

Third Quarter **Accounts** 2016



FFBL
Fauji Fertilizer Bin Qasim Limited

Company Information

DIRECTORS

- Lt Gen Khalid Nawaz Khan, HI(M), Sitara-i-Esar, (Retd)
Chairman
- Lt Gen Muhammad Haroon Aslam, HI(M), SBt, (Retd)
Chief Executive & Managing Director
- Lt Gen Shafqaat Ahmed, HI(M), (Retd)
- Mr Qaiser Javed
- Dr Nadeem Inayat
- Maj Gen Muhammad Farooq Iqbal, HI(M), (Retd)
- Maj Gen Syed Jamal Shahid, HI(M), (Retd)
- Maj Gen Kaleem Saber Taseer, 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, DHA II, Islamabad.

Tel: (051) 8763325

Fax: (051) 8763302

E-mail: secretary@ffbl.com

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

PLANTSITE

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

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
NIB Bank Limited
Silk Bank Limited
The Bank Of Punjab

Soneri Bank Limited
Summit Bank Limited
JS Bank Limited
Samba Bank Limited
Zarari Taraqiati Bank Limited
Industrial Bank of China
The Bank of Khyber
Al-Baraka Bank (Pakistan) Limited
Dubai Islamic Bank Pakistan Limited
Bank Islami Pakistan Limited
Burj Bank 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, Sidat Hyder
Chartered Accountants
Eagle Plaza, 75 West,
Fazal-i-Haq Road, Blue Area
Islamabad.

SHARES REGISTRAR

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

Directors' Review

For the Period Ended September 30, 2016

The Board of Directors presents a brief overview of the operational and financial performance of the Company for the nine months ended September 30, 2016.

By the grace of Almighty, the overall performance of the plants remained satisfactory during the period. Increased Gas supply has resulted in better overall production of Ammonia, Urea and DAP in terms of installed capacity. The average curtailment was 14% as compared to 31% in corresponding period. Ammonia, Urea and DAP plants remained closed for 30, 43 and 38 days respectively. Production of Ammonia at 331 thousand tonnes, Urea at 349 thousand tonnes and DAP at 579 thousand tonnes was higher by 37%, 74% and 3% respectively compared with the corresponding period.

FFBL Urea (G) sales during Jan-Sep 2016 were 311 thousand tonnes, showing an increase of 84% as compared to 169 thousand tonnes sales for the same period last year. Sona DAP sales during the period were 308 thousand tonnes, 3% lower than 317 thousand tonnes sales of Jan-Sep 2015.

Increase in Urea (G) sales during the period is due to better production owing to better gas availability. DAP sales have slightly decreased compared to the sales in the same period last year.

Urea industry sales during Jan-Sep 2016 are estimated at 3,467 thousand tonnes showing a decrease of 12% as compared to 3,938 thousand tonnes sales during the same period of 2015. DAP industry sales during Jan-Sep 2016 are estimated at 912 thousand tonnes, 53% higher than 597 thousand tonnes sales of 2015.

Due to low off-take and high production, there were no Urea imports during Jan-Sep 2016 as compared to import of 507 thousand tonnes during Jan-Sep 2015. Low wheat price also affected farmer economics by denting their purchasing power.

The country imported 649 thousand tonnes of DAP during first nine months of 2016 compared to 636 thousand tonnes import during corresponding year showing increase of 2% in 2016.

During Jan-Sep 2016 FFBL share in Urea and DAP market is estimated to be 9.5% and 34% respectively. This share was at 7% and 61% in the same period last year.

FFBL's financial results for the period Jan-Sep 2016 have shown a gross profit of Rs. 339 million as compared to gross profit of Rs 4,488 million in the corresponding period. The main reason for this is classification of subsidy of Rs. 3,171 million received on Urea and DAP in Other Income. Low international DAP prices have adversely affected Company's results. The contribution of

Rs. 50/bag on Urea by the industry has further increased loss of FFBL. Other factors include increased carrying cost of high inventory levels and reduced margins due to impact of cost of Gas Infrastructure Development Cess (GIDC) on fuel and feed gas, which FFBL did not pass on to its customers.

Selling and distribution expenses have increased due to increased despatches to storage godowns resulting from increased production during the period as compared to the corresponding period. Financial charge increased due to carrying cost of inventory and delayed payment of subsidy claim by GoP. Other income mainly includes dividend received from Askari Bank Limited and Fauji Cement Company Limited and GoP subsidy on DAP and Urea. Net loss after tax, as a result of the above stated factors stood at Rs. 1,054 million as against profit of Rs. 939 million in the corresponding period. Company's loss per share at September 30, 2016 stood at Rs. (1.13) against EPS of Rs. 1.01 in the corresponding period of previous year.

Consistent gas supply is still a challenge for fertilizer sector in the days to come. With the winter season approaching and increased amount of gas needed by domestic consumers, provision of required gas to commercial sector poses a real test for GoP. FFBL is in close coordination with Ministry of Petroleum and SSGCL for continuous and improved gas supply up to the contracted quantity.

For and on behalf of the Board



Islamabad

October 24, 2016

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

Condensed Interim Financial Information



CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016

		Un - audited September 30, 2016	Audited December 31, 2015
	Note	(Rupees '000)	
EQUITY AND LIABILITIES			
ISSUED SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital		9,341,100	9,341,100
Capital reserve		228,350	228,350
Accumulated profit		808,261	4,711,566
		10,377,711	14,281,016
NON-CURRENT LIABILITIES			
Long term loans	5	12,667,000	9,375,000
Deferred liabilities	7	2,217,434	2,734,408
		14,884,434	12,109,408
CURRENT LIABILITIES			
Trade and other payables		12,767,081	12,828,378
Mark - up accrued		525,634	279,593
Short term borrowings		24,975,554	17,987,560
Current portion of long term loans	5	4,333,000	625,000
Current portion of deferred Government assistance	6	648,200	1,296,401
		43,249,469	33,016,932
		68,511,614	59,407,356
CONTINGENCIES AND COMMITMENTS			
	8		

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

		Un - audited September 30, 2016	Audited December 31, 2015
	Note	(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	11,607,578	12,126,103
Long term investments	10	20,080,724	17,894,621
Long term deposits		78,643	78,643
Long term loans	11	45,150	-
		31,812,095	30,099,367
CURRENT ASSETS			
Stores and spares		2,560,848	2,473,487
Stock in trade		14,836,874	4,549,432
Trade debts		3,118,880	1,024,702
Advances		733,945	797,346
Trade deposits and short term prepayments		52,520	40,609
Interest accrued		27,834	51,781
Other receivables	12	3,833,939	4,871,072
Income tax refundable - net		1,916,109	823,321
Sales tax refundable		3,030,102	1,128,203
Short term investments	13	2,225,497	4,607,748
Cash and bank balances		4,362,971	8,940,288
		36,699,519	29,307,989
		68,511,614	59,407,356


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2016	2015	2016	2015
		(Rupees '000)		(Rupees '000)	
Sales - net		10,227,954	7,057,130	22,101,237	25,051,044
Cost of sales	14	(9,552,460)	(5,472,822)	(21,762,424)	(20,563,333)
Gross profit		675,494	1,584,308	338,813	4,487,711
Selling and distribution expenses		(1,377,569)	(906,079)	(2,987,788)	(2,352,287)
Administrative expenses		(311,751)	(265,937)	(1,025,902)	(915,683)
		(1,013,826)	412,292	(3,674,877)	1,219,741
Finance costs		(621,611)	(580,148)	(1,573,750)	(1,420,452)
Other operating expenses		(456)	(14,614)	(1,814)	(64,922)
		(1,635,893)	(182,470)	(5,250,441)	(265,633)
Other income	15	1,409,016	374,616	3,877,812	1,120,535
(Loss) / profit before taxation		(226,877)	192,146	(1,372,629)	854,902
Taxation	16	67,404	(11,403)	318,369	84,206
(Loss) / profit after taxation		(159,473)	180,743	(1,054,260)	939,108
(Loss) / earnings per share - basic and diluted (Rupees)		(0.17)	0.19	(1.13)	1.01

The annexed notes 1 to 20 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, 2016**

	Quarter ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	(Rupees '000)		(Rupees '000)	
(Loss) / Profit after taxation	(159,473)	180,743	(1,054,260)	939,108
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income	(159,473)	180,743	(1,054,260)	939,108

The annexed notes 1 to 20 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, 2016**

		2016	2015
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	17	(12,618,919)	(13,602,097)
Income tax paid		(1,322,594)	(2,284,254)
Contribution from Gratuity Fund		6,270	5,064
Finance costs paid		(1,315,344)	(1,040,024)
Compensated absences paid		(26,039)	(23,123)
Payment to Workers' Welfare Fund		-	(121,115)
Receipt from / (payment to) Workers' (Profit) Participation Fund		10,971	(20,557)
Net cash used in operating activities		(15,265,655)	(17,086,106)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(568,688)	(711,325)
Long term investments		(2,186,102)	(5,763,243)
Sale proceeds of property, plant and equipment		13,879	12,652
Dividend received		372,668	590,643
Proceeds from short-term investments		-	8,137,373
Long term loans disbursed		(45,150)	-
Profit received on bank balances and term deposits		227,853	153,678
Net cash (used in) / generated from investing activities		(2,185,540)	2,419,778
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred Government assistance payment		(648,201)	(648,201)
Long term financing		7,000,000	-
Short term borrowings - net		1,260,051	8,400,000
Dividend paid		(2,848,166)	(2,773,985)
Net cash generated from financing activities		4,763,684	4,977,814
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(12,687,511)	(9,688,514)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
		9,260,476	5,137,262
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
		(3,427,035)	(4,551,252)
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		4,362,971	4,746,938
- Short-term highly liquid investments		2,225,497	563,222
- Short-term running finance		(10,015,503)	(9,861,412)
		(3,427,035)	(4,551,252)

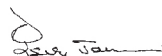
The annexed notes 1 to 20 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

	Share capital	Capital reserve	Accumulated profit	Total
	(Rupees '000)			
Balance as at January 01, 2015	9,341,100	228,350	3,502,187	13,071,637
Total comprehensive income				
Profit for the period after taxation	-	-	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)
Balance as at September 30, 2015	9,341,100	228,350	1,638,964	11,208,414

Balance as at January 01, 2016	9,341,100	228,350	4,711,566	14,281,016
Total comprehensive income / (loss)				
Loss for the period after taxation	-	-	(1,054,260)	(1,054,260)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(1,054,260)	(1,054,260)

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)
Total transactions with owners	-	-	(2,849,045)	(2,849,045)
Balance as at September 30, 2016	9,341,100	228,350	808,261	10,377,711

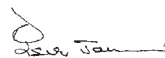
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CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2016

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. Previously, the shares of the Company were quoted on Karachi, Lahore and Islamabad stock exchanges of Pakistan. However, due to integration of these stock exchanges into Pakistan Stock Exchange effective January 11, 2016 the shares of the Company are now quoted on 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 condensed interim financial information of the Company, for the nine months ended September 30, 2016, has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in this condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended December 31, 2015. The comparative Balance Sheet is extracted from the annual financial statements, as of December 31, 2015, whereas the comparative Profit and Loss Account, Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity are extracted from the unaudited condensed interim financial information, for the period ended September 30, 2015.

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

In this condensed interim 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 condensed interim financial information are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2015.

4. Status of significant shareholdings as at September 30, 2016 is given below:

	Shares	Percentage
Fauji Fertilizer Company Limited	465,891,896	49.88
Fauji Foundation	170,842,386	18.29
	Un - audited September 30, 2016	Audited December 31, 2015
	(Rupees '000)	

5. LONG TERM LOANS

Loans from banking companies - secured	17,000,000	10,000,000
Less: Current portion shown under current liabilities	4,333,000	625,000
	12,667,000	9,375,000

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

		Un - audited September 30, 2016	Audited December 31, 2015
	Note	(Rupees '000)	
6. DEFERRED GOVERNMENT ASSISTANCE			
Deferred Government assistance from Government of Pakistan (GoP)		648,200	1,298,539
Less: Current portion shown under current liabilities		648,200	1,296,401
		-	2,138
Deferred Government assistance		-	(2,138)
		-	-
7. DEFERRED LIABILITIES			
Compensated leave absences		471,142	439,942
Deferred tax	7.1	1,746,292	2,294,466
		2,217,434	2,734,408
7.1 The balance of deferred tax is in respect of the following major temporary differences:			
Debit arising in respect of:			
Accelerated depreciation		2,110,153	2,344,293
Credits arising on account of:			
Provision for inventory obsolescence		(26,067)	(49,827)
Unabsorbed losses		(337,794)	-
		1,746,292	2,294,466
8. CONTINGENCIES AND COMMITMENTS			
Contingencies			
i) Guarantees issued by banks on behalf of the Company.		49,994	55,612
Commitments			
i) Capital expenditures - contracted.		1,479,336	830,063
ii) Letters of credit for purchase of stores, spares and raw materials.		1,167,267	859,046
9. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		12,126,103	12,202,673
Additions during the period / year		568,688	1,330,544
Disposals during the period / year		(17,156)	(49,456)
Depreciation during the period / year		(1,084,726)	(1,398,223)
Depreciation charged on disposals during the period / year		14,669	40,565
Closing written down value		11,607,578	12,126,103

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

		Un - audited September 30, 2016	Audited December 31, 2015
	Note	(Rupees '000)	
10. LONG TERM INVESTMENTS			
Investment in joint venture - at cost	10.1	1,411,150	1,411,150
Investment in associates - at cost	10.2	7,991,556	8,471,413
Subsidiary companies - at cost	10.3	10,678,018	8,012,058
Other long term investments	10.4	-	-
		20,080,724	17,894,621
10.1. Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A. Morocco (PMP)		1,411,150	1,411,150
10.2. Investment in associates - at cost			
Quoted			
Fauji Cement Company Limited (FCCL)		300,000	300,000
Askari Bank Limited (AKBL)		5,230,991	5,230,991
Fauji Foods Limited (formerly Noon Pakistan Limited)		-	479,857
Un-quoted			
Foundation Wind Energy - I Limited (FWE-I)			
Shares		1,225,873	740,374
Share deposit money		-	485,499
		1,225,873	1,225,873
Foundation Wind Energy - II (Pvt) Limited (FWE-II)			
Shares		1,234,692	687,935
Share Deposit Money		-	546,757
		1,234,692	1,234,692
		7,991,556	8,471,413
10.3. Investment in subsidiaries			
Quoted			
Fauji Foods Limited (formerly Noon Pakistan Limited)	10.3.1	2,663,924	-
Un-quoted			
Fauji Meat Limited (FML)		2,250,000	2,250,000
FFBL Foods Limited (formerly Fauji Foods Limited)			
Shares		285,197	285,197
Share Deposit Money		13,272	11,236
		298,469	296,433
FFBL Power Company Limited (FPCL)			
Shares		5,465,625	5,167,500
Share deposit money		-	298,125
		5,465,625	5,465,625
		10,678,018	8,012,058
10.3.1	During the period, the Company acquired further shares and subscribed to a right issue by Fauji Foods Limited (formerly Noon Pakistan Limited) and the Company now holds 49.53% (December 31, 2015: 38.25%) voting shares and 56.94% (December 31, 2015: 38.25%) non-voting shares.		
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
		-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

11. LONG-TERM LOANS

During the period, the Company has provided Rs. 45.15 million (December 31, 2015: Nil) as Subordinated Loans and Guarantee Facility 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.

12. OTHER RECEIVABLES

This includes an amount of Rs. 849 million (December 31, 2015: Rs. 536 million) receivable from Fauji Fertilizer Company Limited, an associated company, on account of amounts 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 Deposit Receipts of various banks, having maturity periods upto 3 months and carrying mark-up between 5.10% to 6.00% per annum (December 31, 2015: 6.00% to 8.50% per annum).

	Un - audited		Un - audited	
	Quarter ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	(Rupees '000)		(Rupees '000)	
14. COST OF SALES				
Raw materials consumed	8,703,776	10,545,770	26,001,480	26,704,549
Packing materials consumed	155,418	156,866	431,372	400,233
Fuel and power	1,061,572	993,462	2,994,691	2,504,079
Chemicals and supplies consumed	56,272	60,576	156,305	170,827
Salaries, wages and benefits	355,798	253,972	1,083,908	1,091,583
Rent, rates and taxes	6,214	6,452	18,211	18,771
Insurance	23,959	24,600	75,290	74,888
Travel and conveyance	29,238	34,978	93,215	103,966
Repairs and maintenance	169,144	184,612	951,042	762,764
Communication, establishment and others	30,467	36,334	93,242	85,642
Depreciation	340,936	333,288	1,022,987	998,995
Opening stock - work in process	56,976	54,973	108,069	103,341
Closing stock - work in process	(40,682)	(53,516)	(40,682)	(53,516)
Cost of goods manufactured	10,949,088	12,632,367	32,989,130	32,966,122
Opening stock - finished goods	11,480,638	5,521,196	1,650,560	277,952
Closing stock - finished goods	(12,877,266)	(12,680,741)	(12,877,266)	(12,680,741)
Cost of sales	9,552,460	5,472,822	21,762,424	20,563,333

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

	Note	Un - audited Quarter ended September 30,		Un - audited Nine months ended September 30,	
		2016	2015	2016	2015
		(Rupees '000)		(Rupees '000)	
15. OTHER INCOME					
Profit on bank balances & term deposits		53,015	38,007	183,670	149,960
Gain / Dividend from mutual funds and other investments		-	22,610	100	337,256
Provision written back		-	-	77,502	-
Dividend received-FCCL		-	28,125	32,813	46,875
Dividend received-AKBL		-	271,884	339,855	543,768
Subsidy income on DAP		848,262	-	2,443,295	-
Subsidy income on Urea		485,914	-	727,403	-
Interest on sub-ordinated loans		5,621	-	20,135	-
Scrap sale and other receipts		9,124	10,142	29,282	37,436
Exchange (loss) / gain		(3,365)	-	12,365	-
Gain on sale of property, plant and equipment		10,445	3,848	11,392	5,240
		<u>1,409,016</u>	<u>374,616</u>	<u>3,877,812</u>	<u>1,120,535</u>
16. TAXATION					
Current tax	16.1	-	89,978	229,806	501,175
Deferred tax		(67,404)	(78,575)	(548,175)	(585,381)
		<u>(67,404)</u>	<u>11,403</u>	<u>(318,369)</u>	<u>(84,206)</u>
16.1	This includes an amount of Rs. 183 million recognized as super tax @ 3% on the taxable income for the tax year 2016.				

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

		Un - audited	
		Nine months ended September 30,	
		2016	2015
		(Rupees '000)	
17. CASH USED IN OPERATIONS			
(Loss) / Profit before taxation from ordinary activities	(1,372,629)	854,902	
Adjustment for non-cash charges and other items:			
Provision for gratuity	60,367	60,246	
Exchange (gains) / losses	(12,365)	206,309	
Provision for compensated absences	57,239	54,099	
Provision for Workers' (Profit) Participation Fund	-	45,895	
Provision for Workers' Welfare Fund	-	17,098	
Provision for obsolete stores	(77,502)	-	
Depreciation	1,084,726	1,043,590	
Finance costs	1,573,750	1,214,143	
Mark-up on sub-ordinated loans	(1,436)	-	
Guarantee fee on sub-ordinated loans	(18,699)	-	
Profit on bank balances and term deposits	(183,770)	(149,960)	
Dividend from associates	(372,668)	(590,643)	
Gain on sale of investments	-	(337,256)	
Gain on disposal of property, plant and equipment	(11,392)	(5,240)	
Operating profit before working capital changes	725,621	2,413,183	
Changes in working capital			
Stores and spares	(9,859)	(14,472)	
Stock in trade	(10,287,443)	(14,086,909)	
Trade debts	(2,094,178)	652,221	
Advances	63,401	172,016	
Trade deposits and short term prepayments	(11,911)	(63,364)	
Other receivables	1,037,133	102,503	
Sales tax refundable	(1,901,899)	(1,059,989)	
Trade and other payables	(139,784)	(1,717,286)	
	(13,344,540)	(16,015,280)	
Cash used in operations	(12,618,919)	(13,602,097)	

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

Un - audited
Nine months ended September 30,
2016 2015
(Rupees '000)

18. RELATED PARTY TRANSACTIONS

Transactions with subsidiary companies

Investment in Fauji Meat Limited (FML)	-	882,808
Investment in FFBL Foods Limited	1,036	9,647
Investment in FFBL Power Company Limited (FPCL)	-	4,109,237
Investment in Fauji Foods Limited (FFL)	2,184,067	-
Services provided to Fauji Foods Limited (FFL)	34,146	-

Transactions with associated undertakings

Services and material acquired	786,896	538,957
Services and material provided	9,501	1,864
Commission charged to the Company	12,376	9,724
Dividend paid	1,942,040	1,910,203
Rent charged to the Company	378	1,049
Profit on bank balances (AKBL)	27,817	20,870
Markup on running finance (AKBL)	726	-
Receipts under consignment account (FFCL)	22,371,651	27,771,303
Balance receivable -unsecured (FFCL)	849,095	536,643*
Balance receivable -unsecured (FFL)	12,299	-
Balance payable -unsecured (FF)	-	233
Interest and guarantee fee from FWE-I and FWE-II	20,136	-
Balances at bank (AKBL)	589,076	2,781,914*
Running finance availed (AKBL)	449,999	-
Investments in FWE-I and FWE-II	-	113,278

Transactions with joint venture

Purchase of raw materials	17,954,930	22,031,589
Expenses incurred on behalf of joint venture	10,339	9,882
Balance payable - secured	4,203,468	5,762,811*
Balance receivable - unsecured	14,940	35,503*

Other related parties

Contribution to Provident Fund	47,294	44,500
Contribution to Gratuity Fund	60,367	60,246
Remuneration including benefits and perquisites of Chief Executive Officer and executives	270,684	218,154
No of persons 2016 : 1 and 27. (2015 : 1 and 21)		
Payment to Workers' Welfare Fund	-	121,115
(Receipt from) / Payment to Workers' (Profit) Participation Fund	(10,971)	20,557
Balance payable - (WWF+WPPF) unsecured	1,053,074	1,042,103*
Payable to Gratuity Fund	351,203	284,566*

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

19. DATE OF AUTHORIZATION FOR ISSUE

19.1 This condensed interim financial information was authorized for issue on October 24, 2016 by the Board of Directors of the Company.

20. GENERAL

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

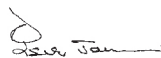
20.2 Corresponding figures have been reclassified / re-arranged, wherever necessary. However, there were no significant reclassifications / rearrangement to report.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

Condensed Interim Consolidated Financial Information



CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2016

		Un - audited September 30, 2016	Audited December 31, 2015
Note		(Rupees '000)	
EQUITY AND LIABILITIES			
ISSUED SHARE CAPITAL AND RESERVES			
		9,341,100	9,341,100
		228,350	228,350
		1,148,430	482,449
		524,862	355,039
		686,238	711,110
		2,519,694	5,757,067
		14,448,674	16,875,115
Non-Controlling Interest		2,426,367	2,565,620
		16,875,041	19,440,735
NON-CURRENT LIABILITIES			
	5	33,847,988	13,075,000
	7	2,705,110	3,005,138
		36,553,098	16,080,138
CURRENT LIABILITIES			
		13,767,930	13,025,985
		890,556	433,269
		25,500,555	25,336,060
	5	4,927,790	625,000
	6	648,200	1,296,401
		45,735,031	40,716,715
		99,163,170	76,237,588
CONTINGENCIES AND COMMITMENTS			
	8		

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

		Un - audited September 30, 2016	Audited December 31, 2015
	Note	(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	40,164,051	29,519,433
Long term investments	10	17,163,592	12,823,721
Long term deposits		78,643	78,643
Long-term loans	11	45,150	-
		57,451,436	42,421,797
CURRENT ASSETS			
Stores and spares		2,590,485	2,473,577
Stock in trade		14,851,548	4,549,432
Trade debts		3,355,202	1,024,702
Advances		799,889	802,555
Trade deposits and short term prepayments		120,931	126,795
Interest accrued		36,755	51,781
Other receivables	12	3,833,948	4,871,604
Unamortized transaction cost		-	330,394
Income tax refundable - net		2,161,499	1,110,582
Sales tax refundable		3,838,478	1,439,978
Short term investments	13	4,425,497	4,607,748
Cash and bank balances		5,697,502	12,426,643
		41,711,734	33,815,791
		99,163,170	76,237,588


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

		Quarter ended September 30,		Nine months ended September 30,	
		2016	2015	2016	2015
Note		(Rupees '000)		(Rupees '000)	
Sales - net		10,566,813	7,056,841	22,547,833	25,051,044
Cost of sales	14	(9,935,680)	(5,469,907)	(22,363,938)	(20,563,332)
Gross profit		631,133	1,586,934	183,895	4,487,712
Selling and distribution expenses		(1,486,543)	(906,080)	(3,136,434)	(2,352,287)
Administrative expenses		(338,637)	(282,214)	(1,097,083)	(967,797)
		(1,194,047)	398,640	(4,049,622)	1,167,628
Finance costs		(715,151)	(580,184)	(1,757,059)	(1,420,527)
Other operating expenses		(456)	(26,861)	(1,814)	(108,762)
		(1,909,654)	(208,405)	(5,808,495)	(361,661)
Other income	15				
Share of profit of associates and joint venture		811,124	463,897	1,789,935	1,214,891
Others		1,418,274	80,211	3,537,428	558,087
		2,229,398	544,108	5,327,363	1,772,978
(Loss) / profit before taxation		319,744	335,703	(481,132)	1,411,317
Taxation	16	(75,354)	(166,384)	123,374	54,775
(Loss) / profit after taxation		244,390	169,319	(357,758)	1,466,092
Attributable to:					
- Owners of the holding Company		311,339	169,759	(218,505)	1,466,532
- Non controlling interest		(66,949)	(440)	(139,253)	(440)
		244,390	169,319	(357,758)	1,466,092
Earnings / (loss) per share - basic and diluted (Rupees)		0.26	0.18	(0.38)	1.57

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


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

	Quarter ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	(Rupees '000)		(Rupees '000)	
Profit / (loss) after taxation	244,390	169,319	(357,758)	1,466,092
Other comprehensive income				
Exchange difference on translating a joint venture	41,940	179,507	(24,310)	(169,744)
Effect of translation - share of Askari Bank Limited under equity method	(1,315)	(71)	(562)	(368)
Revaluation reserve on available for sale investments	386,958	(11,110)	665,981	(11,110)
Total comprehensive income	671,973	337,645	283,351	1,284,870
Attributable to:				
- Owners of the holding Company	738,922	338,085	422,604	1,285,310
- Non controlling interest	(66,949)	(440)	(139,253)	(440)
	671,973	337,645	283,351	1,284,870

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


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

		2016	2015
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	17	(12,583,826)	(14,096,350)
Income tax paid		(1,314,219)	(2,559,311)
Payment to Gratuity Fund		6,270	5,064
Finance cost paid		(1,297,008)	(954,306)
Compensated absences paid		(26,039)	(23,123)
Payment to Workers Welfare Fund		-	(121,115)
Receipt from / (payment to) Workers' (Profit) Participation Fund		10,971	(20,557)
Net cash used in operating activities		(15,203,851)	(17,769,698)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(11,855,506)	(9,480,363)
Long term investments		(2,184,067)	(593,071)
Long term loans		(45,150)	-
Dividend received		372,668	590,643
Sale proceeds of property, plant and equipment		13,879	12,652
Short term investments		-	8,137,373
Profit received on bank balances and term deposits		246,721	139,931
Net cash used in investing activities		(13,451,455)	(1,192,835)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		1,260,051	13,350,000
Deferred Government assistance payment		(648,202)	(648,201)
Long term loans		25,075,778	2,300,000
Equity by Fauji Foundation in Subsidiary		-	750,000
Dividend paid		(2,848,157)	(2,773,985)
Net cash generated from financing activities		22,839,470	12,977,814
NET DECREASE IN CASH AND CASH EQUIVALENTS		(5,815,836)	(5,984,719)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		5,398,331	5,566,841
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		(417,505)	(417,878)
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		5,697,502	8,880,311
- Short term highly liquid investments		4,425,497	563,222
- Short term running finance		(10,540,504)	(9,861,411)
		(417,505)	(417,878)

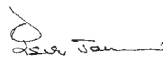
The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	Reserves							Total
	Share capital	Capital reserve	Revaluation reserve on available for sale investments	Statutory reserve	Translation reserve	Accumulated profit	Non-controlling interest	
	(Rupees '000)							
Balance as at January 01, 2015	9,341,100	228,350	-	6,380	904,466	3,773,055	-	14,253,351
Total comprehensive income								
Profit for the period after taxation	-	-	-	-	-	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
Transactions with owners, recorded directly in equity								
Distributions to owners								
Non-controlling share 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 ordinary share)	-	-	-	-	-	(700,585)	-	(700,585)
Total transactions with owners	-	-	-	-	-	(2,802,333)	750,000	(2,052,333)
Balance as at September 30, 2015	9,341,100	228,350	(11,110)	6,380	734,354	2,437,254	749,560	13,485,888
Balance as at January 01, 2016	9,341,100	228,350	482,449	355,039	711,110	5,757,067	2,565,620	19,440,735
Total comprehensive income								
Loss for the period after taxation	-	-	-	-	-	(218,505)	(139,253)	(357,758)
Other comprehensive income for the period	-	-	665,981	-	(24,872)	-	-	641,109
Total comprehensive income / (loss) for the period	-	-	665,981	-	(24,872)	(218,505)	(139,253)	283,351
Transfer to statutory reserve	-	-	-	169,823	-	(169,823)	-	-
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)
Total transactions with owners	-	-	-	-	-	(2,849,045)	-	(2,849,045)
Balance as at September 30, 2016	9,341,100	228,350	1,148,430	524,862	686,238	2,519,694	2,426,367	16,875,041

The annexed notes 1 to 20 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, 2016

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 the Karachi, Lahore and Islamabad stock exchanges in Pakistan. However, due to integration of these stock exchanges into Pakistan Stock Exchange (PSX) effective January 11, 2016 the shares of the company are now quoted on the 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 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), FFBL Foods limited 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.

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."

2. BASIS OF PREPARATION

This condensed interim consolidated financial information 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, 2016 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 financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended December 31, 2015. Comparative balance sheet is extracted from annual financial statements as of December 31, 2015 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from unaudited condensed interim financial information of FFBL and its subsidiaries for the nine months ended September 30, 2015.

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

3. ACCOUNTING POLICIES

The accounting policies and method of computation adopted for the preparation of this condensed interim financial information is same as those applied in preparation of financial statements for the preceding year ended December 31, 2015.

4. Group consists of following subsidiary companies:

	Shares	Percentage
Fauji Meat Limited	225,000,000	75
FFBL Power Company Limited	546,562,500	75
FFBL 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, 2016	Audited December 31, 2015
(Rupees '000)	

5. LONG TERM LOANS

Loans from banking companies - secured	38,775,778	13,700,000
Less: Current portion shown under current liabilities	4,927,790	625,000
	33,847,988	13,075,000

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

		Un-audited September 30, 2016	Audited December 31, 2015
	Note	(Rupees '000)	
6. DEFERRED GOVERNMENT ASSISTANCE			
Deferred Government assistance from Government of Pakistan (GoP)		648,200	1,298,539
Less: Current portion shown under current liabilities		648,200	1,296,401
		-	2,138
Deferred Government assistance		-	(2,138)
		-	-
7. DEFERRED LIABILITIES			
Compensated leave absences		471,142	439,942
Deferred tax	7.1	2,233,968	2,565,196
		2,705,110	3,005,138
7.1 The balance of deferred tax is in respect of the following major temporary differences:			
Accelerated depreciation		2,110,151	2,344,293
Share of profit of associates - net		363,111	201,844
Provision for stores obsolescence		(26,067)	(49,827)
Deferred tax on revaluation of available for sale investments		95,140	68,886
Unabsorbed losses		(308,367)	-
		2,233,968	2,565,196
8. CONTINGENCIES AND COMMITMENTS			
Contingencies			
i) Guarantees issued by banks on behalf of the Company.		49,994	55,612
ii) Group's share of contingent liabilities of Fauji Cement Company Limited as at March 31, 2016		30,174	22,153
iii) Group's share of contingent liabilities of Foundation Wind Energy - I Limited as at June 30, 2016		64,129	63,945
iv) Group's share of contingent liabilities of Foundation Wind Energy - II (Pvt) Limited as at June 30, 2016		64,129	63,945
v) Group's share of contingent liabilities of Fauji Meat Limited		500	-
vi) Group's share of contingent liabilities of Askari Bank Limited as at June 30, 2016		49,780,502	38,858,428
vii) Group's share of contingent liabilities of Fauji Foods Limited as at June 30, 2016		7,826	13,727
Commitments			
i) Capital expenditures - contracted.		1,479,336	830,063
ii) Letters of credit for purchase of stores, spares and raw materials.		1,167,267	859,046
iii) Commitments with Fauji Foundation for investment in FWE- I & FWE- II		81,407	164,430
iv) Company's share of commitments of PMP as at June 30, 2016.		37,825	8,080
v) Commitments of Fauji Meat Limited		267,826	1,988,964
vi) Commitments of FFBL Power Company Limited		3,629,148	10,584,484
vii) Group's share of commitments of Fauji Cement Company Limited as at March 30, 2016.		2,829	1,795
viii) Group's share of commitments of Fauji Foods Limited as at June 30, 2016.		271,603	307,913
9. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		29,519,433	14,864,264
Additions during the period / year		11,855,506	16,072,516
Disposals during the period / year		(17,156)	(49,456)
Depreciation during the period / year		(1,208,401)	(1,408,456)
Depreciation charged on disposals during the period / year		14,669	40,565
Closing written down value		40,164,051	29,519,433

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

	Un - audited September 30, 2016	Audited December 31, 2015
Note	(Rupees '000)	
10. LONG TERM INVESTMENTS		
Investment in joint venture - equity method		
Pakistan Maroc Phosphore S.A. Morocco (PMP)		
Balance brought forward	3,094,397	2,579,774
Share of profit	558,182	711,077
Loss during the year on translation of net assets	(22,022)	(196,454)
Closing balance	3,630,557	3,094,397
Investment in associates - equity method		
Fauji Cement Company Limited (FCCL)		
Balance brought forward	379,345	364,800
Share of profit	43,304	61,420
Dividend	(32,813)	(46,875)
Closing balance	389,836	379,345
Foundation Wind Energy - I Limited (FWE-I)		
Opening balance	1,244,195	1,102,352
Advance paid during the year against issue of shares	-	68,343
Share of profit	186,786	73,500
Closing balance	1,430,981	1,244,195
Foundation Wind Energy - II (Pvt) Limited (FWE-II)		
Opening balance	1,231,217	1,149,908
Advance paid during the year against issue of shares	-	44,875
Share of profit	350,608	36,434
Closing balance	1,581,825	1,231,217
Fauji Foods Limited (Formerly Known as Noon Pakistan Limited)	10.1	
Balance brought forward	471,988	479,857
Advance paid during the year against issue of shares	2,184,067	-
Share of loss	(206,936)	(7,869)
Closing balance	2,449,119	471,988
Askari Bank Limited (AKBL)		
Opening balance	6,402,579	5,342,681
Share of profit	857,991	1,051,485
Dividend	(339,855)	(543,768)
Revenue reserve on revaluation of available for sale investment - net	761,121	551,370
Effect of translation	(562)	811
Closing balance	7,681,274	6,402,579
Investment - available for sale - unquoted		
Arabian Sea Country Club Limited (ASCCL)		
300,000 ordinary shares of Rs. 10 each	3,000	3,000
Less: Impairment in value of investment	3,000	3,000
	-	-
	17,163,592	12,823,721

10.1 Fauji Foods Limited (Formerly Known as Noon Pakistan Limited) is a subsidiary of FFBL as at September 30, 2016. Exemption has been granted by Securities and Exchange Commission of Pakistan to FFBL from consolidation. Therefore, it has been treated as an associate for this condensed interim consolidated financial information.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

11. LONG-TERM LOANS

During the period, the Company has provided Rs. 45.15 million (December 31, 2015: Nil) as sub-ordinated loans to Foundation Wind Energy- I Limited and Foundation Wind Energy- II Pvt Ltd, at KIBOR + 2 % per annum, on the terms set out in the repective agreements in compliance with section 208 of the company Ordinance 1984. In addition to the above the guaranteed facilities have also been provided to Foundation Wind Energy- I Limited and Foundation Wind Energy- II (Pvt) limited for securing running finance to meet there working capital requirements.

12. OTHER RECEIVABLES

This includes an amount of Rs. 849 million (December 31, 2015: Rs. 536 million) receivable from Fauji Fertilizer Company Limited, an associated company, on account of amounts 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 Deposit Receipts of various banks, having maturity periods upto 3 months and carrying mark-up between 5.10% to 6.00% per annum (December 31, 2015: 6.00% to 8.50% per annum).

14. COST OF SALES

	Un - audited Quarter ended September 30,		Un - audited Nine months ended September 30,	
	2016	2015	2016	2015
	(Rupees '000)		(Rupees '000)	
Raw materials consumed	8,942,189	10,545,770	26,319,166	26,704,549
Packing materials consumed	157,646	156,866	434,725	400,233
Fuel and power	1,075,777	993,462	3,020,221	2,504,079
Chemicals and supplies consumed	56,272	60,576	156,305	170,827
Salaries, wages and benefits	406,067	253,972	1,181,848	1,091,583
Rent, rates and taxes	10,555	6,451	27,494	18,771
Insurance	26,296	24,600	82,392	74,888
Travel and conveyance	42,651	34,978	113,712	103,966
Repairs and maintenance	170,249	184,612	955,710	762,764
Communication, establishment and others	30,146	36,334	96,851	85,641
Depreciation	395,857	333,288	1,138,705	998,995
Opening stock - work in process	56,976	-	108,069	103,341
Closing stock - work in process	(40,682)	(1,457)	(40,682)	(53,516)
Cost of goods manufactured	11,329,999	12,629,452	33,594,516	32,966,121
Opening stock - finished goods	11,486,819	5,521,196	1,650,560	277,952
Closing stock - finished goods	(12,881,138)	(12,680,741)	(12,881,138)	(12,680,741)
Cost of sales	9,935,680	5,469,907	22,363,938	20,563,332

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

Note	Un - audited Quarter ended September 30,		Un - audited Nine months ended September 30,	
	2016	2015	2016	2015
	(Rupees '000)		(Rupees '000)	
15. OTHER INCOME				
Share of profit / (loss) from associates				
Share of Profit- PMP	145,394	27,486	558,182	332,564
Share of Profit / (loss) - FWE-I	122,409	4,711	186,786	(3,491)
Share of Profit / (loss) - FWE-II	284,214	15,785	350,608	(31,505)
Share of Profit- FCCL	-	28,972	43,304	56,144
Share of Profit- AKBL	379,129	386,943	857,991	861,179
Share of Loss Fauji Foods Limited	(120,022)	-	(206,936)	-
	811,124	463,897	1,789,935	1,214,891
Profit on bank balances & term deposits	58,495	43,609	211,460	176,460
Gain / Dividend from mutual funds and other investments	-	22,611	100	337,256
Provision written back	-	-	77,502	-
Subsidy income on DAP	848,262	-	2,443,295	-
Subsidy income on Urea	485,914	-	727,403	-
Interest and guarantee fee from FWE-I & FWE-II	5,621	-	20,135	-
Scrap sale and other receipts	10,935	10,142	31,316	39,131
Exchange (loss) / gain	(1,608)	-	12,365	-
Gain on sale of property, plant & equipment	10,445	3,849	11,392	5,240
Misc income	210	-	2,460	-
	1,418,274	80,211	3,537,428	558,087
	2,229,398	544,108	5,327,363	1,772,978
16. TAXATION				
Current tax	16.1 10,100	202,871	263,302	443,927
Deferred tax	65,254	(36,487)	(386,676)	(498,702)
	75,354	166,384	(123,374)	(54,775)

16.1 This includes an amount of Rs. 183 million recognized as super tax @ 3% on the taxable income for the tax year 2016.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

	Un - audited	
	Nine months ended September 30,	
	2016	2015
	(Rupees '000)	
17. CASH USED IN OPERATIONS		
(Loss) / Profit before taxation from ordinary activities	(481,132)	1,411,317
Adjustment for non-cash charges and other items:		
Provision for gratuity	60,367	60,246
Exchange (gains) / losses	(9,601)	206,309
Provision for compensated absences	57,239	54,099
Provision for obsolete stores	(77,502)	-
Provision for Workers' (Profit) Participation Fund	-	77,107
Provision for Workers' Welfare Fund	-	28,726
Depreciation	1,208,401	1,050,071
Finance costs	1,754,295	1,214,218
Profit on bank balances and term deposits	(211,560)	(176,460)
Guarantee fee on sub-ordinated loans	(18,699)	-
Profit from associates-net	(1,789,935)	(1,214,891)
Mark-up on sub-ordinated loans	(1,436)	-
Gain on sale of investments	-	(337,256)
Gain on disposal of property, plant and equipment	(11,392)	(5,240)
Operating profit before working capital changes	479,045	2,368,246
Changes in working capital		
Stores and spares	(39,406)	(1,611)
Stock in trade	(10,302,116)	(14,086,909)
Trade debts	(2,330,500)	654,509
Advances	2,666	(116,788)
Trade deposits and short term prepayments	5,864	(64,134)
Other receivables	1,037,656	(64,657)
Unamortized transaction cost	330,394	-
Sales tax refundable	(2,398,500)	(1,269,917)
Trade and other payables	631,071	(1,515,089)
	(13,062,871)	(16,464,596)
Cash used in operations	(12,583,826)	(14,096,350)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

Un - audited

Nine months ended September 30,

2016 2015
(Rupees '000)

18. RELATED PARTY TRANSACTIONS

Transactions with associated undertakings

Services and material acquired	786,896	538,957
Services and material provided	9,501	1,864
Commission charged to the Company	12,376	9,724
Dividend paid-net	1,942,040	1,910,209
Rent charged to the Company	378	1,049
Profit on bank balances (AKBL)	27,817	20,911
Markup on running finance (AKBL)	726	-
Receipts under consignment account (FFCL)	22,371,651	27,771,303
Balance receivable -unsecured (FFCL)	849,095	536,643*
Balance receivable -unsecured (FFL)	12,299	-
Balance payable -unsecured (FF)	-	233
Interest and guarantee fee from FWE-I and FWE-II	20,136	-
Balances at bank (AKBL)	589,076	2,781,914*
Running finance availed (AKBL)	449,999	-
Investments in FWE-I and FWE-II	-	113,218

Transactions with joint venture

Purchase of raw materials	17,954,930	22,031,589
Expenses incurred on behalf of joint venture	10,339	9,882
Balance payable - secured	4,203,468	5,762,811*
Balance receivable - unsecured	14,940	35,503*

Other related parties

Contribution to Provident Fund	47,294	44,500
Contribution to Gratuity Fund	60,367	60,246
Remuneration including benefits and perquisites of Chief Executive Officer and executives	270,684	218,154
No of persons 2016 : 1 and 27. (2015 : 1 and 21)		
Payment to Workers' Welfare Fund	-	121,115
(Receipt from) / Payment to Workers' (Profit) Participation Fund	(10,971)	20,557
Balance payable - (WWF+WPPF) unsecured	1,053,074	1,042,103*
Payable to Gratuity Fund	351,203	284,566*

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


19. DATE OF AUTHORIZATION FOR ISSUE

19.1 This condensed interim consolidated financial information was authorized for issue on October 24, 2016 by the Board of Directors of the Company.

20. GENERAL

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

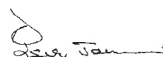
20.2 Corresponding figures have been reclassified / re-arranged, wherever necessary. However, there were no significant reclassifications / rearrangement to report.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

