



# Third Quarter **Accounts** 2015



# Company Information

## DIRECTORS

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

## COMPANY SECRETARY

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

## CFO

Syed Aamir Ahsan

## REGISTERED OFFICE

73 - Harley Street, Rawalpindi, Pakistan

Tel: (051) 9272196-97, 9270923

Fax: (051) 9272198-9

E-mail: [secretary@ffbl.com](mailto: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

# Directors' Review

For the Period Ended September 30, 2015

The Board of Directors is pleased to present a brief overview of the operational and financial performance of the Company for the nine months ended September 30, 2015.

By the grace of Almighty, the overall performance of the plants remained satisfactory during the period. Gas curtailment continued and affected the overall production of Ammonia, Urea and DAP in terms of installed capacity. However improvement in gas curtailment was observed during the period. The average curtailment was 31% as compared with 41% in corresponding period. Ammonia, Urea and DAP plants remained closed for 40, 104 and 30 days respectively. Production of Ammonia at 242 thousand tonnes, Urea at 201 thousand tonnes and DAP at 562 thousand tonnes was higher by 18%, 28% and 12% respectively comparing with the corresponding period.

FFBL Urea (G) sales during Jan-Sep 2015 were 169 thousand tonnes, showing an increase of 8% as compared to 156 thousand tonnes sales of corresponding period of 2014. Sona DAP sales during the period were 317 thousand tonnes, 21% lower than 402 thousand tonnes sales of Jan-Sep 2014.

The decrease in DAP sales is primarily attributed to the GoP's announcement of Rs. 20 billion proposed subsidy on Phosphatic and Potassic fertilizers. This announcement compelled the farmers to wait and buy the DAP at subsidized prices but official notification could not be issued by GoP till September 30, 2015.

Urea industry sales during Jan-Sep 2015 are estimated at 3,938 thousand tonnes showing a decline of 4% as compared to 4,097 thousand tonnes sales during the same period of 2014. DAP industry sales during Jan-Sep 2015 are estimated at 597 thousand tonnes, 24% lower than 782 thousand tonnes sales of 2014.

Urea import during Jan-Sep 2015 was 504 thousand tonnes which is 19% higher than the imports of 425 thousand tonnes during Jan-Sep 2014.

During Jan-Sep 2015 FFBL share in Urea and DAP market is estimated to be 4.3% and 53% respectively.

FFBL financial results have shown decline during the period Jan-Sep 2015 as compared with corresponding period. The main reason is substantial decrease in DAP sales in 3rd quarter due to subsidy announcement by GoP. The industry sales of DAP for the month of September 2015 is 7 thousand tonnes which is lowest in last 30 years.

The GoP's notification was issued on 15<sup>th</sup> October, 2015 and sale of DAP resumed thereafter.

We are hopeful that FFBL will meet its annual sales target in 4<sup>th</sup> quarter and better financial results are expected by year end.

The Company earned a gross profit of Rs. 4,488 million as compared to gross profit of Rs. 6,141 million in the corresponding period. Net profit after tax, as a result of above stated factor stood at Rs 939 million for the nine months ended September 30, 2015, decreased by Rs. 929 million against the corresponding period. Company's earnings per share as at September 30, 2015 stand at Rs. 1.01 against earnings per share of Rs. 2.00 in the corresponding period.

FFBL holds 21.57% shares of Askari Bank Limited (AKBL). The results of AKBL have shown improvement and FFBL has received dividend of Rs. 544 million from AKBL during the period. Dividend income from Fauji Cement Company Limited is Rs. 47 million.

The overall performance of PMP plant remained satisfactory for the period Jan-Sep 2015. PMP produced 336 thousand tonnes of  $P_2O_5$  which is 15% higher than the budgeted quantity. PMP reported a profit of MAD 115 million for the six months ended June 30, 2015.

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



Rawalpindi

October 27, 2015

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



# Condensed Interim Financial Information



**CONDENSED INTERIM BALANCE SHEET  
AS AT SEPTEMBER 30, 2015**

		Un - audited September 30, 2015	Audited December 31, 2014
Note		(Rupees '000)	
<b>EQUITY AND LIABILITIES</b>			
<b>ISSUED SHARE CAPITAL AND RESERVES</b>			
Share capital		9,341,100	9,341,100
Capital reserve		228,350	228,350
Accumulated profit		1,638,964	3,502,187
		11,208,414	13,071,637
<b>NON-CURRENT LIABILITIES</b>			
Long term loans	5	8,500,000	10,000,000
Deferred liabilities	7	2,722,400	3,276,805
		11,222,400	13,276,805
<b>CURRENT LIABILITIES</b>			
Trade and other payables		12,364,235	13,860,083
Mark - up accrued		407,105	233,141
Short term borrowings	8	20,011,412	3,087,407
Current portion of long term loans	5	1,500,000	-
Current portion of deferred Government assistance	6	1,296,401	1,944,600
Provision for income tax - net		-	775,158
		15,567,741	19,900,389
		58,009,967	46,248,831
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		

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



		Un - audited September 30, 2015	Audited December 31, 2014
Note		(Rupees '000)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
	10	11,862,995	12,202,673
Property, plant and equipment			
	11	17,894,031	12,130,788
Long term investments			
		78,643	78,643
Long term deposits			
		29,835,669	24,412,104
<b>CURRENT ASSETS</b>			
		2,351,677	2,337,205
Stores and spares			
		15,644,205	1,557,296
Stock in trade			
		813,842	1,466,063
Trade debts			
		708,671	880,687
Advances			
		91,461	28,097
Trade deposits and short term prepayments			
		13,915	17,633
Interest accrued			
	12	411,723	514,226
Other receivables			
		1,007,921	-
Income tax refundable - net			
		1,820,723	760,734
Sales tax refundable			
	13	563,222	9,230,117
Short term investments			
		4,746,938	5,044,669
Cash and bank balances			
		28,174,298	21,836,727
		58,009,967	46,248,831



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2015	2014	2015	2014
		(Rupees '000)		(Rupees '000)	
Sales - net		7,057,130	12,907,934	25,051,044	28,656,916
Cost of sales	14	(5,472,822)	(9,983,940)	(20,563,333)	(22,515,816)
<b>Gross profit</b>		<b>1,584,308</b>	<b>2,923,994</b>	<b>4,487,711</b>	<b>6,141,100</b>
Selling and distribution expenses		(906,079)	(955,702)	(2,352,287)	(2,292,267)
Administrative expenses		(265,937)	(374,701)	(915,683)	(986,507)
		412,292	1,593,591	1,219,741	2,862,326
Finance costs		(580,148)	(634,088)	(1,420,252)	(1,031,346)
Other operating expenses		(14,614)	(92,577)	(64,922)	(181,772)
		(182,470)	866,926	(265,633)	1,649,208
Other income	15	374,616	437,642	1,120,535	787,558
<b>Profit before taxation</b>		<b>192,146</b>	<b>1,304,568</b>	<b>854,902</b>	<b>2,436,766</b>
Taxation	16	(11,403)	(343,936)	84,206	(568,785)
<b>Profit after taxation</b>		<b>180,743</b>	<b>960,632</b>	<b>939,108</b>	<b>1,867,981</b>
<b>Earnings per share-basic and diluted (Rupees)</b>		<b>0.19</b>	<b>1.03</b>	<b>1.01</b>	<b>2.00</b>

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



CHAIRMAN



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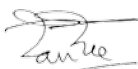


DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	(Rupees '000)		(Rupees '000)	
Profit after taxation	180,743	960,632	939,108	1,867,981
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>180,743</b>	<b>960,632</b>	<b>939,108</b>	<b>1,867,981</b>

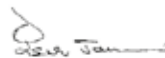
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**CHAIRMAN**



**CHIEF EXECUTIVE**



**DIRECTOR**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

		2015	2014
	Note	(Rupees '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	17	(13,602,097)	395,279
Income tax paid		(2,284,254)	(1,381,086)
Payment to Gratuity Fund		5,064	(51,301)
Finance cost paid		(1,040,024)	(914,794)
Compensated absences paid		(23,123)	(30,138)
Payment to Workers' Welfare Fund		(121,115)	-
Payment to Workers' (Profit) Participation Fund		(20,557)	(49,808)
Net cash (used in) operating activities		(17,086,106)	(2,031,848)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		(711,325)	(455,019)
Long term investments		(5,763,243)	(786,269)
Sale proceeds of property, plant and equipment		12,652	17,941
Dividend received		590,643	285,946
Short term investments		8,137,373	(1,248,173)
Profit received on bank balances and term deposits		153,678	174,863
Net cash generated from / (used in) investing activities		2,419,778	(2,010,711)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term loans		-	10,000,000
Deferred Government assistance payment		(648,201)	(648,201)
Short term borrowings - net		8,400,000	(5,550,000)
Dividend paid		(2,773,985)	(2,895,363)
Net cash generated from financing activities		4,977,814	906,436
Net decrease in cash and cash equivalents		(9,688,514)	(3,136,123)
Cash and cash equivalents at the beginning of the period		5,137,262	3,042,405
Cash and cash equivalents at the end of the period		(4,551,252)	(93,718)
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents included in the statement of cash flows comprises the following balance sheet amounts:			
- Cash and bank balances		4,746,938	2,977,265
- Short term highly liquid investments	13	563,222	1,577,080
- Short term running finance		(9,861,412)	(4,648,063)
		(4,551,252)	(93,718)

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



**CHAIRMAN**



**CHIEF EXECUTIVE**



**DIRECTOR**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	Share capital	Capital reserve	Accumulated profit	Total
	(Rupees '000)			
Balance as at January 01, 2014	9,341,100	228,350	3,273,456	12,842,906
<b>Total comprehensive income</b>				
Profit for the period after tax	-	-	1,867,981	1,867,981
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,867,981	1,867,981

**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 per ordinary share)	-	-	(934,110)	(934,110)
Total transactions with owners	-	-	(3,035,857)	(3,035,857)
<b>Balance as at September 30, 2014</b>	<u>9,341,100</u>	<u>228,350</u>	<u>2,105,580</u>	<u>11,675,030</u>

Balance as at January 01, 2015	9,341,100	228,350	3,502,187	13,071,637
<b>Total comprehensive income</b>				
Profit for the period after tax	-	-	939,108	939,108
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	939,108	939,108

**Transactions with owners, recorded directly in equity**

**Distributions to owners**

Final dividend 2014 (Rs. 2.25 per ordinary share)	-	-	(2,101,748)	(2,101,748)
First interim dividend 2015 (Re. 0.75 per ordinary share)	-	-	(700,583)	(700,583)
Total transactions with owners	-	-	(2,802,331)	(2,802,331)
<b>Balance as at September 30, 2015</b>	<u>9,341,100</u>	<u>228,350</u>	<u>1,638,964</u>	<u>11,208,414</u>

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



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2015

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.

2. This condensed interim financial information of the Company for the nine months ended September 30, 2015 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, 2014. Comparative balance sheet is extracted from annual financial statements as of December 31, 2014 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 for the nine months ended September 30, 2014.

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. Consolidated interim financial information of the Company is prepared separately.

Consequent to preparation of consolidated financial statements, investments in subsidiaries and associates are now being accounted on the basis of direct equity interest at cost rather than reported results and net assets of the investees in this separate interim financial information of the Company. Accordingly corresponding figures for period ended September 30, 2014 have also been presented on the same basis.

3. The accounting policies and method of computation adopted for the preparation of this condensed interim financial information is same as those applied in preparation of financial statements for the preceding year ended December 31, 2014.

4. Status of significant shareholding as at September 30, 2015 is given below:

	Shares	Percentage
Fauji Fertilizer Company Limited	465,891,896	49.88
Fauji Foundation	170,842,386	18.29
	<b>Un - audited September 30, 2015</b>	<b>Audited December 31, 2014</b>
	<b>(Rupees '000)</b>	

### 5. LONG TERM LOANS

Loans from banking companies-secured	<b>10,000,000</b>	10,000,000
Less: Current portion shown under current liabilities	<b>1,500,000</b>	-
	<b>8,500,000</b>	<b>10,000,000</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

		Un - audited September 30, 2015	Audited December 31, 2014
Note		(Rupees '000)	
<b>6. DEFERRED GOVERNMENT ASSISTANCE</b>			
Deferred Government assistance from Government of Pakistan (GoP)		1,298,539	1,925,179
Less: Current portion shown under current liabilities		1,296,401	1,944,600
		2,138	(19,421)
Deferred Government assistance		(2,138)	19,421
		-	-
<b>7. DEFERRED LIABILITIES</b>			
Deferred tax	7.1	2,297,571	2,882,952
Compensated leave absences		424,829	393,853
		2,722,400	3,276,805
<b>7.1</b> The balance of deferred tax is in respect of the following major temporary differences:			
Accelerated depreciation		2,347,398	2,940,894
Provision for inventory obsolescence		(49,827)	(57,942)
		2,297,571	2,882,952
Also refer to note 16.2 to the interim financial information.			
<b>8. SHORT TERM BORROWINGS - SECURED</b>			
The Company has short term running finance and demand finance facilities limits aggregating to Rs. 22,270,000 thousand (2014: Rs. 23,960,000 thousand). These are secured against hypothecation charge over stocks and current assets of the Company and carry mark up ranging between 10.27% to 7.06% per annum (2014: 10.28% to 11.02% per annum).			
<b>9. CONTINGENCIES AND COMMITMENTS</b>			
<b>Contingencies</b>			
i) Indemnity bonds and undertakings given to the customs authorities for the machinery imported by the Company for installation at plant site.		119,650	119,650
ii) Guarantees issued by banks on behalf of the Company.		52,614	60,692
<b>Commitments</b>			
i) Capital expenditures - contracted.		1,271,971	909,849
ii) Letters of credit for purchase of stores, spares and raw materials.		983,336	1,079,418
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>			
Opening written down value		12,202,673	13,059,509
Additions		711,324	530,995
Disposals		(47,568)	(48,994)
Depreciation		(1,043,590)	(1,381,801)
Depreciation on disposed off items		40,156	42,964
Closing written down value		11,862,995	12,202,673

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

		Un - audited September 30, 2015	Audited December 31, 2014
	Note	(Rupees '000)	
<b>11. LONG TERM INVESTMENTS</b>			
Investment in jointly controlled entity - at cost	11.1	1,411,150	1,411,150
Investment in associates - at cost	11.2	8,471,413	7,878,338
Investment in subsidiary companies - at cost	11.3	8,011,468	2,841,300
Other long term investments	11.4	-	-
		<b>17,894,031</b>	<b>12,130,788</b>
<b>11.1. Investment in jointly controlled entity - at cost</b>			
Pakistan Maroc Phosphore S.A, Morocco (PMP)		1,411,150	1,411,150
<b>11.2. Investment in associates - at cost</b>			
Fauji Cement Company Limited (FCCL)		300,000	300,000
Askari Bank Limited (AKBL)		5,230,991	5,230,991
Foundation Wind Energy - I Limited (FWE-I)			
Shares		740,374	740,374
Share deposit money		485,499	417,156
		<b>1,225,873</b>	<b>1,157,530</b>
Foundation Wind Energy - II (Pvt) Limited (FWE-II)			
Shares		651,810	651,810
Share deposit money		582,882	538,007
		<b>1,234,692</b>	<b>1,189,817</b>
Noon Pakistan Limited		479,857	-
		<b>8,471,413</b>	<b>7,878,338</b>
<b>11.3. Investment in subsidiaries - at cost</b>			
Fauji Meat Limited (FML)			
Shares		2,250,000	1,000
Share deposit money		-	1,199,000
		<b>2,250,000</b>	<b>1,200,000</b>
Fauji Foods Limited (FFL)			
Shares		285,197	1,000
Share deposit money		10,646	284,197
		<b>295,843</b>	<b>285,197</b>
FFBL Power Company Limited (FPCL)			
Shares		5,167,500	1,000
Share deposit money		298,125	1,355,103
		<b>5,465,625</b>	<b>1,356,103</b>
		<b>8,011,468</b>	<b>2,841,300</b>
<b>11.4. Investment - available for sale - unquoted</b>			
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
		<b>-</b>	<b>-</b>
		<b>-</b>	<b>-</b>



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

### 12. OTHER RECEIVABLES

This includes an amount of Rs. 205 million receivable from Fauji Fertilizer Company Limited, an associated company, on account of amounts recovered from customers on sale of the Company's products under inter-company services agreement.

### 13. SHORT TERM INVESTMENTS

Balance at the period end includes investment in term deposit receipts of various banks having maturity period upto 3 months carrying mark up between 5.50% to 7.25% per annum (2014: 10.24% to 11.08% per annum).

	Un - audited Quarter ended Sep 30,		Un - audited Nine months ended Sep 30,	
	2015	2014	2015	2014
	(Rupees '000)		(Rupees '000)	
<b>14. COST OF SALES</b>				
Raw materials consumed	10,545,770	8,637,802	26,704,549	20,991,080
Packing materials consumed	156,866	166,186	400,233	414,417
Fuel and power	993,462	755,858	2,504,079	1,958,991
Chemicals and supplies consumed	60,576	69,141	170,827	178,739
Salaries, wages and benefits	253,972	546,642	1,091,583	1,375,394
Rent, rates and taxes	6,452	5,780	18,771	70,151
Insurance	24,600	24,755	74,888	74,668
Travel and conveyance	34,978	49,048	103,966	122,969
Repairs and maintenance	184,612	177,535	762,764	657,620
Communication, establishment and others	36,334	31,686	85,642	111,135
Depreciation	333,288	335,107	998,995	1,004,892
Opening stock - work in process	54,973	65,713	103,341	26,936
Closing stock - work in process	(53,516)	(52,088)	(53,516)	(52,088)
Cost of goods manufactured	12,632,367	10,813,165	32,966,122	26,934,904
Opening stock - finished goods	5,521,196	4,137,459	277,952	547,596
Closing stock - finished goods	(12,680,741)	(4,966,684)	(12,680,741)	(4,966,684)
Cost of sales	5,472,822	9,983,940	20,563,333	22,515,816

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

	Note	Un - audited		Un - audited	
		Quarter ended Sep 30,		Nine months ended Sep 30,	
		2015	2014	2015	2014
		(Rupees '000)		(Rupees '000)	
<b>15. OTHER INCOME</b>					
Profit on bank balances & term deposits		38,007	48,227	149,960	175,278
Gain / Dividend from mutual funds and other investments		22,610	93,145	337,256	260,545
Dividend received - FCCL		28,125	14,062	46,875	28,125
Dividend received - AKBL		271,884	271,884	543,768	271,884
Gain on sale of fixed assets		3,848	18	5,240	14,045
Scrap sale and other receipts		10,142	10,306	37,436	37,681
		<u>374,616</u>	<u>437,642</u>	<u>1,120,535</u>	<u>787,558</u>
<b>16. TAXATION</b>					
Current tax	16.1	(89,978)	(415,013)	(501,175)	(875,915)
Deferred tax	16.2	78,575	71,077	585,381	307,130
		<u>(11,403)</u>	<u>(343,936)</u>	<u>84,206</u>	<u>(568,785)</u>

**16.1** This includes an amount of Rs. 191 million recognized as super tax @ 3% on imputed taxable income for the tax year 2015.

**16.2** Reversal of deferred tax liability is due to downward revision in income tax rates enacted in Finance Act 2015.

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

Un - audited  
Nine months ended September 30,

2015                      2014

(Rupees '000)

## 17. CASH (USED IN) / GENERATED FROM OPERATIONS

Profit before taxation from ordinary activities	854,902	2,436,766
<b>Adjustment for:</b>		
Provision for gratuity	60,246	53,533
Exchange losses	206,309	112,639
Provision for compensated absences	54,099	114,770
Provision for Workers' (Profit) Participation Fund	45,895	130,867
Provision for Workers' Welfare Fund	17,098	49,730
Depreciation	1,043,590	1,035,052
Finance cost	1,214,143	918,707
Profit on bank balances and term deposits	(149,960)	(175,277)
Dividend from associates	(590,643)	(300,009)
Gain on sale of investments	(337,256)	(260,546)
Gain on sale of property, plant and equipment	(5,240)	(14,045)
<b>Operating profit before working capital changes</b>	<b>2,413,183</b>	<b>4,102,187</b>
<b>Changes in working capital</b>		
Stores and spares	(14,472)	(132,888)
Stock in trade	(14,086,909)	(5,718,986)
Trade debts	652,221	666,328
Advances	172,016	(40,346)
Trade deposits and short term prepayments	(63,364)	(29,553)
Other receivables	102,503	(681,484)
Sales tax refundable	(1,059,989)	(33,897)
Trade and other payables	(1,717,286)	2,263,918
	<b>(16,015,280)</b>	<b>(3,706,908)</b>
<b>Cash (used in) / generated from operations</b>	<b>(13,602,097)</b>	<b>395,279</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

Nine months ended September 30,

2015 2014

(Rupees '000)

### 18. RELATED PARTY TRANSACTIONS

Significant transactions and balances with related parties are as follows:

#### Transactions with subsidiary companies

Investment in Fauji Meat Limited (FML)	882,808	500,000
Investment in Fauji Foods Limited (FFL)	9,647	-
Investment in FFBL Power Company Limited (FPCL)	4,109,237	1,000

#### Transactions with associated undertakings due to common directorship

Services and material acquired	538,957	599,382
Services and material provided	1,864	6,281
Commission charged to the Company	9,724	11,161
Dividend paid	1,910,203	2,069,386
Rent charged to the Company	1,049	989
Profit on bank balances (AKBL)	20,870	-
Receipts under consignment account (FFC)	27,771,303	34,056,813
Balance receivable - unsecured (FFC)	204,849	173,420*
Balance payable - unsecured (FF)	233	- *
Balances at bank (AKBL)	3,428,390	- *
Investments	113,218	285,269

#### Transactions with jointly controlled entity

Purchase of raw materials	22,031,589	17,325,157
Expenses incurred on behalf of jointly controlled entity	9,882	13,142
Balance payable - secured	5,517,636	5,745,925*
Balance receivable - unsecured	28,499	37,526*

#### Other related parties

Contribution to Provident Fund	44,500	43,076
Contribution to Gratuity Fund	60,246	53,533
Remuneration including benefits and perquisites of Chief Executive Officer and executives		
No of persons 2015 : 1 and 21 ( 2014 : 1 and 19 )	218,154	203,010
Payment to Workers' Welfare Fund	121,115	-
Payment to Workers' (Profit) Participation Fund	20,557	49,808
Payable to Gratuity Fund	263,538	198,228*

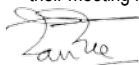
\* Balance of accounts appearing as comparatives are as at December 31, 2014

### 19. GENERAL

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

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

19.3 This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on October 27, 2015.



CHAIRMAN

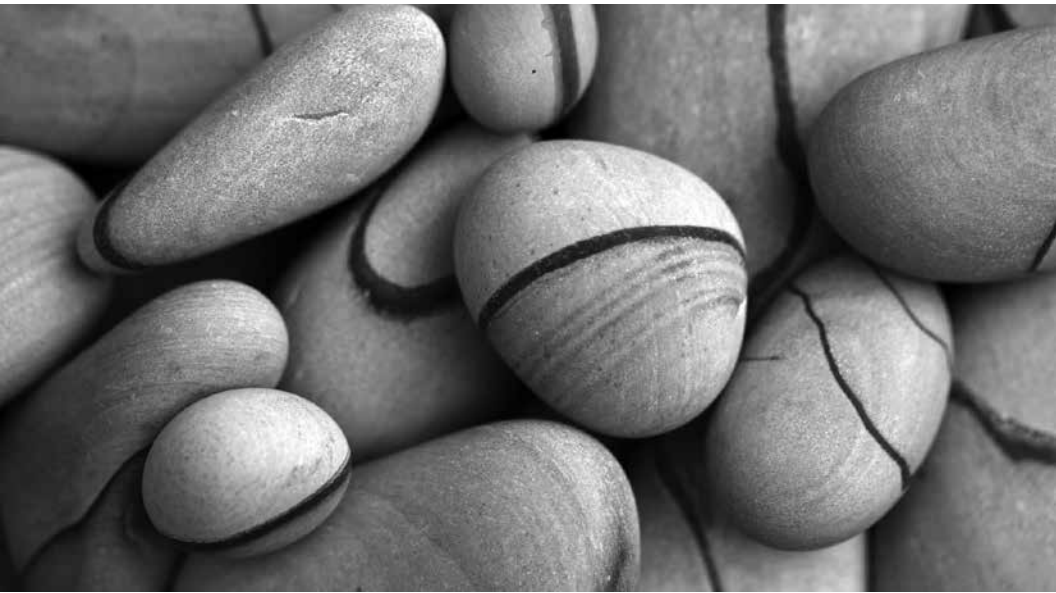


CHIEF EXECUTIVE



DIRECTOR

# **Condensed Interim Consolidated Financial Information**



# CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

## AS AT SEPTEMBER 30, 2015


		Un - audited September 30, 2015	Audited December 31, 2014
Note		(Rupees '000)	
<b>EQUITY AND LIABILITIES</b>			
<b>ISSUED SHARE CAPITAL AND RESERVES</b>			
	Share capital	9,341,100	9,341,100
	Capital reserve	228,350	228,350
	Statutory reserve	6,380	6,380
	Translation reserve	734,354	904,466
	Revenue reserve	(11,110)	-
	Accumulated profit	2,437,254	3,773,055
		12,736,328	14,253,351
<b>NON - CONTROLLING INTEREST</b>			
		749,560	-
		13,485,888	14,253,351
<b>NON-CURRENT LIABILITIES</b>			
	Long term loans	5 10,800,000	10,000,000
	Deferred liabilities	7 2,850,566	3,317,192
		13,650,566	13,317,192
<b>CURRENT LIABILITIES</b>			
	Trade and other payables	12,621,431	13,873,336
	Mark - up accrued	492,900	233,142
	Short term borrowings	24,961,411	3,087,408
	Current portion of long term loans	5 1,500,000	-
	Current portion of deferred Government assistance	6 1,296,401	1,944,600
	Provision for income tax - net	51	769,102
		40,872,194	19,907,588
		68,008,648	47,478,131
<b>CONTINGENCIES AND COMMITMENTS</b>			
		8	

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

		Un - audited September 30, 2015	Audited December 31, 2014
	Note	(Rupees ‘000)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	23,287,144	14,864,264
Long term investments	10	11,575,612	10,539,515
Long term deposits		78,644	78,643
		34,941,400	25,482,422
<b>CURRENT ASSETS</b>			
Stores and spares		2,351,756	2,350,145
Stock in trade		15,644,205	1,557,296
Trade debts		813,864	1,468,373
Advances		1,009,569	892,782
Trade deposits and short term prepayments		92,823	28,689
Interest accrued		54,163	17,633
Other receivables		277,493	212,835
Income tax refundable - net		1,346,333	-
Sales tax refundable		2,033,508	763,591
Short term investments		563,223	9,230,117
Cash and bank balances		8,880,311	5,474,248
		33,067,248	21,995,709
		68,008,648	47,478,131

  
CHAIRMAN

  
CHIEF EXECUTIVE

  
DIRECTOR

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2015	2014	2015	2014
		(Rupees '000)		(Rupees '000)	
Sales - net		7,056,841	12,907,933	25,051,044	28,656,915
Cost of sales	11	(5,469,907)	(9,956,690)	(20,563,332)	(22,515,814)
<b>Gross profit</b>		<b>1,586,934</b>	<b>2,951,243</b>	<b>4,487,712</b>	<b>6,141,101</b>
Selling and distribution expenses		(906,080)	(955,702)	(2,352,287)	(2,292,268)
Administrative expenses		(282,214)	(383,432)	(967,797)	(1,026,931)
		<b>398,640</b>	<b>1,612,109</b>	<b>1,167,628</b>	<b>2,821,902</b>
Finance costs		(580,184)	(634,090)	(1,420,527)	(1,031,348)
Other operating expenses		(26,861)	(110,566)	(108,762)	(193,889)
		<b>(208,405)</b>	<b>867,453</b>	<b>(361,661)</b>	<b>1,596,665</b>
Other income					
Share of profit of associates and jointly controlled entity	12	463,897	291,976	1,214,891	186,291
Others		80,211	167,931	558,087	508,700
		<b>544,108</b>	<b>459,907</b>	<b>1,772,978</b>	<b>694,991</b>
<b>Profit before taxation</b>		<b>335,703</b>	<b>1,327,360</b>	<b>1,411,317</b>	<b>2,291,656</b>
Taxation	13	(166,384)	(339,781)	54,775	(556,155)
<b>Profit after taxation</b>		<b>169,319</b>	<b>987,579</b>	<b>1,466,092</b>	<b>1,735,501</b>
Attributable to:					
- Owners of the holding company		169,759	-	1,466,532	-
- Non-controlling interest		(440)	-	(440)	-
		<b>169,319</b>	<b>-</b>	<b>1,466,092</b>	<b>-</b>
<b>Earnings per share - basic and diluted (Rupees)</b>		<b>0.18</b>	<b>1.06</b>	<b>1.57</b>	<b>1.86</b>

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



**CHAIRMAN**



**CHIEF EXECUTIVE**



**DIRECTOR**



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	(Rupees '000)		(Rupees '000)	
<b>Profit after taxation</b>	<b>169,319</b>	987,579	<b>1,466,092</b>	1,735,501
<b>Other comprehensive income</b>				
Exchange difference on translating a joint venture	179,507	83,285	(169,744)	(54,249)
Effect of translation - share of Askari Bank Limited under equity method	(71)	119	(368)	(3,131)
Effect of devaluation - share of available for sale securities of Askari Bank Limited	(11,110)	-	(11,110)	-
<b>Total comprehensive income</b>	<b>337,645</b>	1,070,983	<b>1,284,870</b>	1,678,121
<b>Attributable to:</b>				
- Owners of the holding company	338,085	-	1,285,310	-
- Non-controlling interest	(440)	-	(440)	-
	<b>337,645</b>	-	<b>1,284,870</b>	-

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



**CHAIRMAN**



**CHIEF EXECUTIVE**



**DIRECTOR**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

		Reserves						
	Share capital	Capital reserve	Statutory reserve	Revenue reserve	Translation reserve	Accumulated profit	Non-controlling interest	Total
	(Rupees '000)							
Balance as at January 01, 2014	9,341,100	228,350	6,380	-	1,041,870	3,163,872	-	13,781,572
<b>Total comprehensive income</b>								
Profit for the period after taxation	-	-	-	-	-	1,735,501	-	1,735,501
Other comprehensive income for the period	-	-	-	-	(57,380)	-	-	(57,380)
Total comprehensive income for the period	-	-	-	-	(57,380)	1,735,501	-	1,678,121
<b>Transactions with owners, recorded directly in equity</b>								
<b>Distributions to owners</b>								
Final dividend 2013 (Rs. 2.25 per share)	-	-	-	-	-	(2,101,748)	-	(2,101,748)
Interim dividend 2014 (Rs. 1 per share)	-	-	-	-	-	(934,110)	-	(934,110)
Total transactions with owners	-	-	-	-	-	(3,035,858)	-	(3,035,858)
<b>Balance as at September 30, 2014</b>	<b>9,341,100</b>	<b>228,350</b>	<b>6,380</b>	<b>-</b>	<b>984,490</b>	<b>1,863,515</b>	<b>-</b>	<b>12,423,835</b>

Balance as at January 01, 2015	9,341,100	228,350	6,380	-	904,466	3,773,055	-	14,253,351
<b>Total comprehensive income</b>								
Profit / (Loss) for the period after taxation	-	-	-	-	-	1,466,532	(440)	1,466,092
Other comprehensive income for the period	-	-	-	(11,110)	(170,112)	-	-	(181,222)
Total comprehensive income for the period	-	-	-	(11,110)	(170,112)	1,466,532	(440)	1,284,870
<b>Transactions with owners, recorded directly in equity</b>								
<b>Distributions to owners</b>								
Non-controlling interest in share capital	-	-	-	-	-	-	750,000	750,000
Final dividend 2014 (Rs. 2.25 per ordinary share)	-	-	-	-	-	(2,101,748)	-	(2,101,748)
Interim dividend 2015 (Re. 0.75 per share)	-	-	-	-	-	(700,585)	-	(700,585)
Total transactions with owners	-	-	-	-	-	(2,802,333)	750,000	(2,052,333)
<b>Balance as at September 30, 2015</b>	<b>9,341,100</b>	<b>228,350</b>	<b>6,380</b>	<b>(11,110)</b>	<b>734,354</b>	<b>2,437,254</b>	<b>749,560</b>	<b>13,485,888</b>

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

**CHAIRMAN**

**CHIEF EXECUTIVE**

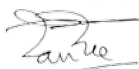
**DIRECTOR**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

FOR THE PERIOD ENDING 31 DECEMBER 2015

		2015	2014
	Note	(Rupees '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	14	(14,096,350)	564,834
Income tax paid		(2,559,311)	(1,381,092)
Payment to Gratuity Fund		5,064	(51,301)
Finance cost paid		(954,306)	(914,795)
Compensated absences paid		(23,123)	(30,138)
Payment to Workers Welfare Fund		(121,115)	-
Payment to Workers' (Profit) Participation Fund		(20,557)	(49,808)
Net cash (used in) operating activities		(17,769,698)	(1,862,300)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		(9,480,363)	(1,238,019)
Long term investment		(593,071)	174,912
Sale proceeds of property, plant and equipment		12,652	22,941
Short term investments		8,137,373	(1,248,173)
Dividend from mutual funds		590,643	293,572
Profit received on bank balances and term deposits		139,931	181,858
Net cash (used in) investing activities		(1,192,835)	(1,812,909)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		13,350,000	10,000,000
Deferred Government assistance payment		(648,201)	(648,201)
Long term loans		2,300,000	-
Equity by Fauji Foundation in subsidiary		750,000	-
Dividend paid		(2,773,985)	(2,895,365)
Net cash generated from financing activities		12,977,814	6,456,434
Net (decrease) / increase in cash and cash equivalents		(5,984,719)	2,781,225
Cash and cash equivalents at the beginning of the period		5,566,841	(4,305,569)
Cash and cash equivalents at the end of the period		(417,878)	(1,524,344)
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents included in the statement of cash flows comprises the following balance sheet amounts:			
- Cash and bank balances		8,880,311	3,346,639
- Short term highly liquid investments		563,222	1,577,080
- Short term running finance		(9,861,411)	(6,448,063)
		(417,878)	(1,524,344)

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



**CHAIRMAN**



**CHIEF EXECUTIVE**



**DIRECTOR**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2015

1. Fauji Fertilizer Bin Qasim Limited 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 FFBL is situated at Rawalpindi, Pakistan. FFBL is domiciled in Rawalpindi, Pakistan. The principal objective of FFBL is manufacturing, purchasing and marketing of fertilizers. FFBL commenced its commercial production effective January 1, 2000.

Fauji Fertilizer Bin Qasim Limited group comprises of Fauji Fertilizer Bin Qasim Limited (FFBL / parent company) and its fully owned subsidiaries, Fauji Meat Limited (FML), Fauji Foods limited (FFL) and FFBL Power Company Limited (FPCL), 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.

FFL is a public limited company incorporated on July 04, 2013 in Pakistan under the Companies Ordinance, 1984. The principal objectives of FFL are to produce multi brand dairy products.

FFBL Power Company Limited is a public limited company incorporated on June 27, 2014 in Pakistan under the Companies Ordinance, 1984. The principal activity is generation and supply of electricity and all other forms of energy.

2. This condensed interim consolidated financial report is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial report of the Group for the period ended September 30, 2015 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 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).

The disclosures in this condensed interim consolidated financial information do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2014. Comparative consolidated balance sheet is extracted from annual consolidated financial statements as of December 31, 2014 whereas comparative consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity are extracted from unaudited condensed interim consolidated financial information of FFBL and its subsidiaries for the nine months ended September 30, 2015.

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

3. The accounting policies and method of computation adopted for the preparation of this condensed interim consolidated financial information is same as those applied in preparation of consolidated financial statements for the preceding year ended December 31, 2014.
4. Group consists of following subsidiary companies:

	Shares	Percentage
Fauji Meat Limited	300,000,000	75
FFBL Power Company Limited	516,750,000	100
Fauji Foods Limited	28,519,700	100

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

Un - audited September 30, 2015	Audited December 31, 2014
(Rupees '000)	

### 5. LONG TERM LOANS

Loans from banking companies-secured	12,300,000	10,000,000
Less: Current portion shown under current liabilities	1,500,000	-
	10,800,000	10,000,000

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

		Un - audited September 30, 2015	Audited December 31, 2014
Note		(Rupees '000)	
<b>6. DEFERRED GOVERNMENT ASSISTANCE</b>			
	Deferred Government assistance from Government of Pakistan (GoP)	1,298,539	1,925,179
	Less: Current portion shown under current liabilities	1,296,401	1,944,600
		2,138	(19,421)
	Deferred Government assistance	(2,138)	19,421
		-	-
<b>7. DEFERRED LIABILITIES</b>			
	Compensated leave absences	424,829	393,853
	Deferred tax	2,425,737	2,923,339
		2,850,566	3,317,192
<b>7.1</b>	The balance of deferred tax is in respect of the following major temporary differences:		
	Accelerated depreciation	2,347,649	2,940,894
	Share of profit of associates	127,915	40,387
	Provision for inventory obsolescence	(49,827)	(57,942)
		2,425,737	2,923,339
<b>8. CONTINGENCIES AND COMMITMENTS</b>			
	<b>Contingencies</b>		
i)	Indemnity bonds and undertakings given to the customs authorities for the machinery imported by the Company for installation at plant site.	119,650	119,650
ii)	Guarantees issued by banks on behalf of the Company.	52,614	60,692
iii)	Company's share of contingent liabilities of Fauji Cement Company Limited as at June 30, 2015 (2014: September 30, 2014).	22,367	22,250
iv)	Company's share of contingent liabilities of Foundation Wind Energy - I Limited as at June 30, 2015 (2014: September 30, 2014).	62,349	62,873
v)	Company's share of contingent liabilities of Foundation Wind Energy - II (Pvt) Limited as at June 30, 2015 (2014: September 30, 2014).	62,349	62,873
vi)	Company's share of contingent liabilities of Askari Bank Limited as at June 30, 2015 (2014: September 30, 2014).	34,241,664	34,965,631
	<b>Commitments</b>		
i)	Capital expenditures - contracted.	1,271,971	3,603,502
ii)	Letters of credit for purchase of stores, spares and raw materials.	983,336	1,079,418
iii)	Company's share of commitments for investment in wind power projects.	71,256	865,078
iv)	Company's share of commitments of PMP as at June 30, 2015 (2014: September 30, 2014).	2,262	4,623
v)	Group's share of commitments of Fauji Meat Limited	2,677,551	69,916
vi)	Group's share of commitments of FFBL Power Company Limited	10,584,484	5,390,538
vii)	Group's share of commitments of Fauji Cement Company Limited as at June 30, 2015 (2014: September 30, 2014).	1,115	10,785
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>			
	Opening written down value	14,864,264	13,059,509
	Additions	9,480,363	3,194,633
	Disposals	(47,568)	(48,994)
	Depreciation	(1,050,071)	(1,383,849)
	Depreciation on disposed off items	40,156	42,965
	Closing written down value	23,287,144	14,864,264

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

	Un - audited September 30, 2015	Audited December 31, 2014
	(Rupees '000)	
<b>10. LONG TERM INVESTMENTS</b>		
<b>Investment in joint venture - equity method</b>		
Pakistan Maroc Phosphore S.A, Morocco (PMP)		
Balance brought forward	2,579,774	2,346,725
Share of profit	332,564	368,974
Loss during the year on translation of net assets	(169,742)	(135,925)
Closing balance	2,742,596	2,579,774
<b>Investment in associates - equity method</b>		
Fauji Cement Company Limited (FCCL)		
Balance brought forward	364,800	358,313
Share of profit	56,144	34,612
Dividend	(46,875)	(28,125)
Closing balance	374,069	364,800
Foundation Wind Energy - I Limited (FWE-I)		
Opening balance	1,102,352	923,941
Advance paid during the year against issue of shares	68,343	189,042
Share of loss	(3,491)	(10,631)
Closing balance	1,167,204	1,102,352
Foundation Wind Energy - II (Pvt) Limited (FWE-II)		
Opening balance	1,149,908	971,100
Advance paid during the year against issue of shares	44,875	180,461
Share of loss	(31,505)	(1,653)
Closing balance	1,163,278	1,149,908
Askari Bank Limited (AKBL)		
Opening balance	5,342,681	5,262,054
Share of profit	861,179	353,990
Dividend	(543,768)	(271,884)
Effect of revaluation	(11,110)	-
Effect of translation	(370)	(1,479)
Closing balance	5,648,612	5,342,681
Noon Pakistan Limited		
Opening balance	-	-
Advance paid during the year against issue of shares	479,853	-
Closing balance	479,853	-
<b>Investment - available for sale - unquoted</b>		
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
	-	-
	<b>11,575,612</b>	<b>10,539,515</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

	Un - audited		Un - audited	
	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	(Rupees '000)		(Rupees '000)	
<b>11. COST OF SALES</b>				
Raw materials consumed	10,545,770	8,637,802	26,704,549	20,991,080
Packing materials consumed	156,866	166,186	400,233	414,417
Fuel and power	993,462	755,858	2,504,079	1,958,990
Chemicals and supplies consumed	60,576	69,141	170,857	178,739
Salaries, wages and benefits	253,972	546,643	1,091,583	1,375,394
Rent, rates and taxes	6,451	5,781	18,771	70,150
Insurance	24,600	24,755	74,888	74,668
Travel and conveyance	34,978	49,048	103,966	122,969
Repairs and maintenance	184,612	177,535	762,764	657,620
Communication, establishment and others	15,131	7,996	32,241	32,093
Legal & professional charges	3,925	4,499	11,109	26,197
Other expenses	17,278	19,189	42,291	52,845
Depreciation	333,288	335,106	998,995	1,004,892
Opening stock - work in process	-	-	103,341	26,936
Closing stock - work in process	(1,457)	(13,624)	(53,516)	(52,088)
Cost of goods manufactured	12,629,452	10,785,915	32,966,121	26,934,902
Opening stock - finished goods	5,521,196	4,137,459	277,952	547,596
Closing stock - finished goods	(12,680,741)	(4,966,684)	(12,680,741)	(4,966,684)
Cost of sales	5,469,907	9,956,690	20,563,332	22,515,814
<b>12. OTHER INCOME FROM ASSOCIATES</b>				
Share of profit from associates				
Share of profit - PMP	27,486	46,606	332,564	31,218
Share of profit / (loss) - FWE-I	4,711	(4,516)	(3,491)	(9,672)
Share of profit / (loss) - FWE-II	15,785	(4,524)	(31,505)	(2,932)
Share of profit - FCCL	28,972	8,228	56,144	26,769
Share of profit - AKBL	386,943	246,182	861,179	140,908
	463,897	291,976	1,214,891	186,291
Profit on bank balances	43,609	50,393	176,460	182,272
Gain / Dividend from mutual funds and other investments	22,611	100,772	337,256	268,172
Scrap sales and other receipts	10,142	16,748	39,131	44,211
Gain on sale of fixed assets	3,849	18	5,240	14,045
	80,211	167,931	558,087	508,700
	544,108	459,907	1,772,978	694,991

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

	Un - audited		Un - audited	
	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	(Rupees '000)		(Rupees '000)	
<b>13. TAXATION</b>				
Current tax	(202,871)	(386,320)	(443,927)	(847,748)
Deferred tax	36,487	46,539	498,702	291,593
	<u>(166,384)</u>	<u>(339,781)</u>	<u>54,775</u>	<u>(556,155)</u>

13.1 This includes an amount of Rs. 191 million recognized as super tax @ 3% on imputed taxable income for the tax year 2015.

13.2 Reversal of deferred tax liability is due to downward revision in income tax rates enacted in Finance Act 2015.

	Un - audited	
	Nine months ended September 30,	
	2015	2014
	(Rupees '000)	
<b>14. CASH (USED IN) GENERATED FROM OPERATIONS</b>		
Profit before taxation from ordinary activities	1,411,317	2,399,715
<b>Adjustment for:</b>		
Provision for gratuity	60,246	53,534
Exchange losses	206,309	112,639
Provision for compensated absences	54,099	114,771
Provision for Workers' (Profit) Participation Fund	77,107	130,868
Provision for Workers' Welfare Fund	28,726	49,731
Depreciation	1,050,071	1,036,239
Finance cost	1,214,218	918,709
Profit on bank balances and term deposits	(176,460)	(182,272)
Profit from associates	(1,214,891)	-
Dividend from mutual funds	-	(307,635)
Gain on sale of investments	(337,256)	(260,546)
Gain on sale of property, plant and equipment	(5,240)	(14,045)
<b>Operating profit before working capital changes</b>	<b>2,368,246</b>	<b>4,051,708</b>
<b>Changes in working capital</b>		
Stores and spares	(1,611)	(135,042)
Stock in trade	(14,086,909)	(5,718,986)
Trade debts	654,509	666,327
Advances	(116,788)	(40,346)
Trade deposits and short term prepayments	(64,134)	(29,553)
Other receivables	(64,657)	(681,483)
Sales tax receivable	(1,269,917)	(34,623)
Trade and other payables	(1,515,089)	2,486,832
	<u>(16,464,596)</u>	<u>(3,486,874)</u>
<b>Cash (used in) / generated from operations</b>	<b>(14,096,350)</b>	<b>564,834</b>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

Un - audited  
Nine months ended September 30,  
**2015**                      **2014**  
(Rupees '000)

## 15. RELATED PARTY TRANSACTIONS

### Transactions with associated undertakings due to common directorship

Services and material acquired	538,957	599,382
Services and material provided	1,864	6,281
Commission charged to the Company	9,724	11,161
Dividend paid	1,910,203	2,069,386
Rent charged to the Company	1,049	989
Profit on bank balances (AKBL)	20,911	-
Balance receivable -unsecured (FFCL)	204,849	173,420*
Balance receivable -secured (FCCL)	28,125	14,063
Balance payable -unsecured	233	- *
Balances at bank (AKBL)	3,431,801	- *
Investments	113,218	285,269

### Transactions with jointly controlled entity

Purchase of raw materials	22,031,589	17,325,157
Expenses incurred on behalf of jointly controlled entity	9,882	13,142
Balance payable - secured	5,517,636	5,745,925*
Balance receivable - unsecured	28,499	37,526*

### Other related parties

Contribution to Provident Fund	44,500	43,076
Contribution to Gratuity Fund	60,246	53,533
Remuneration including benefits and perquisites of Chief Executive Officer and executives	218,154	203,010
No of persons 2015 : 1 and 21. ( 2014 : 1 and 18 )		
Payment to Workers' (Profit) Participation Fund	20,557	49,808
Payment to Workers' Welfare Fund	121,115	-
Balance payable - (WWF+WPPF) unsecured	1,060,452	1,096,074*
Payable to Gratuity Fund	263,538	198,228*

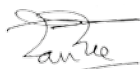
\* Balance of accounts appearing as comparatives are as at December 31, 2014

## 16. GENERAL

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

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

16.3 This condensed interim consolidated financial information was authorized for issue by the Board of Directors of the Company in their meeting held on October 27, 2015.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

