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditures | | (302,624) | (494,867) |
| Long-term investments | | (975,000) | (2,186,198) |
| Sale proceeds from disposal of property, plant and equipment | | 9,090 | 2,129 |
| Dividend received | | 529,221 | 372,668 |
| Investment at fair value through profit or loss - net | | 601,420 | - |
| Long-term loan recovered / (disbursed) | | 11,287 | (45,150) |
| Profit received on bank balances, term deposits and sub-ordinated loans | | 219,319 | 154,085 |
| Net cash generated from / (used in) investing activities | | 92,713 | (2,197,333) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Deferred Government assistance repaid | | (648,200) | (648,201) |
| Long-term financing payment | | (3,416,667) | - |
| Long-term financing receipt | | 2,000,000 | - |
| Short-term borrowings - net | | (2,731,285) | 5,360,051 |
| Dividend paid | | (463,904) | (2,845,690) |
| Net cash (used in) / generated from financing activities | | (5,260,056) | 1,866,160 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | | |
| | | (7,807,364) | (14,740,580) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | | |
| | | 9,930,399 | 9,260,476 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | | |
| | | 2,123,035 | (5,480,104) |
| CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts: | | | |
| - Cash and bank balances | | 4,592,667 | 4,561,724 |
| - Short-term highly liquid investments | 13 | 3,463,890 | 1,316,531 |
| - Short-term running finance | | (5,933,522) | (11,358,359) |
| | | 2,123,035 | (5,480,104) |

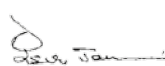
The annexed notes, from 1 to 20, form an integral part of this interim condensed financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2017

| | Share capital | Capital reserve | Accumulated profit | Total |
|---|------------------|--------------------|-----------------------|------------|
| | (Rupees '000) | | | |
| Balance as at January 01, 2016 - audited | 9,341,100 | 228,350 | 4,711,566 | 14,281,016 |
| Total comprehensive income | | | | |
| Loss after taxation for the period | - | - | (894,787) | (894,787) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive loss for the period | - | - | (894,787) | (894,787) |

Transactions with owners, recorded directly in equity

Distributions to owners

| | | | | |
|---|------------------|----------------|----------------|-------------------|
| Final dividend 2015 (Rs. 3.05 per ordinary share) | - | - | (2,849,036) | (2,849,036) |
| Total transactions with owners | - | - | (2,849,036) | (2,849,036) |
| Balance as at June 30, 2016 | 9,341,100 | 228,350 | 967,743 | 10,537,193 |


| | | | | |
|---|-----------|---------|-----------|------------|
| Balance as at January 01, 2017 - audited | 9,341,100 | 228,350 | 3,187,608 | 12,757,058 |
| Total comprehensive income | | | | |
| Loss after taxation for the period | - | - | (384,283) | (384,283) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive loss for the period | - | - | (384,283) | (384,283) |

Transactions with owners, recorded directly in equity

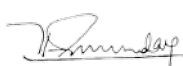
Distributions to owners

| | | | | |
|--|------------------|----------------|------------------|-------------------|
| Final dividend 2016 (Re. 0.5 per ordinary share) | - | - | (467,055) | (467,055) |
| Total transactions with owners | - | - | (467,055) | (467,055) |
| Balance as at June 30, 2017 | 9,341,100 | 228,350 | 2,336,270 | 11,905,720 |

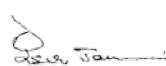
The annexed notes, from 1 to 20, form an integral part of this interim condensed financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2017

1. THE COMPANY AND ITS OPERATIONS

Fauji Fertilizer Bin Qasim Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The shares of the Company are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, DHA II, Islamabad. The principal objective of the Company is manufacturing, purchasing and marketing of fertilizers. The Company commenced its commercial production on January 1, 2000.

2. BASIS OF PREPARATION

"This interim condensed financial information of the Company, for the half year ended June 30, 2017, 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.

Securities and Exchange Commission of Pakistan, via its Circular No. 17 related Press Release of 2017, dated July 20, 2017, has instructed companies to prepare their interim financial information, for the half year ended June 30, 2017, in accordance with the provisions of the repealed Companies Ordinance, 1984. The Company will prepare its annual financial statements for the year ending December 31, 2017 in accordance with the provisions of the Companies Act, 2017.

The disclosures in this interim condensed 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, 2016. The comparative Balance Sheet is extracted from the audited annual financial statements, as at December 31, 2016, whereas the comparative Profit and Loss Account, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity are extracted from the un-audited interim condensed financial information, for the half year ended June 30, 2016.

This interim condensed financial information is un-audited 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). The interim consolidated financial information of the Company is prepared separately.

In this interim condensed financial information, the investments in subsidiaries and associates are accounted for on the basis of direct equity interest at cost, rather than on the basis of reported results.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of this interim condensed financial information are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2016.

4. The status of significant shareholdings, as at June 30, 2017, is given below:

| | Shares | Percentage |
|----------------------------------|----------------------|---------------------|
| Fauji Fertilizer Company Limited | 465,891,896 | 49.88 |
| Fauji Foundation | 170,842,386 | 18.29 |
| | Un - audited | Audited |
| | June 30, | December 31, |
| | 2017 | 2016 |
| | (Rupees '000) | |

5. LONG-TERM LOANS

| | | |
|---|-------------------|-------------------|
| Loans from banking companies-secured | 17,958,333 | 19,375,000 |
| Less: Current portion shown under current liabilities | 2,833,333 | 2,833,333 |
| | 15,125,000 | 16,541,667 |

During the period, the Company repaid a bullet loan facility from Meezan Bank Limited and obtained a fresh facility which is to be settled in December 2018.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

| | | Un - audited June 30, 2017 | Audited December 31, 2016 |
|--|---|----------------------------------|---------------------------------|
| | Note | (Rupees '000) | |
| 6. DEFERRED GOVERNMENT ASSISTANCE | | | |
| Deferred Government assistance from the Government of Pakistan (GoP) | | - | 648,200 |
| Less: Current portion shown under current liabilities | | - | 648,200 |
| Deferred Government assistance | | - | - |
| 6.1 | During the period, the Company has repaid the last installment of the GoP loan of Rs. 648,200 thousand. | | |
| 7. DEFERRED LIABILITIES | | | |
| Compensated leave absences | | 527,872 | 523,627 |
| Deferred taxation - net | 7.1 | 16,124 | 961,455 |
| | | 543,996 | 1,485,082 |
| 7.1 | The balance of deferred tax is in respect of the following temporary differences: | | |
| Accelerated tax depreciation | | 2,002,066 | 2,141,128 |
| Provision for inventory obsolescence | | (26,067) | (26,067) |
| Accrued liabilities and payables | | (1,959,875) | (1,153,606) |
| | | 16,124 | 961,455 |
| 8. CONTINGENCIES AND COMMITMENTS | | | |
| Contingencies | | | |
| i) Guarantees issued by banks on behalf of the Company | | 54,566 | 67,745 |
| Commitments | | | |
| i) Capital expenditures - contracted | | 1,469,771 | 1,399,627 |
| ii) Letters of credit for purchase of stores, spares and raw materials | | 851,865 | 1,386,747 |
| 9. PROPERTY, PLANT AND EQUIPMENT | | | |
| Opening written down value | | 11,298,191 | 12,126,103 |
| Additions during the period / year | | 302,624 | 716,136 |
| Cost of disposals during the period / year | | (9,865) | (100,264) |
| Depreciation charged during the period / year | | (794,612) | (1,507,855) |
| Depreciation charged on disposals during the period / year | | 9,865 | 64,071 |
| | | 10,806,203 | 11,298,191 |

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

| | | Un - audited June 30, 2017 | Audited December 31, 2016 |
|--|---|----------------------------------|---------------------------------|
| | Note | (Rupees '000) | |
| 10. LONG-TERM INVESTMENTS | | | |
| Joint venture | 10.1 | 1,411,150 | 1,411,150 |
| Associated companies | 10.2 | 7,991,556 | 7,991,556 |
| Subsidiary companies | 10.3 | 11,653,067 | 10,678,067 |
| Other long-term investments | 10.4 | - | - |
| | | 21,055,773 | 20,080,773 |
| 10.1 Investment in joint venture - at cost | | | |
| Pakistan Maroc Phosphore S.A. Morocco (PMP) | | 1,411,150 | 1,411,150 |
| 10.2 Investments in associates - at cost | | | |
| Quoted | | | |
| Fauji Cement Company Limited (FCCL) | | 300,000 | 300,000 |
| Askari Bank Limited (AKBL) | | 5,230,991 | 5,230,991 |
| Un-quoted | | | |
| Foundation Wind Energy - I Limited (FWE-I) | | 1,225,873 | 1,225,873 |
| Foundation Wind Energy - II (Private) Limited (FWE-II) | | 1,234,692 | 1,234,692 |
| | | 7,991,556 | 7,991,556 |
| 10.3 Investments in subsidiaries - at cost | | | |
| Quoted | | | |
| Fauji Foods Limited | | | |
| Voting Shares | | 2,250,588 | 2,250,588 |
| Non-voting Shares | | 413,336 | 413,336 |
| | | 2,663,924 | 2,663,924 |
| Un-quoted | | | |
| Fauji Meat Limited (FML) | | 2,250,000 | 2,250,000 |
| FFBL Foods Limited | | | |
| Shares | | 285,197 | 285,197 |
| Share deposit money | | 13,321 | 13,321 |
| | | 298,518 | 298,518 |
| FFBL Power Company Limited (FPCL) | 10.3.1 | 6,440,625 | 5,465,625 |
| | | 11,653,067 | 10,678,067 |
| 10.3.1 | During the period, the Company subscribed to a right issue of Rs. 975 million by FFBL Power Company Limited. There has been no change in the Company's holding percentage after subscription to this right issue. | | |

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

| | Un - audited June 30, 2017 | Audited December 31, 2016 |
|--|----------------------------------|---------------------------------|
| | (Rupees '000) | |
| 10.4 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 |
| | - | - |
| 11. LONG-TERM LOANS | | |
| Long term Loan | 33,863 | 45,150 |
| Less: Current portion shown under current assets | 33,863 | 22,575 |
| | - | 22,575 |

During the previous year, the Company provided Rs. 45.15 million as Subordinated Loans and Guarantee Facilities to Foundation Wind Energy-I Limited and Foundation Wind Energy-II (Pvt) Limited, at three months KIBOR + 2% per annum, on the terms set out in the respective agreements. During the period payments of Rs. 8,925 thousand and Rs. 2,362 thousand have been received by the Company from Foundation Wind Energy-I Limited and Foundation Wind Energy-II (Pvt) Limited, respectively.

12. OTHER RECEIVABLES

This includes an amount of Rs. 999 million (December 31, 2016: Rs. 676 million) receivable from Fauji Fertilizer Company Limited, an associated company, on account of amounts recovered from customers against sales of the Company's products by FFCL under an inter-company services agreement.

| | Un - audited June 30, 2017 | Audited December 31, 2016 |
|--|----------------------------------|---------------------------------|
| | (Rupees '000) | |
| 13. SHORT-TERM INVESTMENTS | | |
| Loans and receivables | | |
| Term deposits with various banks | 13.1 3,463,890 | 7,434,500 |
| Investments at fair value through profit or loss | | |
| Mutual funds | 1,999,339 | 2,514,567 |
| | 5,463,229 | 9,949,067 |

- 13.1 The balance at the period end includes investments in term deposit receipts, having maturity periods upto 3 months and carrying mark-up between 5.00% to 8.00% per annum (December 31, 2016: 5.10% to 7.75% per annum).

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

| | Un-audited Quarter ended June 30, | | Un-audited Half year ended June 30, | |
|---|--------------------------------------|--------------|--|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | (Rupees '000) | | (Rupees '000) | |
| 14. COST OF SALES | | | | |
| Raw materials consumed | 8,634,073 | 9,232,401 | 14,535,983 | 17,297,704 |
| Packing materials consumed | 167,338 | 168,659 | 264,103 | 275,954 |
| Fuel and power | 1,787,297 | 1,058,115 | 2,583,817 | 1,933,119 |
| Chemicals and supplies consumed | 57,253 | 58,223 | 97,281 | 100,033 |
| Salaries, wages and benefits | 379,550 | 369,587 | 771,865 | 728,110 |
| Rent, rates and taxes | 6,403 | 5,866 | 12,598 | 11,997 |
| Insurance | 16,807 | 26,588 | 32,359 | 51,331 |
| Travel and conveyance | 31,815 | 36,344 | 57,991 | 63,977 |
| Repairs and maintenance | 171,170 | 197,744 | 768,561 | 781,898 |
| Communication, establishment and other expenses | 45,085 | 30,591 | 82,801 | 62,775 |
| Depreciation | 345,098 | 342,420 | 687,919 | 682,051 |
| Opening stock - work in process | 41,689 | 56,638 | 80,055 | 108,069 |
| Closing stock - work in process | (30,008) | (56,976) | (30,008) | (56,976) |
| Cost of goods manufactured | 11,653,570 | 11,526,200 | 19,945,325 | 22,040,042 |
| Opening stock - finished goods | 1,177,052 | 7,053,748 | 1,137,927 | 1,650,560 |
| Closing stock - finished goods | (5,817,709) | (11,480,638) | (5,817,709) | (11,480,638) |
| Cost of sales | 7,012,913 | 7,099,310 | 15,265,543 | 12,209,964 |
| 15. OTHER INCOME | | | | |
| Profit on bank balances and term deposits | 87,988 | 42,941 | 193,418 | 130,655 |
| Gain / dividend from mutual funds | 30,279 | - | 86,192 | 100 |
| Mark - up on subordinated loans | 1,057 | 507 | 1,805 | 507 |
| Guarantee fee | 3,436 | 14,007 | 6,834 | 14,007 |
| Provision written back | - | - | - | 77,502 |
| Dividend received-FCCL | - | - | - | 32,813 |
| Dividend received-AKBL | - | - | 407,826 | 339,855 |
| Subsidy income on DAP | 541,917 | 886,776 | 1,581,534 | 1,595,033 |
| Subsidy income on Urea | 500,937 | 241,489 | 617,281 | 241,489 |
| Scrap sales and other receipts | 18,694 | 13,377 | 32,930 | 20,158 |
| Exchange gain on currency translations | - | 15,730 | - | 15,730 |
| Gain on sale of property, plant and equipment | 7,190 | 947 | 9,090 | 947 |
| Others | 9,555 | - | 9,555 | - |
| | 1,201,053 | 1,215,774 | 2,946,465 | 2,468,796 |

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

| | Note | Un-audited Quarter ended June 30, | | Un-audited Half year ended June 30, | |
|---------------------------|------|--------------------------------------|----------------|--|------------------|
| | | 2017 | 2016 | 2017 | 2016 |
| | | (Rupees '000) | | (Rupees '000) | |
| 16. TAXATION - net | | | | | |
| Current tax | 16.1 | 658,411 | 515,291 | 860,581 | 229,806 |
| Deferred tax | | (580,319) | (404,876) | (945,331) | (480,771) |
| | | <u>78,092</u> | <u>110,415</u> | <u>(84,750)</u> | <u>(250,965)</u> |

16.1 This includes an amount of Rs. 130 million (30 June, 2016: 183 million) recognised as super tax @ 3% on the taxable income for the tax year 2017.

| | | Un-audited Half year ended June 30, | |
|---|--|--|---------------------|
| | | 2017 | 2016 |
| | | (Rupees '000) | |
| 17. CASH USED IN OPERATIONS | | | |
| Loss before taxation | | (469,033) | (1,145,752) |
| Adjustment for non-cash charges and other items: | | | |
| Provision for gratuity | | 45,176 | 40,476 |
| Exchange losses / (gains) | | 732 | (15,730) |
| Provision for compensated absences | | 49,579 | 38,048 |
| Provision for Workers' Welfare Fund | | 43,805 | - |
| Depreciation | | 794,612 | 721,738 |
| Finance costs | | 921,957 | 952,139 |
| Profit on bank balances & term deposits and gain / dividend from mutual funds | | (279,610) | (130,755) |
| Dividend from associates | | (407,826) | (372,668) |
| Gain on disposal of property, plant and equipment | | (9,090) | (947) |
| Mark-up on sub-ordinated loans | | (1,805) | (507) |
| Guarantee fee | | (6,834) | (14,007) |
| Operating profit before working capital changes | | 681,663 | 72,035 |
| Changes in working capital | | | |
| Stores and spares | | 95,811 | (39,836) |
| Stock-in-trade | | (5,116,997) | (9,705,665) |
| Trade debts | | 1,583,382 | (937,709) |
| Advances | | 23,134 | 137,814 |
| Trade deposits and short-term prepayments | | (18,772) | (48,490) |
| Other receivables | | (183,257) | 748,293 |
| Sales tax refundable | | (62,937) | (1,517,642) |
| Trade and other payables | | 2,979,817 | (997,741) |
| | | <u>(699,819)</u> | <u>(12,360,976)</u> |
| Cash used in operations | | <u>(18,156)</u> | <u>(12,288,941)</u> |

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

18. RELATED PARTY TRANSACTIONS

Fauji Fertilizer Company Limited (FFCL) has a 49.88% share holding in FFBL (2016: 49.88%). while Fauji Foundation (FF) holds 18.29% shares (2016: 18.29%) in the Company. The Company has related parties, which comprise of a joint venture, the Fauji group entities, directors, key management personnel and employees' funds. Transactions with related parties and the balances outstanding at the period end are given below. The carrying values of investments in subsidiaries, associates and the joint venture are disclosed in note 10 to the interim condensed financial information.

| | Un-audited Half year ended June 30, | |
|---|--|-------------|
| | 2017 | 2016 |
| | (Rupees '000) | |
| Transactions with Fauji Foundation: | | |
| Dividend paid | 85,421 | 521,069 |
| Donation paid and services provided | 21,830 | - |
| Rent charged to the Company | - | 378 |
| Transactions with subsidiary companies: | | |
| Services (received from) / provided to FFBL Foods Limited | (1,236) | 2,131 |
| Investment in Fauji Foods Limited (FFL) | - | 2,184,067 |
| Investment in FFBL Power Company Limited (FPCL) | 975,000 | - |
| Material received from FFBL Power Company Limited (FPCL) | 1,426,771 | - |
| Balance payable to FFBL Power Company Limited (FPCL) | 495,681 | - * |
| Material provided to FFBL Power Company Limited (FPCL) | 283,094 | - |
| Balance receivable from FFBL Power Company Limited (FPCL) | 68,229 | - * |
| Services provided to FFBL Power Company Limited (FPCL) | 10,312 | - |
| Services provided to Fauji Foods Limited (FFL) | 37,958 | 16,396 |
| Services provided to Fauji Meat Limited (FML) | 20,078 | - |
| Balance receivable from Fauji Meat Limited (FML) | 20,078 | - * |
| Transactions with associates | | |
| Services and material acquired | 602,436 | 463,430 |
| Services and material provided | - | 1,763 |
| Commission charged to the Company | 9,234 | 6,433 |
| Dividend paid | 232,946 | 1,420,970 |
| Profit on bank balances with AKBL | 21,700 | 20,774 |
| Income from TDR's with AKBL | 786 | - |
| Investments in TDR's with AKBL | 50,000 | 100,000 |
| Balances at bank (AKBL) | 771,571 | 1,648,699 * |
| Receipts against consignment account | 18,824,200 | 10,465,622 |
| Balance receivable - unsecured (FFCL) | 999,155 | 675,776 * |
| Interest and guarantee fee from FWE-I and FWE-II | 8,639 | 14,514 |
| Balance payable at period end-Foundation Gas | - | 47 * |

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

| | Un-audited Half year ended June 30, | |
|--|--|-------------|
| | 2017 | 2016 |
| | (Rupees '000) | |
| Transactions with joint venture: | | |
| Purchase of raw materials | 10,828,404 | 12,484,479 |
| Expenses incurred on behalf of joint venture | 7,206 | 8,317 |
| Balance payable - secured | 4,562,405 | 3,685,702 * |
| Balance receivable - unsecured | 12,280 | 118,731 * |
| Other related parties: | | |
| Contribution to Provident Fund | 35,087 | 31,667 |
| Contribution to Gratuity Fund | 45,176 | 40,477 |
| Receipts from Gratuity Fund | (2,120) | (4,151) |
| Receipts from Workers' (Profit) Participation Fund (WPPF) & Workers Welfare Fund (WWF) | (11,295) | (10,971) |
| Balance payable - unsecured (WWF and WPPF) | 1,181,607 | 1,126,506 * |
| Payable to Gratuity Fund | 183,167 | 135,871 * |
| Remuneration of key management personnel | 242,396 | 209,772 |

* These balance of accounts, appearing as comparatives, are as at December 31, 2016 (audited).

19. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

19.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period; consequently this interim condensed financial information does not include all the financial risk management information and disclosures required in the annual financial statements.

19.2 Fair Value estimation

The table below analyzes financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (level 3)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

| | Level 1 | Level 2 | Level 3 |
|---|---------------|---------|---------|
| | (Rupees '000) | | |
| June 2017 - un-audited | | | |
| ASSETS | | | |
| Financial assets at fair value through profit or loss | | | |
| - Short-term investments | 1,999,339 | - | - |
| December 2016 - audited | | | |
| ASSETS | | | |
| Financial assets at fair value through profit or loss | | | |
| - Short-term investments | 2,514,567 | - | - |

20. GENERAL


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

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

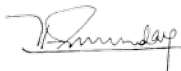
20.3 The Board of Directors in their meeting held on July 26, 2017 have:

- declared a cash dividend of Re. 0.10 per ordinary share, out of accumulated profits carried forward from the financial year ended December 31, 2016; and
- recommended subscription to 100% of right shares offered by FFL and any renounced shares if offered, with a total investment of upto Rs. 2,042,500 thousand.

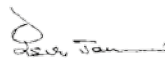
20.4 This interim condensed financial information was authorized for issue on July 26, 2017 by the Board of Directors of the Company.



CHAIRMAN

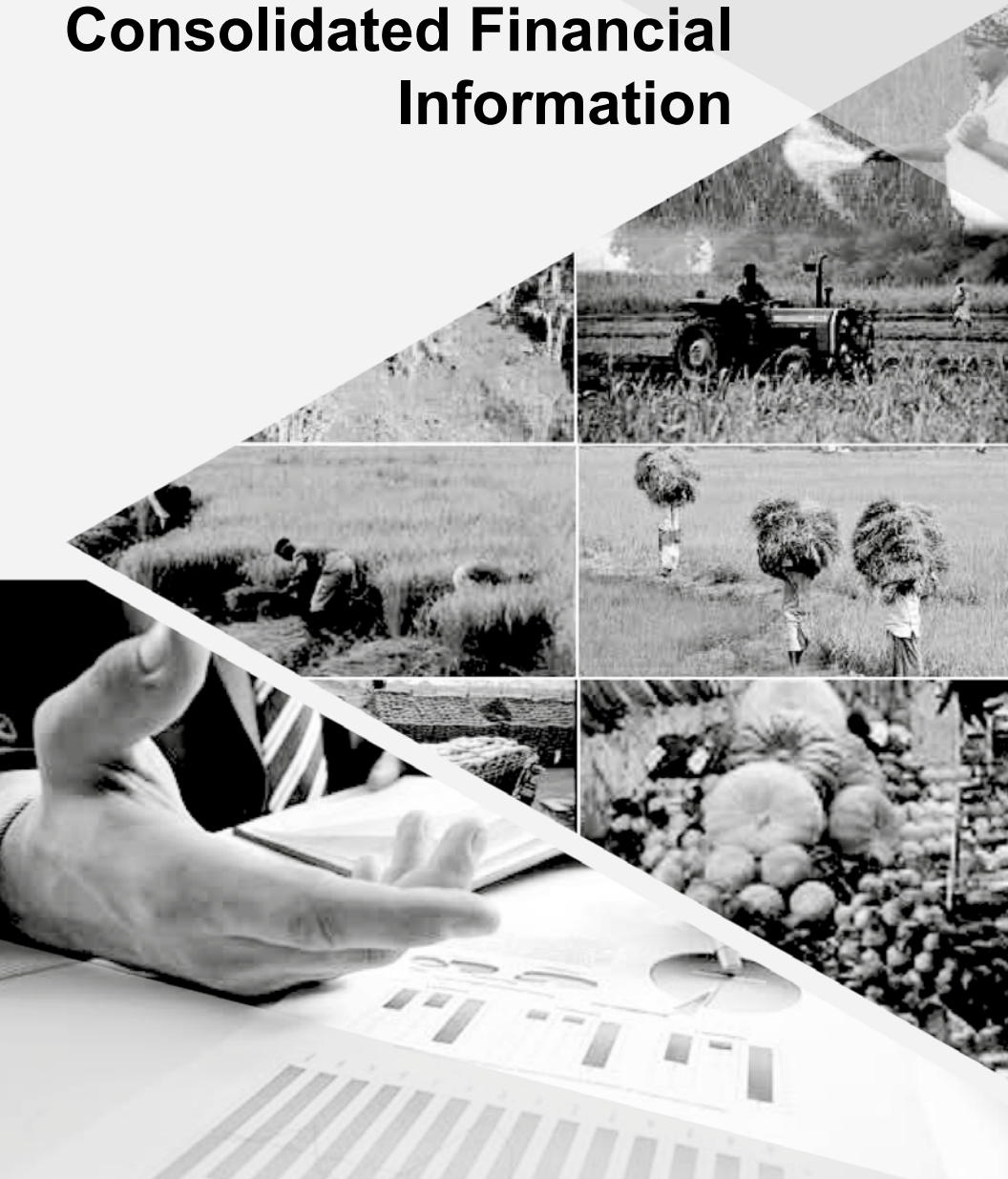


CHIEF EXECUTIVE



DIRECTOR

Interim Condensed Consolidated Financial Information



INTERIM CONDENSED CONSOLIDATED BALANCE SHEET **AS AT JUNE 30, 2017**

| | Un - audited June 30, 2017 | Audited December 31, 2016 |
|------|----------------------------------|---------------------------------|
| Note | (Rupees '000) | |
| | 9,341,100 | 9,341,100 |
| | 228,350 | 228,350 |
| | 314,093 | 705,043 |
| | 688,409 | 577,799 |
| | 583,155 | 683,133 |
| | 1,862,257 | 2,934,171 |
| | 13,017,364 | 14,469,596 |
| | 3,067,900 | 3,454,533 |
| | 16,085,264 | 17,924,129 |
| 5 | 39,625,359 | 40,597,056 |
| | 117,463 | 129,919 |
| 7 | 1,115,072 | 2,028,405 |
| | 40,857,894 | 42,755,380 |
| | 19,086,231 | 15,719,577 |
| | 304,844 | 770,595 |
| | 22,939,834 | 20,811,920 |
| 5 | 4,946,369 | 4,516,890 |
| | 38,097 | 36,098 |
| 6 | - | 648,200 |
| | 47,315,375 | 42,503,280 |
| | 104,258,533 | 103,182,789 |

CONTINGENCIES AND COMMITMENTS


8

The annexed notes, from 1 to 22, form an integral part of this interim condensed consolidated financial information.

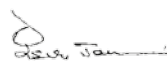
| | | Un - audited June 30, 2017 | Audited December 31, 2016 |
|---|------|----------------------------------|---------------------------------|
| | Note | (Rupees '000) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | 49,935,640 | 46,535,066 |
| Intangible assets | | 385,084 | 379,887 |
| Long-term investments | 10 | 14,572,369 | 14,806,221 |
| Long-term loans | 11 | - | 22,575 |
| Long-term deposits | | 79,587 | 79,587 |
| Deferred tax asset - net | | 674,145 | 628,542 |
| | | 65,646,825 | 62,451,878 |
| CURRENT ASSETS | | | |
| Stores and spares | | 2,756,206 | 2,799,469 |
| Stock-in-trade | | 8,987,504 | 3,755,226 |
| Trade debts | | 3,197,903 | 4,076,486 |
| Advances | | 1,281,131 | 1,570,771 |
| Current portion of long-term loans | 11 | 33,863 | 22,575 |
| Trade deposits and short-term prepayments | | 178,411 | 158,597 |
| Interest accrued | | 36,787 | 51,266 |
| Other receivables | 12 | 4,979,790 | 4,827,898 |
| Income tax refundable - net | | 2,112,343 | 1,399,446 |
| Sales tax refundable | | 2,637,323 | 2,464,573 |
| Short-term investments | 13 | 6,913,229 | 12,584,067 |
| Cash and bank balances | | 5,497,218 | 7,020,537 |
| | | 38,611,708 | 40,730,911 |
| | | 104,258,533 | 103,182,789 |



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

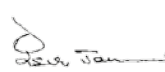
**INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017**

| | | Quarter ended June 30, | | Half year ended June 30, | |
|---|------|------------------------|------------------|--------------------------|--------------------|
| | | 2017 | 2016 Restated | 2017 | 2016 Restated |
| | Note | (Rupees '000) | | (Rupees '000) | |
| Sales - net | | 9,552,736 | 8,185,685 | 19,208,065 | 13,061,059 |
| Cost of sales | 14 | (8,235,012) | (7,909,369) | (18,109,216) | (13,437,364) |
| Gross profit / (loss) | | 1,317,724 | 276,316 | 1,098,849 | (376,305) |
| Selling and distribution expenses | | (1,662,203) | (1,261,712) | (3,002,938) | (2,215,845) |
| Administrative expenses | | (474,619) | (473,387) | (1,007,177) | (864,513) |
| | | (819,098) | (1,458,783) | (2,911,266) | (3,456,663) |
| Finance costs | | (889,602) | (673,941) | (1,550,935) | (1,107,747) |
| Other operating expenses | | (48,207) | (25,842) | (65,549) | (27,132) |
| | | (1,756,907) | (2,158,566) | (4,527,750) | (4,591,542) |
| Other income | 15 | | | | |
| Share of profit of joint venture and associates - net | | 269,538 | 250,611 | 718,200 | 1,065,726 |
| Others | | 1,222,897 | 1,233,490 | 2,570,329 | 2,130,287 |
| | | 1,492,435 | 1,484,101 | 3,288,529 | 3,196,013 |
| Loss before taxation | | (264,472) | (674,465) | (1,239,221) | (1,395,529) |
| Taxation - net | 16 | (209,170) | (162,806) | 33,339 | 403,988 |
| Loss after taxation | | (473,642) | (837,271) | (1,205,882) | (991,541) |
| Attributable to: | | | | | |
| - Owners of the holding Company | | (89,410) | (646,523) | (494,249) | (681,343) |
| - Non controlling interest | | (384,232) | (190,748) | (711,633) | (310,198) |
| | | (473,642) | (837,271) | (1,205,882) | (991,541) |
| Loss per share - basic and diluted (Rupees) | | (0.10) | (0.69) | (0.53) | (0.73) |

The annexed notes, from 1 to 22, form an integral part of this interim condensed consolidated financial information.


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

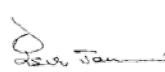
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017**

| | Quarter ended June 30, | | Half year ended June 30, | |
|---|------------------------|------------------|--------------------------|------------------|
| | 2017 | 2016 Restated | 2017 | 2016 Restated |
| | (Rupees '000) | | (Rupees '000) | |
| Loss after taxation | (473,642) | (837,271) | (1,205,882) | (991,541) |
| Other comprehensive income | | | | |
| Exchange difference on translating a joint venture | 62,689 | 69,706 | (100,244) | 17,630 |
| Effect of translation - share of Askari Bank Limited | 321 | 10 | 266 | 753 |
| Revaluation reserve on available for sale investments | 89,336 | 345,204 | (444,248) | 318,883 |
| Related deferred tax | (13,400) | (43,150) | 53,298 | (39,860) |
| | 75,936 | 302,054 | (390,950) | 279,023 |
| Total comprehensive loss | (334,696) | (465,501) | (1,696,810) | (694,135) |
| Attributable to: | | | | |
| - Owners of the holding Company | 49,536 | (274,753) | (985,177) | (383,937) |
| - Non controlling interest | (384,232) | (190,748) | (711,633) | (310,198) |
| | (334,696) | (465,501) | (1,696,810) | (694,135) |

The annexed notes, from 1 to 22, form an integral part of this interim condensed consolidated financial information.


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

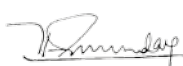
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2017

| | | 2017 | 2016 Restated |
|--|------|---------------------|--------------------|
| | Note | (Rupees '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash used in operating activities | 17 | (575,442) | (13,091,492) |
| Income tax paid | | (1,583,660) | (1,384,607) |
| (Payment to) / receipt from gratuity fund | | (5,901) | 4,152 |
| Finance cost paid | | (1,994,155) | (929,811) |
| Compensated absences paid | | (54,114) | (3,071) |
| Receipt from Workers' (Profit) Participation Fund | | 11,246 | 11,003 |
| Net cash used in operating activities | | (4,202,026) | (15,393,826) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditures | | (4,668,716) | (10,948,500) |
| Long-term investments | | - | (672,526) |
| Dividend received | | 529,221 | 372,668 |
| Sale proceeds of property, plant and equipment | | 16,094 | 78,276 |
| Increase in long-term deposits | | - | 210 |
| Investment at fair value through profit and loss account | | 601,420 | - |
| Profit received on bank balances and term deposit receipts | | 241,541 | 178,324 |
| Net cash used in investing activities | | (3,280,440) | (10,991,548) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Short-term borrowings - net | | (2,324,725) | 5,849,912 |
| Injection of equity by non-controlling interest | | 325,000 | 1,488,454 |
| Deferred govt assistance long-term loan (GoP) | | (648,200) | (648,200) |
| Long-term loans | | (526,815) | 14,273,040 |
| Lease Liability | | (10,457) | 72,592 |
| Dividend paid | | (463,905) | (2,845,691) |
| Net cash (used in) / generated from financing activities | | (3,649,102) | 18,190,107 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | (11,131,568) | (8,195,267) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 10,474,842 | 4,876,123 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | (656,726) | (3,319,144) |
| 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 | | 5,497,218 | 7,070,694 |
| - Short-term highly liquid investments | 13 | 4,913,890 | 2,016,531 |
| - Short-term running finance | | (11,067,834) | (12,406,369) |
| | | (656,726) | (3,319,144) |

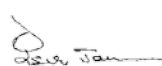
The annexed notes, from 1 to 22, form an integral part of this interim condensed consolidated financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2017

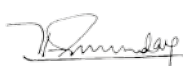
Reserves

| | Share capital | Capital reserve | Revaluation reserve on available for sale investments | Statutory reserve | Translation reserve | Accumulated profit / (Loss) | Non-controlling interest | Total |
|--|------------------|-----------------|---|-------------------|---------------------|-----------------------------|--------------------------|-------------------|
| | (Rupees '000) | | | | | | | |
| Balance as at January 01, 2016 - audited | 9,341,100 | 228,350 | 482,449 | 355,039 | 711,110 | 5,732,238 | 2,690,509 | 19,540,795 |
| Total comprehensive income | | | | | | | | |
| Loss after taxation for the period | - | - | - | - | - | (681,343) | (310,198) | (991,541) |
| Other comprehensive income for the period | - | - | 279,023 | - | 18,382 | - | - | 297,405 |
| Total comprehensive income / (loss) for the period | - | - | 279,023 | - | 18,382 | (681,343) | (310,198) | (694,136) |
| Transfer to statutory reserve | - | - | - | 94,874 | - | (94,874) | - | - |
| Transactions with owners, recorded directly in equity distributions to owners | | | | | | | | |
| Final dividend 2015 (Rs. 3.05 per ordinary share) | - | - | - | - | - | (2,849,045) | - | (2,849,045) |
| Change in ownership interest | | | | | | | | |
| Cash receipt from NCI acquired | - | - | - | - | - | - | 1,488,454 | 1,488,454 |
| Acquisition of non-controlling interest | - | - | - | - | - | (641,453) | (22,310) | (663,763) |
| Balance as at June 30, 2016 - restated | 9,341,100 | 228,350 | 761,472 | 449,913 | 729,492 | 1,465,523 | 3,846,455 | 16,822,305 |
| Balance as at January 01, 2017 - audited | 9,341,100 | 228,350 | 705,043 | 577,799 | 683,133 | 2,934,171 | 3,454,533 | 17,924,129 |
| Total comprehensive income | | | | | | | | |
| Loss after taxation for the period | - | - | - | - | - | (494,249) | (711,633) | (1,205,882) |
| Other comprehensive loss for the period | - | - | (390,950) | - | (99,978) | - | - | (490,928) |
| Total comprehensive loss for the period | - | - | (390,950) | - | (99,978) | (494,249) | (711,633) | (1,696,810) |
| Transfer to statutory reserve | - | - | - | 110,610 | - | (110,610) | - | - |
| Transactions with owners, recorded directly in equity distributions to owners | | | | | | | | |
| Final dividend 2016 (Re. 0.5 per ordinary share) | - | - | - | - | - | (467,055) | - | (467,055) |
| Change in ownership interest | | | | | | | | |
| Cash receipt from NCI acquired | - | - | - | - | - | - | 325,000 | 325,000 |
| Balance as at June 30, 2017 | 9,341,100 | 228,350 | 314,093 | 688,409 | 583,155 | 1,862,257 | 3,067,900 | 16,085,264 |

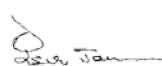
The annexed notes, from 1 to 22, form an integral part of this interim condensed consolidated financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2017

1. THE GROUP AND ITS OPERATIONS

Fauji Fertilizer Bin Qasim Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and its shares are quoted on Pakistan Stock Exchange (PSX). The registered office of FFBL is situated at FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, DHA Phase II, Islamabad, Pakistan. The principal objective of FFBL is manufacturing, purchasing and marketing of fertilizers. FFBL commenced its commercial production effective January 01, 2000.

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

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.

FFBL Foods Limited (Formerly Fauji Foods Limited) is a public limited company incorporated on July 04, 2013 in Pakistan under the Companies Ordinance, 1984. The principal objectives 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 is generation and supply of electricity and all other forms of energy.

Fauji Foods Limited (FFL)- (Formerly Noon Pakistan Limited) was incorporated in Pakistan on September 26, 1966 as a public company and its shares are quoted on Pakistan Stock Exchange. It is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products.

2. BASIS OF PREPARATION

This interim condensed consolidated financial report of the Group for the period ended June 30, 2017 has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The applicable financial reporting frame work for banks also includes the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP).

Securities and Exchange Commission of Pakistan, via its Circular No. 17 related Press Release of 2017, dated July 20, 2017 have instructed the companies to prepare their interim condensed consolidated financial information, for the half year ended June 30, 2017, in accordance with the provisions of the repealed Companies Ordinance, 1984. The Company will prepare its annual consolidated financial statements for the year ending December 31, 2017 in accordance with the provisions of the Companies Act, 2017.

The disclosures in this interim condensed 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, 2016. Comparative balance sheet is extracted from audited annual consolidated financial statements as at December 31, 2016 whereas comparative profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity are extracted from unaudited interim condensed consolidated financial information of FFBL and its subsidiaries for the half ended June 30, 2016.

This interim condensed 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.

3. ACCOUNTING POLICIES

The accounting policies and method of computation adopted for the preparation of this interim condensed financial information is same as those applied in preparation of financial statements for the preceding year ended December 31, 2016.

4. Group consists of following subsidiary companies:

| | Ownership in June 30, 2017 | Ownership in December 31, 2016 |
|----------------------------|-------------------------------|-----------------------------------|
| Fauji Meat Limited | 75% | 75% |
| FFBL Power Company Limited | 75% | 75% |
| FFBL Foods Limited | 100% | 100% |
| Fauji Foods Limited | 49.12% | 49.12% |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

| | | Un-audited June 30, 2017 | Audited December 31, 2016 |
|---|-------------|--------------------------------|---------------------------------|
| 5. LONG-TERM LOANS | Note | (Rupees '000) | |
| Loans from banking companies-secured | 5.1 | 44,571,728 | 45,113,946 |
| Less: Current portion shown under current liabilities | | 4,946,369 | 4,516,890 |
| | | 39,625,359 | 40,597,056 |
| 5.1 During the period, the Company repaid a bullet loan facility from Meezan Bank Limited and obtained a fresh facility which is to be settled in December 2018. | | | |
| 6. DEFERRED GOVERNMENT ASSISTANCE | | | |
| Deferred Government assistance from Government of Pakistan | | - | 648,200 |
| Less: Current portion shown under current liabilities | 6.1 | - | 648,200 |
| | | - | - |
| 6.1 During the period, the Company has repaid the last installment of the GoP loan of Rs. 648,200 thousand. | | | |
| 7. DEFERRED LIABILITIES | | | |
| Compensated leave absences | | 538,920 | 540,456 |
| Deferred taxation | 7.1 | 576,152 | 1,487,949 |
| | | 1,115,072 | 2,028,405 |
| 7.1 The balance of deferred tax is in respect of following major taxable / (deductible) temporary differences: | | | |
| Accelerated depreciation | | 2,465,750 | 2,485,626 |
| Share of profit from joint venture and associates - net | | 512,641 | 445,174 |
| Provision for inventory obsolescence | | (26,067) | (52,665) |
| Deferred tax on revaluation of available for sale investments | | 47,387 | 100,685 |
| Accrued liabilities and payables | | (1,959,875) | (1,153,606) |
| Unabsorbed losses | | (1,137,829) | (965,807) |
| | | (97,993) | 859,407 |
| Deferred tax asset-net, of a subsidiary shown under non-current asset | 7.2 | 674,145 | 628,542 |
| | | 576,152 | 1,487,949 |

7.2 Deferred tax asset on unused tax losses, tax credits and other deductible temporary differences, of FFL, are recognized on the basis that sufficient future taxable profits will be available against which they can be utilized.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

| | Un - audited June 30, 2017 | Audited December 31, 2016 |
|---|----------------------------------|---------------------------------|
| | (Rupees '000) | |
| 8. CONTINGENCIES AND COMMITMENTS | | |
| Contingencies | | |
| i) Guarantees issued by banks on behalf of the Group. | 71,986 | 86,165 |
| ii) Group's share of contingent liabilities of Fauji Cement Company Limited as at March 31, 2017 | 34,921 | 34,956 |
| iii) Group's share of contingent liabilities of Foundation Wind Energy - I Limited as at March 31, 2017 | 93,540 | 78,884 |
| iv) Group's share of contingent liabilities of Foundation Wind Energy - II (Pvt) Limited as at March 31, 2017 | 247,183 | 76,224 |
| v) Group's share of contingent liabilities of Askari Bank Limited as at March 31, 2017 | 56,917,505 | 51,084,321 |
| vi) Contingent liabilities on behalf of Fauji Foods Limited | 1,283,870 | 65,450 |
| Commitments | | |
| i) Capital expenditures - contracted. | 1,469,771 | 1,399,627 |
| ii) Letters of credit for purchase of stores, spares and raw materials | 851,865 | 1,386,747 |
| iii) Commitments with Fauji Foundation for investment in FWE- I & FWE- II as at March 31, 2017 | 111,113 | 111,035 |
| iv) Company's share of commitments of PMP as at March 31, 2017. | 40,436 | 26,891 |
| v) Commitments on behalf of Fauji Meat Limited | 51,892 | 368,728 |
| vi) Commitments on behalf of FFBL Power Company Limited | 1,577,849 | 1,232,023 |
| vii) Commitments of Fauji Cement Company Limited as at March 31, 2017. | 29,390 | 4,610 |
| viii) Commitments on behalf of Fauji Foods Limited | 863,090 | 1,200,250 |
| 9. PROPERTY, PLANT AND EQUIPMENT | | |
| Opening written down value | 46,535,066 | 30,796,994 |
| Additions during the period / year | 4,692,687 | 17,713,396 |
| Disposals during the period / year | (15,835) | (136,919) |
| Depreciation during the period / year | (1,287,010) | (1,890,550) |
| Depreciation charged on disposals during the period / year | 10,732 | 52,145 |
| Closing written down value | 49,935,640 | 46,535,066 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

| | Un - audited June 30, 2017 | Audited December 31, 2016 |
|---|----------------------------------|---------------------------------|
| | (Rupees '000) | |
| 10. LONG-TERM INVESTMENTS | | |
| Investment in joint venture - equity method | | |
| Pakistan Maroc Phosphore S.A. Morocco (PMP) | | |
| Balance brought forward | 3,630,614 | 3,094,397 |
| Share of profit | 173,259 | 638,808 |
| Dividend | - | (102,645) |
| (Loss) / profit during the year on translation of net assets | (100,244) | 54 |
| Closing balance | 3,703,629 | 3,630,614 |
| Investment in associates - equity method | | |
| Fauji Cement Company Limited (FCCL) | | |
| Balance brought forward | 392,688 | 379,345 |
| Share of profit | 17,856 | 64,906 |
| Dividend | - | (51,563) |
| Closing balance | 410,544 | 392,688 |
| Foundation Wind Energy - I Limited (FWE-I) | | |
| Opening balance | 1,574,361 | 1,244,195 |
| Share of profit | 80,466 | 330,166 |
| Closing balance | 1,654,827 | 1,574,361 |
| Foundation Wind Energy - II (Pvt) Limited (FWE-II) | | |
| Opening balance | 1,770,038 | 1,231,217 |
| Share of (loss) / profit | (41,939) | 538,821 |
| Closing balance | 1,728,099 | 1,770,038 |
| Askari Bank Limited (AKBL) | | |
| Opening balance | 7,438,520 | 6,402,578 |
| Share of profit | 488,558 | 1,122,184 |
| Dividend | (407,826) | (339,855) |
| Revenue reserve on revaluation of available for sale investment | (444,248) | 254,394 |
| Effect of translation | 266 | (781) |
| Closing balance | 7,075,270 | 7,438,520 |
| 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 |
| | - | - |
| | 14,572,369 | 14,806,221 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

| | Un - audited June 30, 2017 | Audited December 31, 2016 |
|--|-------------------------------|------------------------------|
| | (Rupees '000) | |
| 11. LONG-TERM LOANS | | |
| Long-term Loan | 33,863 | 45,150 |
| Less: Current portion shown under current assets | 33,863 | 22,575 |
| | - | 22,575 |

During the previous year, the Company provided Rs. 45.15 million as Subordinated Loans and Guarantee Facilities to Foundation Wind Energy-I Limited and Foundation Wind Energy-II (Pvt) Limited, at three months KIBOR + 2% per annum, on the terms set out in the respective agreements. During the period payments of Rs. 8,925 thousand and Rs. 2,362 thousand have been received by the Company from Foundation Wind Energy-I Limited and Foundation Wind Energy-II (Pvt) Limited, respectively.

12. OTHER RECEIVABLES

This includes an amount of Rs. 999 million (December 31, 2016: Rs. 676 million) receivable from Fauji Fertilizer Company Limited, an associated company on account of amount recovered from customers, against sales of the Company's products under an inter-company services agreement.

13. SHORT-TERM INVESTMENTS

The balance at the period end includes investments in term deposits receipts of various banks, having maturity periods upto 3 months, and carrying mark-up between 5.00% to 8.00% per annum (December 31, 2016: 5.25% to 7.50% per annum).

| | Un-audited Quarter ended June 30, | | Un-audited Half year ended June 30, | |
|---|--------------------------------------|------------------|--|------------------|
| | 2017 | 2016 Restated | 2017 | 2016 Restated |
| | (Rupees '000) | | (Rupees '000) | |
| 14. COST OF SALES | | | | |
| Raw materials consumed | 9,959,291 | 9,655,002 | 16,861,759 | 18,105,401 |
| Packing materials consumed | 415,304 | 312,795 | 937,875 | 536,328 |
| Fuel and power | 631,290 | 1,095,546 | 1,310,134 | 1,994,058 |
| Ash dumping | 7,869 | - | 7,869 | - |
| Tagging cost | 9,399 | - | 9,399 | - |
| Chemicals and supplies consumed | 103,509 | 77,067 | 170,372 | 133,549 |
| Salaries, wages and benefits | 546,853 | 457,447 | 1,087,577 | 843,308 |
| Rent, rates and taxes | 12,813 | 14,820 | 25,454 | 23,217 |
| Insurance | 33,242 | 30,209 | 54,347 | 63,577 |
| Travel and conveyance | 38,106 | 43,428 | 79,577 | 71,061 |
| Utilities | 53,726 | - | 53,726 | - |
| Repairs and maintenance | 204,013 | 204,658 | 819,700 | 790,913 |
| Communication, establishment and other expenses | 78,941 | 34,520 | 140,441 | 66,705 |
| Provision for debts & obsolete stock | - | 20,849 | - | 20,849 |
| Depreciation | 633,764 | 432,787 | 1,132,202 | 796,397 |
| Opening stock - work in process | 136,960 | 126,367 | 152,818 | 145,310 |
| Closing stock - work in process | (94,072) | (114,234) | (94,072) | (114,234) |
| Cost of goods manufactured | 12,771,008 | 12,394,151 | 22,749,178 | 23,476,439 |
| Opening stock - finished goods | 1,536,709 | 7,238,824 | 1,432,743 | 1,684,531 |
| Closing stock - finished goods | (6,072,705) | (11,723,606) | (6,072,705) | (11,723,606) |
| Cost of sales | 8,235,012 | 7,909,369 | 18,109,216 | 13,437,364 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

| | Note | Un-audited Quarter ended June 30, | | Un-audited Half year ended June 30, | |
|---|------|--------------------------------------|------------------|--|------------------|
| | | 2017 | 2016 Restated | 2017 | 2016 Restated |
| | | (Rupees '000) | (Rupees '000) | (Rupees '000) | (Rupees '000) |
| 15. OTHER INCOME | | | | | |
| Share of profit / (loss) from joint venture and associates | | | | | |
| Pakistan Maroc Phosphore S.A, Morocco | | 31,947 | 70,246 | 173,259 | 412,788 |
| Foundation Wind Energy - I Ltd. | | (26,629) | (49,245) | 80,466 | 64,377 |
| Foundation Wind Energy - II (Pvt) Ltd. | | (12,636) | (55,879) | (41,939) | 66,394 |
| Fauji Cement Company Limited | | 8,762 | 20,882 | 17,856 | 43,304 |
| Askari Bank Limited | | 268,094 | 264,607 | 488,558 | 478,863 |
| | | 269,538 | 250,611 | 718,200 | 1,065,726 |
| Profit on bank balances & term deposits | | 110,686 | 56,868 | 218,423 | 156,478 |
| Gain / Dividend from mutual funds and other investments | | 30,279 | - | 86,192 | 100 |
| Provision written back | | - | - | - | 77,502 |
| Subsidy income on DAP | | 541,917 | 886,776 | 1,581,534 | 1,595,033 |
| Subsidy income on Urea | | 500,937 | 241,489 | 617,281 | 241,489 |
| Interest and guarantee fee from Foundation Wind Energy I & II | | 4,493 | 14,515 | 8,639 | 14,515 |
| Exchange gain | | - | 13,973 | - | 13,973 |
| Scrap sale and other receipts | | 25,889 | 15,717 | 43,974 | 25,555 |
| Gain on sale of property, plant and equipment | | 8,074 | 2,111 | 10,991 | 3,392 |
| Misc income | | 622 | 2,041 | 3,295 | 2,250 |
| | | 1,222,897 | 1,233,490 | 2,570,329 | 2,130,287 |
| | | 1,492,435 | 1,484,101 | 3,288,529 | 3,196,013 |
| 16. TAXATION - NET | | | | | |
| Current tax | 16.1 | 657,842 | 526,867 | 870,763 | 253,202 |
| Deferred tax | | (448,672) | (364,061) | (904,102) | (657,190) |
| | | 209,170 | 162,806 | (33,339) | (403,988) |

16.1 This includes an amount of Rs. 130 million (30 June, 2016: 183 million) recognised as super tax @ 3% on the taxable income for the tax year 2017.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

| | Un-audited Half year ended June 30, | |
|---|--|------------------|
| | 2017 | 2016 Restated |
| | (Rupees '000) | |
| 17. CASH USED IN OPERATIONS | | |
| Loss before taxation from ordinary activities | (1,239,221) | (1,395,529) |
| Adjustment for non-cash charges and other items: | | |
| Provision for gratuity | 63,575 | 40,476 |
| Exchange loss / (gain) | 22,531 | (10,139) |
| Provision for compensated absences | 52,579 | 38,047 |
| Provision for obsolete stores | - | (77,502) |
| Provision for debtors, stores & Spares | - | 20,849 |
| Provision for Workers' Welfare Fund | 43,805 | - |
| Provision for Workers' Profit Participation Fund | 19,280 | - |
| Amortization of transaction cost of long-term finance | 8,125 | - |
| Depreciation | 1,258,966 | 850,091 |
| Finance cost | 1,528,404 | 1,117,886 |
| Profit on bank balances and term deposits | (218,423) | (156,478) |
| Income on mutual funds | (86,192) | (100) |
| Interest and guarantee fee from FWE-I & II | (8,639) | (14,515) |
| Profit from associates - net | (718,200) | (1,065,726) |
| Gain on sale of property, plant and equipment | (10,991) | (3,392) |
| Operating profit before working capital changes | 715,599 | (656,032) |
| Changes in working capital | | |
| Stores and spares | 43,263 | (31,016) |
| Stock-in-trade | (5,232,278) | (10,300,184) |
| Trade debts | 878,583 | (978,612) |
| Advances | 289,640 | 18,168 |
| Trade deposits and short-term prepayments | (19,814) | (77,873) |
| Other receivables | (273,065) | 628,166 |
| Sales tax receivable | (172,750) | (2,098,966) |
| Trade and other payables | 3,195,380 | 404,857 |
| | (1,291,041) | (12,435,460) |
| Cash used in operations | (575,442) | (13,091,492) |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

18. RELATED PARTY TRANSACTIONS

The Group has related parties which comprise of a joint venture, entities under common directorship, directors, key management personnel and employees' funds. Transactions with related parties and the balances outstanding at the half year end are given below. The carrying value of investment in associates and joint venture are disclosed in note 10 to the interim condensed consolidated financial information.

| | Un-audited Half year ended June 30, | |
|---|--|------------------|
| | 2017 | 2016 Restated |
| | (Rupees '000) | |
| Transactions with Fauji Foundation (FF) | | |
| Dividend paid | 85,421 | 521,069 |
| Donation paid and services provided | 21,830 | - |
| Rent charged to the Company | - | 378 |
| Transactions with associated undertakings due to common directorship | | |
| Services and material acquired | 602,436 | 463,430 |
| Services and material provided | - | 1,763 |
| Commission charged to the Company | 9,234 | 6,433 |
| Dividend paid | 232,946 | 1,420,970 |
| Profit on bank balances (AKBL) | 23,066 | 20,774 |
| Mark-up on running finance with AKBL | 27,990 | 10,123 |
| Income from TDR's with AKBL | 786 | 3,150 |
| Investments in TDR's with AKBL | 50,000 | 100,000 |
| Balances at bank (AKBL) | 859,901 | 1,648,699 * |
| Running finance with AKBL | 884,640 | 19,440 |
| Balance receivable at the period end-unsecured (FFCL) | 999,155 | 675,776 * |
| Receipts against consignment account | 18,824,200 | 10,465,622 |
| Interest and guarantee fee from FWE-I and FWE-II | 8,639 | 14,514 |
| Balance payable at the period end-Foundation Gas | - | 47 * |
| Transactions with joint venture | | |
| Purchase of raw materials | 10,828,404 | 12,484,479 |
| Expenses incurred on behalf of joint venture | 7,206 | 8,317 |
| Balance payable - secured | 4,562,405 | 3,865,702 * |
| Balance receivable - unsecured | 12,280 | 118,731 * |
| Other related parties | | |
| Contribution to Provident Fund | 35,087 | 31,667 |
| Contribution to Gratuity Fund | 45,176 | 40,477 |
| Receipts from Gratuity Fund | (2,120) | (4,151) |
| Receipts from Workers' (Profit) Participation Fund (WPPF) | (11,295) | (10,971) |
| Balance payable - (WWF+WPPF) unsecured | 1,193,302 | 1,126,506 * |
| Payable to Gratuity Fund | 191,566 | 135,871 * |
| Remuneration to key management personnel | 290,843 | 219,223 |

* Balance of accounts appearing as comparatives are as at December 31, 2016

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments.

| | Fertilizer | Food | Meat | Power | Elimination-net | Consolidated |
|---------------------------------------|-------------------|--------------------|------------------|-------------------|--------------------|--------------------|
| | (Rupees '000) | | | | | |
| June 30, 2017 | | | | | | |
| Revenue | 15,554,528 | 2,520,039 | 520,386 | 1,510,186 | (897,074) | 19,208,065 |
| (Loss) / profit after taxation | (384,283) | (1,225,773) | (686,118) | 356,132 | 734,160 | (1,205,882) |
| June 30, 2016 - restated | | | | | | |
| Revenue | 11,873,283 | 1,080,039 | 107,737 | - | - | 13,061,059 |
| Loss after taxation | (894,786) | (437,407) | (256,634) | (32,630) | 629,916 | (991,541) |
| June 30, 2017 | | | | | | |
| Assets | 62,637,268 | 10,151,561 | 8,132,886 | 31,861,743 | (8,524,925) | 104,258,533 |
| Liabilities | 50,731,548 | 7,796,545 | 6,615,557 | 23,030,370 | (751) | 88,173,269 |
| December 31, 2016 | | | | | | |
| Assets | 63,794,502 | 7,956,864 | 8,567,722 | 29,043,194 | (6,179,493) | 103,182,789 |
| Liabilities | 51,037,443 | 5,452,612 | 6,364,274 | 21,867,953 | 536,378 | 85,258,660 |

20. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

20.1 Financial risk factors

The group's activities expose it to a variety of financial risk including market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently this interim condensed consolidated financial information does not include all the financial risk management information and disclosures required in the annual financial statements.

20.2 Fair Value estimation

The table below analyzes financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are no based on observable market data (level 3)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

| | Level 1 | Level 2 | Level 3 |
|--|---------------|---------|---------|
| | (Rupees '000) | | |
| June 30, 2017 - unaudited | | | |
| ASSETS | | | |
| Financial assets at fair value through profit or loss | | | |
| - Short-term investments | 1,999,339 | - | - |
| December 31, 2016 - audited | | | |
| ASSETS | | | |
| Financial assets at fair value through profit or loss | | | |
| - Short-term investments | 2,514,567 | - | - |

21. RESTATEMENT OF COMPARATIVE FIGURES

During 2015, the Company jointly with Fauji Foundation has acquired a 51% shareholding of Fauji Foods Limited (FFL) (Formerly Noon Pakistan Limited), a listed company engaged in manufacture and sale of toned milk, milk powder, fruit juices, allied dairy and food products with shares listed on the Pakistan Stock Exchange Limited. As per the agreement signed on May 18, 2015, the Company and Fauji Foundation acquired voting shares of 38.25% (450,000 thousand) and 12.75% (1,500 thousand) respectively. The investment was initially accounted for as an associate.

During 2016, management re-evaluated the assessment of control made in respect of investment in FFL and concluded that FFBL has obtained de facto control over FFL, based upon its ability to appoint majority of directors and senior management, from the date of acquisition i.e. September 04, 2015. Further, FFBL had obtained exemption from consolidation of FFL from SECP for period ended upto September 30, 2016. Resultantly, the relevant comparative figures have been restated, as reflected below, to reflect the impact of consolidation of this subsidiary and derecognition as an associate.

| | "As previously reported - June 30, 2016" | Change | "As restated - June 30, 2016" |
|---|--|-------------|-------------------------------|
| | (Rupees '000) | | |
| Impact on profit and loss account | | | |
| Sales - net | 11,981,020 | 1,080,039 | 13,061,059 |
| Cost of sales | (12,428,258) | (1,009,106) | (13,437,364) |
| Admin and selling expenses | (2,408,337) | (672,021) | (3,080,358) |
| Finance cost | (1,041,908) | (65,839) | (1,107,747) |
| Other operating expenses and income | 2,117,796 | (14,641) | 2,103,155 |
| Share of profit of joint venture and associates - net | 978,811 | 86,915 | 1,065,726 |
| Taxation | 198,728 | 205,260 | 403,988 |
| | (602,148) | (389,393) | (991,541) |
| Profit / (loss) attributable to: | | | |
| -Equity holders of the holding Company | (529,844) | (151,499) | (681,343) |
| -Non-controlling interest | (72,304) | (237,894) | (310,198) |
| | (602,148) | (389,393) | (991,541) |
| Loss per share - basic and diluted (Rupees) | (0.57) | (0.16) | (0.73) |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The rectification of the above error did not have any impact on opening balances of comparative period. Accordingly, no third period balances have been presented as of that date.

22. GENERAL


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

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

22.3 The Board of Directors in their meeting held on July 26, 2017 have:

- a. declared a cash dividend of Re. 0.10 per ordinary share, out of accumulated profits carried forward from the financial year ended December 31, 2016; and
- b. recommended subscription to 100% of right shares offered by FFL and any renounced shares if offered, with a total investment of upto Rs. 2,042,500 thousand.

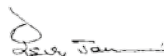
22.4 This interim condensed consolidated financial information was authorized for issue on July 26, 2017 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

