

Third Quarter
Accounts
2014



Company Information

DIRECTORS

Lt Gen Muhammad Mustafa Khan, HI(M), (Retd)

Chairman

Lt Gen Muhammad Haroon Aslam, HI(M), SBt, (Retd)

Chief Executive & Managing Director

Lt Gen Naeem Khalid Lodhi, HI(M), (Retd)

Mr Qaiser Javed

Dr Nadeem Inayat

Maj Gen Syed Jamal Shahid, HI(M), (Retd)

Maj Gen Nasir Mahmood, HI(M), (Retd)

Maj Gen Muhammad Farooq Iqbal, HI(M), (Retd)

Brig Muhammad Saeed Khan, (Retd)

Mr Naved A. Khan

Mr Nasier A. Sheikh

Dr Rashid Bajwa

COMPANY SECRETARY

Brig Shaukat Yaqub Malik, SI(M), (Retd)

CFO

Syed Aamir Ahsan

REGISTERED OFFICE

73 Harley Street, Rawalpindi, Pakistan

Tel: (051) 9272196-97, 9270923

Fax: (051) 9272198-9

E-mail: secretary@ffbl.com

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

PLANTSITE

Bin Qasim, Karachi, Pakistan

LEGAL ADVISORS

Orr Dignam & Co

Advocates,

3-A, Street 32, Sector F-8/1,

Islamabad, Pakistan

AUDITORS

KPMG Taseer Hadi & Co

Chartered Accountants

6th Floor, State Life Building,

Jinnah Avenue, Islamabad.

SHARES REGISTRAR

Corplink (Pvt) Limited

Wings Arcade, 1-K, Commercial,

Model Town, Lahore.

Tel: (042) 35839182, 35887262

Fax: (042) 35869037



FFBL
Fauji Fertilizer Bin Qasim Limited

Directors' Review

For the Period Ended 30 Sept, 2014

The Board of Directors is pleased to present a brief overview of the operational and financial performance of the Company for the period ended 30 Sept, 2014.

By the grace of Almighty, the overall performance of the plants remained satisfactory during the period despite severe gas curtailment faced by FFBL. The curtailment increased to 41% for nine months against the 37% in the corresponding period and adversely affected the overall operations of the plants. Ammonia, Urea and DAP plants remained closed for 49, 135 and 67 days respectively. Production of Ammonia at 205 thousand tonnes, Urea at 158 thousand tonnes and DAP at 500 thousand tonnes was lower by 25 thousand tonnes, 25 thousand tonnes and 46 thousand tonnes respectively, comparing with the corresponding period.

GoP had imposed Gas Infrastructure Development Cess (GIDC) effective from Jan 01, 2012 on Feed and Fuel gas. The rate of GIDC was increased during 2014. GIDC increased w.e.f. Jan 01, 2014 on Feed gas to Rs 300 per MMBTU from Rs 197 per MMBTU and Fuel gas to Rs 100 per MMBTU from Rs 50 per MMBTU, which was further increased to Rs 150 per MMBTU w.e.f. Jul 01, 2014. This has affected the profitability of the Company during the period as FFBL has not passed on its impact to the customers.

FFBL Urea (G) sales during the period under review were 156 thousand tonnes, which is 16% less as compared to 185 thousand tonnes sales of corresponding period due to low production. Sona DAP sales during the period were 402 thousand tonnes, 9% lower than 442 thousand tonnes sales of the corresponding period.

Urea industry sales during the period under review are estimated at 4,099 thousand tonnes which is 2% less as compared to 4,196 thousand tonnes sales during the same period of 2013. DAP industry sales during the period under review are estimated at 799 thousand tonnes, 4% lower than 762 thousand tonnes sales of the corresponding period.

Urea import during the period under review was 425 thousand tonnes which is 14% lower than the imports of 494 thousand tonnes during the corresponding period.

FFBL share in Urea and DAP market is estimated to be 4% and 50% respectively for the period.

FFBL financial results have shown decline for the period ended Sept 30, 2014 as compared with corresponding period. The main reasons are increase in GIDC and gas curtailment which resulted in lower production and sales. The Company earned a gross profit of Rs 6,141 million as compared to gross profit of Rs 9,136 million in the corresponding period.

Net profit after tax, as a result of above stated factors stood at Rs 1,772 million for the period ended Sept 30, 2014, decreased by Rs 1,523 million against the corresponding period. Company's

earnings per share as at Sept 30, 2014 stand at Rs 1.90 against earnings per share of Rs 3.53 in the corresponding period.

FFBL holds 21.57% shares of Askari Bank Limited (AKBL). The results of AKBL have shown improvement during half year ended June 30, 2014. FFBL has received dividend of Rs 272 million from AKBL during the period. Further Fauji Cement Company Limited declared final dividend of Rs 0.75 per share for the year ended June 30, 2014. FFBL share of dividend comes to Rs 14 million.

The overall performance of PMP plant remained satisfactory for the period Jan-Sept 2014. PMP produced 292 thousand tonnes of P_2O_5 out of which 205 thousand tonnes was exported to FFBL. PMP reported a profit of MAD 16 million for the 2nd quarter ended June 30, 2014.

Consistent gas supply is still a challenge for fertilizer sector in the days to come. FFBL is in close coordination with Ministry of Petroleum and SSGC for improvement of gas supply.

For and on behalf of the Board



Lt Gen Muhammad Mustafa Khan, HI(M), (Retd)
Chairman

Rawalpindi
23 October 2014

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2014

	Un - audited September 30, 2014	Audited December 31, 2013
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
Statutory reserve	6,380	6,380
Translation reserve	984,490	1,041,870
Accumulated profit	1,907,281	3,170,674
	12,467,601	13,788,374

NON-CURRENT LIABILITIES

Long term loan and deferred Government assistance	5	10,000,000	584,119
Deferred liabilities	6	3,253,436	3,460,397
		13,253,436	4,044,516

CURRENT LIABILITIES

Trade and other payables		11,016,629	8,371,789
Mark - up accrued		239,621	236,052
Short term borrowings	7	6,448,063	7,985,128
Current portion of long term loan	5	1,944,600	2,008,682
Provision for income tax - net		194,250	727,582
		19,843,163	19,329,233
		45,564,200	37,162,123

CONTINGENCIES AND COMMITMENTS

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

	Un - audited September 30, 2014	Audited December 31, 2013
Note	(Rupees '000)	

ASSETS

NON-CURRENT ASSETS


Property, plant and equipment	9	12,475,580	13,059,509
Long term investments	10	10,479,305	9,864,133
Long term deposits		78,643	78,643
		23,033,528	23,002,285

CURRENT ASSETS

Stores and spares		2,240,381	2,107,493
Stock in trade	11	6,848,243	1,129,257
Trade debts		937,315	1,603,643
Advances		613,312	572,966
Trade deposits and short term prepayments		59,430	29,877
Interest accrued		20,143	19,729
Other receivables		1,401,060	705,513
Sales tax refundable		224,588	190,691
Short term investments	12	7,208,935	5,323,136
Cash and bank balances		2,977,265	2,477,533
		22,530,672	14,159,838
		45,564,200	37,162,123


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR



FFBL
Fauji Fertilizer Bin Qasim Limited

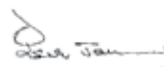
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2014	2013	2014	2013
		(Rupees '000)		(Rupees '000)	
Sales - net		12,907,933	13,638,589	28,656,915	33,781,215
Cost of sales	13	(9,983,940)	(9,764,526)	(22,515,816)	(24,645,458)
Gross profit		2,923,993	3,874,063	6,141,099	9,135,757
Selling and distribution expenses		(955,702)	(970,718)	(2,292,267)	(2,390,469)
Administrative expenses		(374,701)	(255,534)	(986,507)	(695,160)
		1,593,590	2,647,811	2,862,325	6,050,128
Finance costs		(634,088)	(624,996)	(1,031,346)	(1,248,774)
Other operating expenses		(92,874)	(151,583)	(176,196)	(367,066)
		866,628	1,871,232	1,654,783	4,434,288
Other operating income					
Share of profit / (loss) of joint venture and associates - net		291,975	30,176	186,291	(90,378)
Others		151,697	131,581	487,550	489,523
		443,672	161,757	673,841	399,145
Profit before taxation		1,310,300	2,032,989	2,328,624	4,833,433
Taxation					
Current		(386,320)	(728,795)	(847,754)	(1,840,312)
Deferred		46,539	173,281	291,592	301,698
		(339,781)	(555,514)	(556,162)	(1,538,614)
Profit after taxation		970,519	1,477,475	1,772,462	3,294,819
Earnings per share - basic and diluted (Rupees)		1.04	1.58	1.90	3.53

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


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

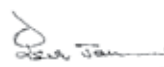
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

	Quarter ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
	(Rupees '000)		(Rupees '000)	
Profit after taxation	970,519	1,477,475	1,772,462	3,294,819
Other comprehensive income				
Exchange difference on translating a joint venture	83,285	(61,675)	(54,249)	120,089
Effect of translation - share of Askari Bank Limited under equity method	119	-	(3,131)	-
Changes in accounting policy for recognition of actuarial gains and losses	-	(29,125)	-	(29,125)
Total comprehensive income	1,053,923	1,386,675	1,715,082	3,385,783

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


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2014

		2014	2013
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	395,279	1,705,623
Income tax paid		(1,381,086)	(1,253,375)
Finance cost paid		(914,793)	(915,734)
Compensated absences paid		(30,138)	(14,460)
Payment to Gratuity Fund		(51,301)	-
Payment to Workers' (Profit) Participation Fund		(49,808)	(17,042)
Net cash used in operating activities		(2,031,847)	(494,988)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(455,019)	(507,393)
Proceeds from sale of property, plant and equipment		17,941	14,495
Long term deposits		-	(2,331)
Long term investments		(500,322)	(5,853,767)
Short term investments		(1,248,173)	(3,592,175)
Profit received on bank balances and term deposits		174,863	345,989
Net cash used in investing activities		(2,010,710)	(9,595,182)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan - net		9,351,799	(648,201)
Short term borrowings - net		(5,550,000)	5,300,000
Dividend paid		(2,895,365)	(3,262,425)
Net cash generated from financing activities		906,434	1,389,374
Net decrease in cash and cash equivalents		(3,136,123)	(8,700,796)
Cash and cash equivalents at beginning of the period		3,042,405	4,717,307
Cash and cash equivalents at end of the period		(93,718)	(3,983,489)
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the cash flow statement comprises the following balance sheet amounts:			
- Cash and bank balances		2,977,265	2,561,220
- Short term highly liquid investments		1,577,080	900,000
- Short term running finance		(4,648,063)	(7,444,709)
		(93,718)	(3,983,489)

The annexed notes 1 to 16 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 PERIOD ENDED SEPTEMBER 30, 2014

		Reserves				
	Share capital	Capital reserve	Statutory reserve	Translation reserve	Accumulated profit	Total
	(Rupees '000)					
Balance as at January 01, 2013 - restated	9,341,100	228,350	6,380	712,205	2,270,219	12,558,254
Total comprehensive income						
Profit for the period after taxation	-	-	-	-	3,294,819	3,294,819
Changes in accounting policy for recognition of actuarial gains and losses	-	-	-	-	(29,125)	(29,125)
Other comprehensive income for the period	-	-	-	120,089	-	120,089
Total comprehensive income for the period	-	-	-	120,089	3,265,694	3,385,783
Transactions with owners, recorded directly in equity						
Distributions to owners						
Final dividend 2012 (Rs. 2.25 per ordinary share)	-	-	-	-	(2,101,748)	(2,101,748)
First interim dividend 2013 (Rs. 1.75 per ordinary share)	-	-	-	-	(1,634,693)	(1,634,693)
Total transactions with owners	-	-	-	-	(3,736,441)	(3,736,441)
Balance as at September 30, 2013	9,341,100	228,350	6,380	832,294	1,799,472	12,207,596

Balance as at January 01, 2014	9,341,100	228,350	6,380	1,041,870	3,170,676	13,788,376
Total comprehensive income						
Profit for the period after taxation	-	-	-	-	1,772,462	1,772,462
Other comprehensive income for the period	-	-	-	(57,380)	-	(57,380)
Total comprehensive income for the period	-	-	-	(57,380)	1,772,462	1,715,082
Transactions with owners, recorded directly in equity						
Distributions to owners						
Final dividend 2013 (Rs. 2.25 per ordinary share)	-	-	-	-	(2,101,747)	(2,101,747)
First interim dividend 2014 (Rs. 1.00 per ordinary share)	-	-	-	-	(934,110)	(934,110)
Total transactions with owners	-	-	-	-	(3,035,857)	(3,035,857)
Balance as at September 30, 2014	9,341,100	228,350	6,380	984,490	1,907,281	12,467,601

The annexed notes 1 to 16 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 PERIOD ENDED SEPTEMBER 30, 2014

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 Karachi, Lahore and Islamabad stock exchanges in Pakistan. The registered office of the Company is situated at Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi, Pakistan. The principal objective of the Company is manufacturing, purchasing and marketing of fertilizers. The Company commenced its commercial production effective January 1, 2000. The Company is a subsidiary of Fauji Fertilizer Company Limited (the holding company) with shareholding of 50.88%.
2. This condensed interim financial information of the Company for the nine months period ended September 30, 2014 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, 2013. Comparative balance sheet is extracted from annual financial statements as of December 31, 2013 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from unaudited condensed interim financial information of the Company for the nine months period ended September 30, 2013.

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 Islamabad, Karachi and Lahore Stock Exchanges.

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, 2013.
4. Status of significant shareholding as at September 30, 2014 is given below:

	Shares	Percentage
Fauji Fertilizer Company Limited	475,232,996	50.88
Fauji Foundation	161,501,286	17.29
	Un - audited September 30, 2014	Audited December 31, 2013
	(Rupees '000)	
	Note	

5. LONG TERM LOANS AND DEFERRED GOVERNMENT ASSISTANCE

Long term loans-secured	5.1	10,000,000	-
Government of Pakistan (GoP) loan		1,906,395	2,514,867
Less: Current portion shown under current liabilities		1,944,600	2,008,682
		(38,205)	506,185
Deferred Government assistance		38,205	77,934
		-	584,119
		10,000,000	584,119

- 5.1 The Company has long term loan facilities aggregating to Rs. 10,000,000 thousand (2013: Rs. Nil). These are secured against hypothecation charge over stocks and current assets of the Company which will be converted to ranking charge against fixed assets in due course and carry mark up ranging between 10.34% to 10.68% per annum (2013: Nil).

		Un - audited September 30, 2014	Audited December 31, 2013
	Note	(Rupees '000)	
6. DEFERRED LIABILITIES			
Compensated leave absences		442,685	358,052
Deferred tax	6.1	2,810,751	3,102,345
		<u>3,253,436</u>	<u>3,460,397</u>
6.1 The balance of deferred tax is in respect of the following major temporary differences:			
Accelerated depreciation		2,847,120	3,155,906
Share of profit of associates - net		18,262	2,726
Provision for inventory obsolescence		(54,631)	(56,287)
		<u>2,810,751</u>	<u>3,102,345</u>
7. SHORT TERM BORROWINGS - SECURED			
The Company has short term running finance and demand finance facilities limits aggregating to Rs. 23,960,000 thousand (2013: Rs. 21,660,000 thousand). These are secured against hypothecation charge over stocks and current assets of the Company and carry mark up ranging between 10.28% to 11.02% per annum (2013: 9.16% to 11.01% per annum).			
8. CONTINGENCIES AND COMMITMENTS			
Contingencies			
i) Indemnity bonds and undertakings given to the customs authorities for machinery imported by the Company for installation at plant site		119,650	119,650
ii) Guarantees issued by banks on behalf of the Company		1,200,995	29,698
iii) Company's share of contingent liabilities of Fauji Cement Company Limited as at June 30, 2014		22,465	21,764
iv) Company's share of contingent liabilities of Foundation Wind Energy - I Limited as at June 30, 2014		60,484	69,619
v) Company's share of contingent liabilities of Foundation Wind Energy - II (Pvt) Limited as at June 30, 2014		60,484	60,975
vi) Company's share of contingent liabilities of Askari Bank Limited as at June 30, 2014		32,854,405	35,378,051
Commitments			
i) Capital expenditure - contracted		964,140	614,631
ii) Letters of credit for purchase of raw materials and stores and spares		1,193,835	1,759,208
iii) Commitments with Fauji Foundation for investment in wind projects		142,248	3,022,155
iv) Company's share of commitments of Pakistan Maroc Phosphore S.A., Morocco (PMP) as at June 30, 2014		102,421	271,442
v) Commitments on behalf of Fauji Meat Limited		1,901,292	-
vi) Commitments on behalf of FFBL Power Company Limited		6,364,800	-
9. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		13,059,509	13,832,122
Additions	9.1	455,018	619,069
Disposals		(43,576)	(30,454)
Depreciation	9.1	(1,035,052)	(1,386,791)
Depreciation on disposed off items		39,681	25,563
Closing written down value		<u>12,475,580</u>	<u>13,059,509</u>

9.1 Additions and depreciation in property, plant and equipment during the nine months period ended September 30, 2013 were Rs. 507,393 thousand and Rs. 1,044,416 thousand respectively.



10. LONG TERM INVESTMENTS

Investment in joint venture - equity method

Pakistan Maroc Phosphore S.A., Morocco (PMP)

	Un - audited September 30, 2014	Audited December 31, 2013
Balance brought forward	2,346,725	2,225,794
Share of profit / (loss)	31,218	(205,972)
(Loss) / Gain on translation of net assets	(54,249)	326,903
Closing balance	2,323,694	2,346,725

Investment in associates - equity method

Fauji Cement Company Limited (FCCL)

Balance brought forward	358,313	351,588
Share of profit	26,769	30,162
Dividend	(28,125)	(23,437)
Closing balance	356,957	358,313

Foundation Wind Energy-I Limited (FWE-I)

Opening balance	923,941	329,390
Advance paid during the period / year against issue of shares	189,043	603,664
Share of loss	(9,672)	(9,113)
Closing balance	1,103,312	923,941

Foundation Wind Energy-II (Pvt) Limited (FWE-II)

Opening balance	971,100	620,290
Advance paid during the period / year against issue of shares	96,226	357,546
Share of loss	(2,932)	(6,736)
Closing balance	1,064,394	971,100

Askari Bank Limited (AKBL)

Opening balance	5,262,054	-
Investment during the period	-	5,230,990
Share of profit	140,908	28,302
Effect of translation	(3,130)	2,762
Dividend	(271,884)	-
Closing balance	5,127,948	5,262,054

Investment in subsidiaries

Fauji Meat Limited (FML)

Balance brought forward	1,000	-
Advance paid during the period / year against issue of shares	500,000	1,000
Closing balance	501,000	1,000

Fauji Foods Limited (FFL)

Balance brought forward	1,000	-
Advance paid during the period / year against issue of shares	-	1,000
Closing balance	1,000	1,000

Investment in FFBL Power Company Limited (FPCL)

	1,000	-
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Investment - available for sale - unquoted

Arabian Sea Country Club Limited

	3,000	3,000
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Less: Impairment in value of investment	(3,000)	(3,000)
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	10,479,305	9,864,133
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10.1 Fair value of the investment in FCCL as at September 30, 2014 was Rs. 365.438 million (December 31, 2013: Rs. 299.063 million).

10.2 Fair value of the investment in AKBL as at September 30, 2014 was Rs. 5,859.100 million (December 31, 2013: Rs. 3806.376 million).

AKBL is a banking company engaged in commercial banking and related services. Accordingly, equity accounting of the associate is based on financial statements prepared under accounting framework applicable to banking companies in Pakistan. Share of profit / (loss) of AKBL has been accounted for upto the half year ended June 30, 2014 .

11. STOCK IN TRADE

This mainly includes stock of DAP held at the period end and is expected to be sold during upcoming Rabi season.

12. SHORT TERM INVESTMENTS

Balance at the period end represents investment in term deposit receipts of various banks having maturity period upto 3 months carrying mark up between 9.0% to 10.40% per annum (2013: 8.6% to 9.15% per annum) and investment in various mutual funds.

Un - audited Quarter ended September 30,		Un - audited Nine months ended September 30,	
2014	2013	2014	2013
(Rupees '000)		(Rupees '000)	

13. COST OF SALES

Raw materials consumed	8,637,802	8,143,031	20,991,080	23,271,770
Packing materials consumed	166,186	162,381	414,417	433,386
Fuel and power	755,858	720,839	1,958,991	1,838,572
Chemicals and supplies consumed	69,141	85,683	178,739	215,316
Salaries, wages and benefits	546,642	462,321	1,375,394	1,186,756
Rent, rates and taxes	5,780	5,827	70,151	17,581
Insurance	24,755	23,885	74,668	77,514
Travel and conveyance	49,048	50,003	122,969	111,861
Repairs and maintenance	177,535	151,055	657,620	736,281
Communication, establishment and others	31,686	20,685	111,135	99,151
Depreciation	335,107	335,563	1,004,892	1,025,483
Opening stock - work in process	65,713	50,980	26,936	13,615
Closing stock - work in process	(52,088)	(34,628)	(52,088)	(34,628)
Cost of goods manufactured	10,813,165	10,177,625	26,934,904	28,992,658
Opening stock - finished goods	4,137,459	5,928,099	547,596	1,993,998
Closing stock - finished goods	(4,966,684)	(6,341,198)	(4,966,684)	(6,341,198)
Cost of sales	9,983,940	9,764,526	22,515,816	24,645,458

Un - audited
Nine months ended September 30,
2014 2013
(Rupees '000)

14. CASH GENERATED FROM OPERATIONS

Profit before taxation	2,328,624	4,833,433
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Adjustment for:

Provision for gratuity	53,533	40,239
Exchange losses	112,639	364,543
Provision for compensated absences	114,770	66,663
Provision for Workers' (Profit) Participation Fund	125,182	259,976
Provision for Workers' Welfare Fund	49,840	106,105
Depreciation	1,035,052	1,044,416
Finance cost	918,707	884,230
Profit on bank balances and term deposits	(175,277)	(321,073)
Share of (profit) / loss of joint venture and associates - net	(186,291)	65,905
Gain on sale of investments	(260,546)	(147,111)
Gain on sale of property, plant and equipment	(14,045)	(11,987)

Operating profit before working capital changes	4,102,188	7,185,339
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Changes in working capital

Stores and spares	(132,888)	(45,794)
Stock in trade	(5,718,986)	(3,229,180)
Trade debts	666,328	1,226,871
Advances	(40,346)	(144,676)
Trade deposits and short term prepayments	(29,553)	(28,756)
Other receivables	(715,382)	(126,195)
Trade and other payables	2,263,918	(3,131,986)
	(3,706,909)	(5,479,716)

Cash generated from operations	395,279	1,705,623
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15. RELATED PARTY TRANSACTIONS

Transactions with the holding company

Services and material acquired	599,382	574,283
Services and material provided	6,281	6,806
Commission charged to the Company	11,161	12,532
Dividend	1,544,507	1,900,932
Balance receivable (included in other receivables) - unsecured	745,385	572,623 *

Transactions with subsidiary companies

Services provided	14,688	-
Investment in Fauji Meat Limited (FML)	500,000	-
Investment in FFBL Power Company Limited (FPCL)	1,000	-

Transactions with associated undertakings due to common directorship

Rent charged to the Company	989	900
Dividend	524,879	646,005
Investment in wind power projects (FWE-I, FWE-II)	285,269	647,355
Investment in Askari Bank Limited (AKBL)	-	5,230,990

Transactions with joint venture company

Purchase of raw materials	17,325,157	18,259,837
Expenses incurred on behalf of joint venture company	13,142	11,316
Balance payable (included in trade and other payables) - secured	4,394,196	3,370,005 *
Balance receivable (included in other receivables) - unsecured	30,578	19,989 *

Other related parties

Contribution booked towards Provident Fund	43,076	36,285
Contribution booked towards Gratuity Fund	53,533	40,002
Remuneration including benefits and perquisites of Chief Executive Officer and executives		
No of persons September 30, 2014 : 1 and 19 (September 30, 2013 : 1 and 19)	203,010	187,808
Payment to Workers' (Profit) Participation Fund	49,808	17,042
Balance payable - unsecured	1,124,119	989,559 *
Payable to Gratuity Fund	175,885	173,653 *

*Balance of accounts appearing as comparatives are as at December 31, 2013

16. GENERAL

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

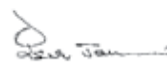
16.2 Corresponding figures have been re-arranged / restated, wherever necessary, for the purpose of comparison.

16.3 The Board of Directors in their meeting held on October 23, 2014 have proposed an interim dividend of Rs. 0.75 per ordinary share.

16.4 This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on October 23, 2014.


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

