



Third Quarter **ACCOUNTS 2017**

Company Information

DIRECTORS

- Lt Gen Khalid Nawaz Khan, HI(M), Sitara-i-Esar, (Retd)
Chairman
- Lt Gen Javed Iqbal, HI(M), (Retd)
Chief Executive & Managing Director
- Lt Gen Shafqaat Ahmed, HI(M), (Retd)
- Mr Qaiser Javed
- Dr Nadeem Inayat
- Maj Gen Kaleem Saber Taseer, HI(M) (Retd)
- Maj Gen Tahir Ashraf Khan, HI(M) (Retd)
- Maj Gen Wasim Sadiq, HI(M) (Retd)
- Brig Raja Jahanzeb, SI (M), (Retd)
- Mr Naved A. Khan
- Mr Nasier A. Sheikh
- Dr Rashid Bajwa

COMPANY SECRETARY

Brig Abdul Rehman, (Retd)

GROUP GENERAL MANAGER FINANCE

Syed Aamir Ahsan

REGISTERED OFFICE

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

Tel: +92 51 8763325, Fax: +92 51 8763304-05

E-mail: secretary@ffbl.com

PLANTSITE

Plot No. EZ/II/P-1 Eastern Zone, Port Qasim, Karachi 75020.

Tel: +92 21 34724500-29 Fax : +92 21 34750704

Email: information@ffbl.com

WEB PRESENCE

www.ffbl.com

BANKERS

Habib Bank Limited	The First Micro Finance Bank Limited
MCB Bank Limited	Soneri Bank Limited
United Bank Limited	Summit Bank Limited
National Bank of Pakistan	JS Bank Limited
Allied Bank Limited	Samba Bank Limited
Askari Bank Limited	Zarari Taraqati Bank Limited
Faysal Bank Limited	Industrial Bank of China
Standard Chartered Bank (Pakistan) Limited	The Bank of Khyber
Habib Metropolitan Bank Limited	Al-Baraka Bank (Pakistan) Limited
Bank Al-Falah Limited	Dubai Islamic Bank Pakistan Limited
Bank Al-Habib Limited	Bank Islami Pakistan Limited
Silk Bank Limited	Meezan Bank Limited
The Bank of Punjab	MCB Islamic Bank Limited

LEGAL ADVISORS

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

AUDITORS

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

SHARES REGISTRAR

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

Directors' Review

For the Period Ended September 30, 2017

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, 2017.

By the Grace of Almighty, the overall performance of the plants remained satisfactory and safe during the period. Gas curtailment continued and affected the overall production of Ammonia, Urea and DAP in terms of installed capacity. Average curtailment was 30% as compared with 14% in the corresponding period. However, provision of power and steam by FFBL Power Company Limited. resulted in improved production. Production of Ammonia at 352 thousand tonnes, Urea at 380 thousand tonnes and DAP at 597 thousand tonnes was higher by 7%, 9% and 3% respectively comparing with the corresponding period. Highest ever Ammonia quarterly production of 141 thousand tonnes was achieved in the 3rd quarter of 2017 along with record monthly production of 49 thousand tonnes in July, 2017.

During Jan-Sep 2017, Urea sales were 344 thousand tonnes, showing an increase of 11% as compared to 311 thousand tonnes sales of corresponding period of 2016, while DAP sales were 426 thousand tonnes, 38% higher than 308 thousand tonnes sales of Jan-Sep, 2016. The increase in DAP sales is primarily attributed to continuation of subsidy regime and lower prices, which encouraged forward buying.

Urea industry sales during Jan-Sep, 2017 are estimated at 4,100 thousand tonnes showing an improvement of 18% as compared to 2016. DAP industry sales during Jan-Sep, 2017 are estimated at 1,216 thousand tonnes, 29% higher than comparative period sales of 940 thousand tonnes in 2016. FFBL share in Urea and DAP market is estimated to be 9% and 35% respectively. DAP import during Jan-Sep, 2017 was 1,029 thousand tonnes which is 59% higher than the imports of 648 thousand tonnes during Jan-Sep, 2016.

The Government substituted cash subsidy of Rs. 300 per bag with an equivalent reduction in GST on DAP and subsidy on Urea was also reduced from Rs. 156 per bag to Rs. 100 per bag w.e.f. July 01, 2017.

FFBL financial results have shown improvement during the period Jan-Sep, 2017 as compared with corresponding period, primarily due to higher DAP sales in the 3rd quarter of the current year. The Company earned significantly higher gross profit of Rs. 2,083 million as compared to gross profit of Rs. 339 million in the corresponding period. International DAP prices remained under pressure of excessive supply, which constrained margins of the Company, which were further exacerbated due to impact of cost of Gas Infrastructure Development Cess. The contribution of Rs. 50/bag of Urea by the industry was increased to Rs. 106/bag from July, 2017. Consequently the net loss after tax stood at Rs 278 million (Rs. 0.30 per share) for the nine months ended Sep 30, 2017, decreasing by Rs 776 million (74%) against corresponding period loss of Rs. 1,054 million (Rs. 1.13 per share).

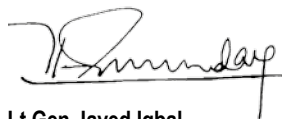
The PMP plant achieved ever highest nine month cumulative Phosphoric Acid production of 349 thousand tonnes during the period Jan-Sep, 2017. This production was also 8 thousand tonnes higher than the budgeted quantity. PMP reported a profit of Moroccan Dirhams 50 million for the half year ended June 30, 2017 as against a profit of Moroccan Dirhams 52 million for the corresponding period.

With the Rabi sowing season approaching the domestic sales of DAP is likely to pick-up pace and FFBL expects to earn a positive annual return for the year 2017 for its stakeholders. 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 SSGCL for improvement of gas supply.

For and on behalf of the Board



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



Lt Gen Javed Iqbal,
HI (M), (Retd)
Chief Executive & Managing Director

Islamabad

October 19, 2017

ڈائریکٹر کا تجزیہ (30 ستمبر 2017)

بورڈ آف ڈائریکٹرز کو 30 ستمبر 2017 تک کمپنی کی مالیاتی اور پیداواری کارکردگی کا تجزیہ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔ اللہ کے فضل و کرم سے 9 ماہ کے دوران پلانٹس کی مجموعی کارکردگی محفوظ اور تسلی بخش رہی۔ گیس کی قلت کی وجہ سے تنصیب شدہ گنجائشی صلاحیت استعمال نہ کی جاسکی، جسکی وجہ سے امونیا، یوریا اور ڈی اے پی کی پیداوار متاثر رہی۔ مالیاتی سال میں گیس کی قلت پچھلے سال کے 14% کے مقابلے میں 30% رہی۔ تاہم FFBL پاور کمپنی کی مہیا کردہ توانائی اور بھاپ سے پیداوار میں بہتری آئی۔ مالیاتی سال کے دوران 352 ہزار ٹن امونیا، 380 ہزار ٹن یوریا اور 597 ہزار ٹن ڈی اے پی کی پیداوار پچھلے سال کے مقابلے بالترتیب 7%، 9% اور 3% زیادہ رہی۔ امونیا کی بلند ترین سہ ماہی پیداوار (141 ہزار ٹن)، 2017 کی تیسری سہ ماہی میں حاصل کی گئی، اور جولائی 2017 میں 49 ہزار ٹن پیداوار کی گئی، جو کہ ریکارڈ ماہانہ پیداوار تھی۔

جنوری - ستمبر 2017 کے دوران یوریا کی فروخت 344 ہزار ٹن رہی جو کہ 2016 کے مقابلے میں 311 ہزار ٹن سے 11% زیادہ تھی۔ جبکہ جنوری - ستمبر 2016 کی ڈی اے پی فروخت 308 ہزار ٹن کے مقابلے میں 2017 میں ڈی اے پی کی فروخت 426 ہزار ٹن رہی جو کہ 2016 سے 38% زیادہ تھی۔ ڈی اے پی کی فروخت میں اس اضافے کی وجوہات میں سبسڈی سکیم کا تسلسل اور کم قیمتیں تھیں جس سے قبل از وقت خرید کار حجان رہا۔

2016 کے مقابلے میں یوریا کی مجموعی صنعت کی فروخت 2017 میں 18% زیادہ رہی جو کہ 4,100 ہزار ٹن تھی۔

جنوری - ستمبر 2017 کے دوران ڈی اے پی کی مجموعی صنعت کی فروخت 1,216 ہزار ٹن تھی جو کہ 2016 کی فروخت (940 ہزار ٹن) سے 29% زیادہ تھی۔ پاکستان کی ڈی اے پی اور یوریا مارکیٹ میں FFBL کی حصہ داری بالترتیب 35% اور 9% تھی۔

جنوری - ستمبر 2017 کے دوران ڈی اے پی کی درآمد 1,029 ہزار ٹن تھی جو کہ جنوری ستمبر 2016 کی درآمد (648 ہزار ٹن) کے مقابلے میں 59% زیادہ تھی۔

حکومت نے ڈی اے پی پر 300 روپے فی بوری سبسڈی کی جگہ اسی کے برابر GST میں کمی کردی، جبکہ یوریا پر یکم جولائی 2017 سے سبسڈی 156 روپے سے کم کر کے 100 روپے فی بوری کردی۔

جنوری - ستمبر 2017 کے FFBL کے مالیاتی نتائج مقابلے میں بہتری ظاہر کرتے ہیں، جس کی بنیادی وجہ موجودہ سال کی تیسری سہ ماہی میں ڈی اے پی کی اچھی فروخت تھی۔ کمپنی نے مالیاتی سال 2016 کے عرصہ میں 339 ملین روپے کے مجموعی منافع کے مقابلے میں 2017 میں 2,083 ملین روپے مجموعی منافع حاصل کیا۔ دنیا میں رسد کی بہتات کی

وجہ سے ڈی اے پی کی قیمتیں دباؤ کا شکار رہیں، جس سے کمپنی کے منافع کی شرح کم رہی جو کہ گیس اور انفراسٹرکچر سسٹمز کی لاگت کی موجب مزید دباؤ کا شکار رہی۔

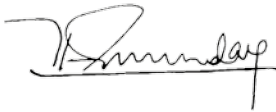
کھاد کی صنعت کی جانب سے جولائی 2017 سے یوریا کی قیمت میں 50 روپے فی بوری کی رعایت بڑھا کر 106 روپے کر دی گئی۔ نتیجتاً 30 ستمبر 2017 کے اختتام تک 9 ماہ کا بعد از ٹیکس خالص نقصان 278 ملین روپے (0.30 روپے فی شیئر) رہا۔ یہ مقابلہ عرصے 2016 کے خالص نقصان 1054 ملین روپے (1.13 روپے فی شیئر) کے مقابلے میں 776 ملین روپے (74%) کم رہا۔

جنوری - ستمبر 2017 کے دوران PMP پلانٹ نے 9 ماہ کی بلند ترین مجموعی طور پر فاسفورک ایسڈ کی ریکارڈ 349 ہزار ٹن پیداوار حاصل کی۔ یہ پیداوار متوقع مقدار سے 8 ہزار ٹن زیادہ تھی۔

PMP نے 30 جون 2017 کے نصف سال تک 50 ملین مراکشی درہم کا منافع رپورٹ کیا جو کہ مماثل عرصہ میں 52 ملین مراکشی درہم تھا۔

ربیع کی بوائی کے ساتھ ڈی اے پی کی ملکی فروخت بڑھنے کی توقع ہے اور FFBL کو اپنے شراکت داروں کے لیے 2017 میں بہتر سالانہ منافع کی توقع ہے۔ آنے والے دنوں میں فریٹ لائزر، ریکٹر کو گیس کی مسلسل فراہمی کے چیلنج کا سامنا ہے۔ گیس کی بہتر سپلائی کیلئے FFBL وزارت پٹرولیم اور سوئی سدرن گیس کمپنی کے ساتھ مسلسل رابطہ میں ہے۔

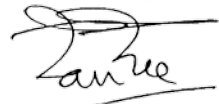
منجانب بورڈ آف ڈائریکٹرز



لیفٹیننٹ جنرل جاوید اقبال

ہلال امتیاز (ملٹری)، (ریٹائرڈ)

چیف ایگزیکٹو ایڈمنسٹریشننگ ڈائریکٹر



لیفٹیننٹ جنرل خالد نواز خان

ہلال امتیاز (ملٹری)، ستارہ ایٹار، (ریٹائرڈ)

چئیرمین

اسلام آباد

19 اکتوبر 2017



Interim Condensed Financial Information

INTERIM CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2017

		Un - audited September 30, 2017	Audited December31, 2016
Note		(Rupees '000)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
		9,341,100	9,341,100
Share capital			
		228,350	228,350
Capital reserve			
		2,349,550	3,187,608
Accumulated profit			
		11,919,000	12,757,058
NON-CURRENT LIABILITIES			
		14,333,333	16,541,667
Long-term loans	5		
		519,380	1,485,082
Deferred liabilities	7		
		14,852,713	18,026,749
CURRENT LIABILITIES			
		18,458,356	13,380,007
Trade and other payables			
		257,749	425,593
Accrued interest			
		18,063,284	15,723,561
Short-term borrowings			
		2,833,333	2,833,333
Current portion of long-term loans	5		
		-	648,200
Current portion of deferred Government assistance	6		
		39,612,722	33,010,694
		66,384,435	63,794,501

CONTINGENCIES AND COMMITMENTS

8

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

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

ASSETS

NON-CURRENT ASSETS

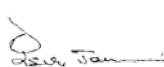
Property, plant and equipment	9	10,554,015	11,298,191
Long-term investments	10	21,055,773	20,080,773
Long-term deposits		78,643	78,643
Long-term loans	11	-	22,575
Deferred tax asset - net	7	533,620	-
		32,222,051	31,480,182

CURRENT ASSETS

Stores and spares		2,677,777	2,695,251
Stock-in-trade		9,832,549	2,427,140
Trade debts		2,842,091	3,523,559
Advances		1,208,932	1,070,760
Current portion of long-term loans	11	33,863	22,575
Trade deposits and short-term prepayments		59,054	53,076
Interest accrued		27,445	48,250
Other receivables	12	7,736,099	4,707,150
Income tax refundable - net		1,284,309	881,519
Sales tax refundable		1,597,232	1,112,797
Short-term investments	13	3,705,240	9,949,067
Cash and bank balances		3,157,793	5,823,175
		34,162,384	32,314,319
		66,384,435	63,794,501


CHAIRMAN


CHIEF EXECUTIVE

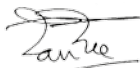

DIRECTOR


CHIEF FINANCIAL OFFICER

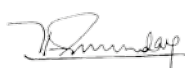
INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2017	2016	2017	2016
		(Rupees '000)		(Rupees '000)	
Sales - net		11,601,600	10,227,954	27,156,128	22,101,237
Cost of sales	14	(9,807,714)	(9,552,460)	(25,073,257)	(21,762,424)
Gross profit		1,793,886	675,494	2,082,871	338,813
Selling and distribution expenses		(1,295,513)	(1,377,569)	(3,319,799)	(2,987,788)
Administrative expenses		(324,896)	(311,751)	(1,036,880)	(1,025,902)
		173,477	(1,013,826)	(2,273,808)	(3,674,877)
Finance costs		(549,886)	(621,611)	(1,471,843)	(1,573,750)
Other operating expenses		(36,428)	(456)	(82,684)	(1,814)
		(412,837)	(1,635,893)	(3,828,335)	(5,250,441)
Other income	15	543,056	1,409,016	3,489,521	3,877,812
Profit / (loss) before taxation		130,219	(226,877)	(338,814)	(1,372,629)
Taxation - net	16	(23,528)	67,404	61,222	318,369
Profit / (loss) after taxation		106,691	(159,473)	(277,592)	(1,054,260)
Earnings / (loss) per share - basic and diluted (Rupees)		0.11	(0.17)	(0.30)	(1.13)

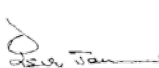
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CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

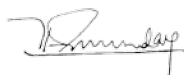
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

	Quarter ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	(Rupees '000)		(Rupees '000)	
Profit / (loss) after taxation	106,691	(159,473)	(277,592)	(1,054,260)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss)	106,691	(159,473)	(277,592)	(1,054,260)

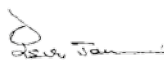
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CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

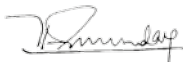
**INTERIM CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

		2017	2016
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	17	(3,933,005)	(12,618,919)
Income tax paid		(1,836,643)	(1,322,594)
Contribution from gratuity fund		2,418	6,270
Finance costs paid		(1,649,898)	(1,315,344)
Compensated absences paid		(74,583)	(26,039)
Receipts from Workers' (Profit) Participation Fund		11,296	10,971
Net cash used in operating activities		(7,480,415)	(15,265,655)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(459,432)	(568,688)
Long-term investments		(975,000)	(2,186,102)
Sale proceeds from disposal of property, plant and equipment		19,702	13,879
Dividend received		636,244	372,668
Investment at fair value through profit or loss - net		917,647	-
Long-term loans recovered / (disbursed)		11,287	(45,150)
Profit received on bank balances, term deposit receipts and sub-ordinated loans		294,897	227,853
Net cash generated from / (used in) investing activities		445,345	(2,185,540)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred Government assistance repaid		(648,200)	(648,201)
Long-term financing - net		(2,208,334)	7,000,000
Short-term borrowings - net		(1,881,285)	1,260,051
Dividend paid		(548,001)	(2,848,166)
Net cash (used in) / generated from financing activities		(5,285,820)	4,763,684
NET DECREASE IN CASH AND CASH EQUIVALENTS		(12,320,890)	(12,687,511)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		9,930,399	9,260,476
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		(2,390,491)	(3,427,035)
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		3,157,793	4,362,971
- Short-term highly liquid investments	13	2,000,000	2,225,497
- Short-term running finance		(7,548,284)	(10,015,503)
		(2,390,491)	(3,427,035)

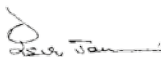
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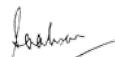
CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

	Share capital	Capital reserve	Accumulated profit	Total
	(Rupees '000)			
Balance as at January 01, 2016 - audited	9,341,100	228,350	4,711,566	14,281,016
Total comprehensive income				
Loss after taxation for the period	-	-	(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)
Balance as at September 30, 2016	9,341,100	228,350	808,261	10,377,711

Balance as at January 01, 2017 - audited	9,341,100	228,350	3,187,608	12,757,058
Total comprehensive income				
Loss after taxation for the period	-	-	(277,592)	(277,592)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(277,592)	(277,592)

Transactions with owners, recorded directly in equity

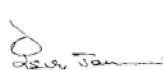
Distributions to owners

Final dividend 2016 (Re. 0.5 per ordinary share)	-	-	(467,055)	(467,055)
Final dividend 2016 (Re. 0.1 per ordinary share)	-	-	(93,411)	(93,411)
Total transactions with owners	-	-	(560,466)	(560,466)
Balance as at September 30, 2017	9,341,100	228,350	2,349,550	11,919,000

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


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2017

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

This interim condensed financial information of the Company, for the nine months ended September 30, 2017, has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

Securities and Exchange Commission of Pakistan, via its Circular No. 23 related Press Release of 2017, dated October 04, 2017, has instructed companies whose financial year closes on or before December 31, 2017 to prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

The disclosures in this interim condensed financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended December 31, 2016. The comparative Balance Sheet is extracted from the audited annual financial statements, as at December 31, 2016, whereas the comparative Profit and Loss Account, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity are extracted from the unaudited interim financial information, for the period ended September 30, 2016.

This interim condensed financial information is un-audited and is being submitted to the members, as required under Section 237 of the Companies Act, 2017, and the listing regulations of the Pakistan Stock Exchange (PSX). The interim consolidated financial information of the Company is prepared separately.

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

3. ACCOUNTING POLICIES

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

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

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

5. LONG-TERM LOANS

Loans from banking companies-secured	17,166,666	19,375,000
Less: Current portion shown under current liabilities	2,833,333	2,833,333
	14,333,333	16,541,667

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

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

		Un - audited September 30, 2017	Audited December 31, 2016
	Note	(Rupees '000)	
6. DEFERRED GOVERNMENT ASSISTANCE			
Deferred Government assistance from Government of Pakistan (GoP)		-	648,200
Less: Current portion shown under current liabilities		-	648,200
Deferred Government assistance		-	-
6.1 During the period, the Company has repaid the last installment of the GoP loan of Rs. 648,200 thousand.			
7. DEFERRED LIABILITIES			
Compensated leave absences		519,380	523,627
Deferred taxation - net	7.1	-	961,455
		519,380	1,485,082
7.1 The balance of deferred tax in respect of the following taxable / (deductable) temporary differences is as under:			
Accelerated tax depreciation		1,957,285	2,141,128
Provision for inventory obsolescence		(26,067)	(26,067)
Accrued liabilities and payables		(2,464,838)	(1,153,606)
		(533,620)	961,455
Deferred tax asset shown under non-current assets		533,620	-
		-	961,455
8. CONTINGENCIES AND COMMITMENTS			
Contingencies			
i) Guarantees issued by banks on behalf of the Company		71,840	67,745
Commitments			
i) Capital expenditures - contracted		1,459,682	1,399,627
ii) Letters of credit for purchase of stores, spares and raw materials		973,146	1,386,747
9. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		11,298,191	12,126,103
Additions during the period / year		459,432	716,136
Cost of disposals during the period / year		(44,146)	(100,264)
Depreciation charged during the period / year		(1,194,592)	(1,507,855)
Depreciation charged on disposals during the period / year		35,130	64,071
		10,554,015	11,298,191

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

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

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

	Un - audited September 30, 2017	Audited December 31, 2016
	(Rupees '000)	
10.4 Investment - available for sale - unquoted		
Arabian Sea Country Club Limited (ASCCL)		
300,000 ordinary shares of Rs. 10 each	3,000	3,000
Less: Impairment in value of investment	3,000	3,000
	-	-
11. LONG-TERM LOANS		
Long-term loans	33,863	45,150
Less: Current portion shown under current assets	33,863	22,575
	-	22,575

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

12. OTHER RECEIVABLES

This includes an amount of Rs. 3,579 million (December 31, 2016: Rs. 676 million) receivable from Fauji Fertilizer Company Limited, an associated company, on account of amounts recovered from customers against sales of the Company's products by FFCL under an inter-company services agreement.

	Un - audited September 30, 2017	Audited December 31, 2016
Note	(Rupees '000)	
13. SHORT-TERM INVESTMENTS		
Loans and receivables		
Term deposit receipts with various banks	13.1 2,000,000	7,434,500
Investments at fair value through profit or loss		
Mutual funds	1,705,240	2,514,567
	3,705,240	9,949,067

- 13.1** The balance at the period end includes investments in term deposit receipts, having maturity periods ranging from 3 months to 1 year and carrying mark-up between 6.50% to 9.15% per annum (December 31, 2016: 5.10% to 7.75% per annum).

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

	Un-audited Quarter ended September 30,		Un-audited Nine months ended September 30,	
	2017	2016	2017	2016
	(Rupees '000)		(Rupees '000)	
14. COST OF SALES				
Raw materials consumed	8,640,977	8,703,776	23,176,960	26,001,480
Packing materials consumed	197,773	155,418	461,876	431,372
Fuel and power	2,243,649	1,061,572	4,827,466	2,994,691
Chemicals and supplies consumed	53,761	56,272	151,042	156,305
Salaries, wages and benefits	376,523	355,798	1,148,388	1,083,908
Rent, rates and taxes	5,283	6,214	17,881	18,211
Insurance	14,783	23,959	47,142	75,290
Travel and conveyance	30,449	29,238	88,440	93,215
Repairs and maintenance	175,714	169,144	944,275	951,042
Communication, establishment and other expenses	41,359	30,467	124,160	93,242
Depreciation	346,853	340,936	1,034,772	1,022,987
Opening stock - work in process	30,008	56,976	80,055	108,069
Closing stock - work in process	(36,833)	(40,682)	(36,833)	(40,682)
Cost of goods manufactured	12,120,299	10,949,088	32,065,624	32,989,130
Opening stock - finished goods	5,817,709	11,480,638	1,137,927	1,650,560
Closing stock - finished goods	(8,130,294)	(12,877,266)	(8,130,294)	(12,877,266)
Cost of sales	9,807,714	9,552,460	25,073,257	21,762,424
15. OTHER INCOME				
Profit on bank balances and term deposits	68,222	53,015	261,640	183,670
Gain / dividend from mutual funds	22,128	-	108,320	100
Mark-up on subordinated loans	702	930	2,507	1,436
Guarantee fee	3,111	4,691	9,945	18,699
Provision written back	-	-	-	77,502
Dividend received-FCCL	16,875	-	16,875	32,813
Dividend received-AKBL	-	-	407,826	339,855
Dividend received-PMP	107,023	-	107,023	-
Subsidy income on DAP	-	848,262	1,581,534	2,443,295
Subsidy income on Urea	289,806	485,914	907,087	727,403
Scrap sales and other receipts	13,398	9,124	46,328	29,282
Exchange (losses) / gains	-	(3,365)	-	12,365
Gain on sale of property, plant and equipment	1,596	10,445	10,686	11,392
Others	20,195	-	29,750	-
	543,056	1,409,016	3,489,521	3,877,812

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

	Note	Un-audited Quarter ended September 30,		Un-audited Nine months ended September 30,	
		2017	2016	2017	2016
		(Rupees '000)		(Rupees '000)	
16. TAXATION - net					
Current tax	16.1	573,272	-	1,433,853	229,806
Deferred tax		(549,744)	(67,404)	(1,495,075)	(548,175)
		23,528	(67,404)	(61,222)	(318,369)

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

	Un-audited Nine months ended September 30,	
	2017	2016
	(Rupees '000)	
17. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(338,814)	(1,372,629)
Adjustment for non-cash charges and other items:		
Provision for gratuity	68,644	60,367
Exchange losses / (gains)	10,211	(12,365)
Provision for compensated absences	70,336	57,239
Provision for Workers' Welfare Fund	79,633	-
Provision written back	-	(77,502)
Depreciation	1,194,592	1,084,726
Finance costs	1,471,843	1,573,750
Profit on bank balances, term deposit receipts and gain / dividend from mutual funds	(369,960)	(183,770)
Dividend from associates	(531,724)	(372,668)
Gain on disposal of property, plant and equipment	(10,686)	(11,392)
Mark-up on sub-ordinated loans	(2,507)	(1,436)
Guarantee fee	(9,945)	(18,699)
Operating profit before working capital changes	1,631,623	725,621
Changes in working capital		
Stores and spares	17,474	(9,859)
Stock-in-trade	(7,405,409)	(10,287,443)
Trade debts	681,468	(2,094,178)
Advances	(138,172)	63,401
Trade deposits and short-term prepayments	(5,978)	(11,911)
Other receivables	(3,133,469)	1,037,133
Sales tax refundable	(484,435)	(1,901,899)
Trade and other payables	4,903,893	(139,784)
	(5,564,628)	(13,344,540)
Cash used in operations	(3,933,005)	(12,618,919)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

18. RELATED PARTY TRANSACTIONS

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

	Un-audited Nine months ended September 30,	
	2017	2016
	(Rupees '000)	
Transactions with Fauji Foundation:		
Dividend paid	102,505	521,069
Donation paid and services provided	29,830	-
Rent charged to the Company	-	378
Transactions with subsidiary companies:		
Investment in FFBL Foods Limited	-	1,036
Expenses paid on behalf of FFBL Foods Limited	256	-
Balance receivable from FFBL Foods Limited	256	- *
Investment in Fauji Foods Limited (FFL)	-	2,184,067
Investment in FFBL Power Company Limited (FPCL)	975,000	-
Material received from FFBL Power Company Limited (FPCL)	3,070,749	-
Balance payable to FFBL Power Company Limited (FPCL)	497,859	- *
Material / services provided to FFBL Power Company Limited (FPCL)	525,377	-
Balance receivable from FFBL Power Company Limited (FPCL)	143,235	- *
Expenses provided on behalf of Fauji Foods Limited (FFL)	53,009	34,146
Services provided to Fauji Meat Limited (FML)	21,749	-
Balance receivable from Fauji Meat Limited (FML)	21,749	- *
Transactions with associates		
Services and material acquired	846,242	786,896
Services and material provided	1,834	9,501
Commission charged to the Company	15,385	12,376
Services received from Fauji Foundation Hospital	375	361
Dividend paid	279,535	1,420,970
Profit on bank balances with AKBL	27,174	27,817
Income from TDR's with AKBL	930	-
Mark-up on running finance with AKBL	-	726
Expenses paid on behalf of Askari Bank Ltd (AKBL)	1,033	1,096
Balances at bank (AKBL)	365,346	1,648,699 *
Receipts under consignment account (FFCL)	28,111,090	22,371,651
Balance receivable - unsecured (FFCL)	3,579,377	675,776 *

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

	Un-audited Nine months ended September 30,	
	2017	2016
	(Rupees '000)	
Interest and guarantee fee from FWE-I and FWE-II	12,452	20,136
Transactions with Foundation gas	842	-
Balance payable - Foundation Gas	28	47 *
Transactions with joint venture:		
Purchase of raw materials	16,827,430	17,954,930
Expenses incurred on behalf of joint venture	6,674	10,339
Balance payable - secured	3,884,111	3,685,702 *
Balance receivable - unsecured	7,514	118,731 *
Other related parties:		
Contribution to Provident Fund	52,142	47,294
Contribution to Gratuity Fund	68,644	60,367
(Receipts from) / payment to Gratuity Fund	(2,418)	6,270
Receipts from Workers' (Profit) Participation Fund (WPPF) & Workers Welfare Fund (WWF)	(11,296)	(10,971)
Balance payable - unsecured (WWF and WPPF)	1,217,435	1,126,506 *
Payable to Gratuity Fund	206,933	135,871 *
Remuneration of key management personnel	321,987	270,684

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

FFBL has provided a cash collateral of Rs. 300 Million (out of total authorized limit of Rs. 1.5 billion) under lien on behalf of Fauji Meat Limited (FML) to secure working capital facility under the Special Resolution passed vide 13th Extra-Ordinary General Meeting held on August 28, 2017.

19. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

19.1 Financial risk factors

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

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

19.2 Fair Value estimation

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

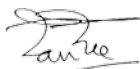
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

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

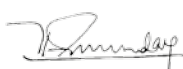
	Level 1	Level 2	Level 3
	(Rupees '000)		
September 2017 - un-audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	1,705,240	-	-
December 2016 - audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	2,514,567	-	-

20. GENERAL

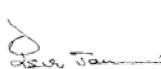
- 20.1 Figures have been rounded off to the nearest thousand rupees.
- 20.2 Corresponding figures have been reclassified / re-arranged, wherever necessary, for the purpose of comparison.
- 20.3 This interim condensed financial information was authorized for issue on October 19, 2017 by the Board of Directors of the Company.



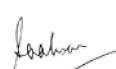
CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



**Interim Condensed
Consolidated Financial
Information**

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2017

		Un - audited September 30, 2017	Audited December 31, 2016
	Note	(Rupees '000)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		9,341,100	9,341,100
Capital reserve		228,350	228,350
Revaluation reserve on available for sale investments, net of tax		212,661	705,043
Statutory reserve		781,854	577,799
Translation reserve		636,277	683,133
Accumulated profit		2,380,858	2,934,171
		13,581,100	14,469,596
NON-CONTROLLING INTEREST			
		2,880,443	3,454,533
		16,461,543	17,924,129
NON-CURRENT LIABILITIES			
Long-term loans	5	37,697,357	40,597,056
Finance lease liability		111,296	129,919
Deferred liabilities	7	531,282	2,028,405
		38,339,935	42,755,380
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables		22,170,281	15,719,577
Accrued interest		526,251	770,595
Short-term borrowings		27,023,477	20,811,920
Current portion of long-term loans	5	5,726,543	4,516,890
Current portion of finance lease liability		40,056	36,098
Current portion of deferred Government assistance	6	-	648,200
		55,486,608	42,503,280
		110,288,086	103,182,789
CONTINGENCIES AND COMMITMENTS			
	8		

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

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

ASSETS

NON-CURRENT ASSETS

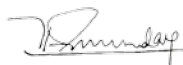
Property, plant and equipment	9	50,108,439	46,535,066
Intangible assets		382,627	379,887
Long-term investments	10	15,194,585	14,806,221
Long-term loans	11	-	22,575
Long-term deposits		79,587	79,587
Deferred tax asset - net	7	841,463	628,542
		66,606,701	62,451,878

CURRENT ASSETS

Stores and spares		2,871,855	2,799,469
Stock-in-trade		11,904,422	3,755,226
Trade debts		4,366,955	4,076,486
Advances		1,479,631	1,570,771
Current portion of long-term loans	11	33,863	22,575
Trade deposits and short-term prepayments		184,331	158,597
Interest accrued		38,626	51,266
Other receivables	12	8,198,382	4,827,898
Income tax refundable - net		2,127,777	1,399,446
Sales tax refundable		2,914,884	2,464,573
Short-term investments	13	5,055,240	12,584,067
Cash and bank balances		4,505,419	7,020,537
		43,681,385	40,730,911
		110,288,086	103,182,789



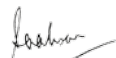
CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



FFBL
Fauji Fertilizer Bin Qasim Limited

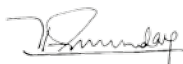
INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2017

		Quarter ended September 30,		Nine months ended September 30,	
		2017	2016	2017	2016
			Restated		Restated
Note	(Rupees '000)	(Rupees '000)			
Sales - net		15,081,809	11,461,257	34,289,874	24,522,316
Cost of sales	14	(12,154,815)	(10,800,728)	(30,264,031)	(24,238,092)
Gross profit		2,926,994	660,529	4,025,843	284,224
Selling and distribution expenses		(2,058,049)	(1,866,885)	(5,060,987)	(4,082,730)
Administrative expenses		(462,709)	(410,571)	(1,469,886)	(1,275,084)
		406,236	(1,616,927)	(2,505,030)	(5,073,590)
Finance costs		(1,235,883)	(733,329)	(2,786,818)	(1,841,076)
Other operating expenses		(39,769)	(449)	(105,318)	(27,581)
		(869,416)	(2,350,705)	(5,397,166)	(6,942,247)
Other income	15				
Share of profit of joint venture and associates - net		812,323	931,145	1,530,523	1,996,871
Others		439,725	1,414,649	3,010,054	3,544,936
		1,252,048	2,345,794	4,540,577	5,541,807
Profit / (loss) before taxation		382,632	(4,911)	(856,589)	(1,400,440)
Taxation - net	16	135,368	49,355	168,707	453,343
Profit / (loss) after taxation		518,000	44,444	(687,882)	(947,097)
Attributable to:					
- Owners of the Parent Company		705,457	266,442	211,208	(414,901)
- Non controlling interest		(187,457)	(221,998)	(899,090)	(532,196)
		518,000	44,444	(687,882)	(947,097)
Earnings / (loss) per share - basic and diluted (Rupees)		0.76	0.29	0.23	(0.44)

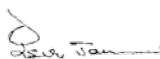
The annexed notes, from 1 to 22, form an integral part of this interim condensed consolidated financial information.



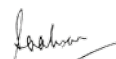
CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



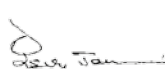
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

	Quarter ended September 30,		Nine months ended September 30	
	2017	2016	2017	2016
		Restated		Restated
	(Rupees '000)		(Rupees '000)	
Profit / (loss) after taxation	518,000	44,444	(687,882)	(947,097)
Other comprehensive income				
Exchange difference on translating a joint venture	53,107	(41,940)	(47,137)	(24,310)
Effect of translation - share of associate	15	(1,315)	281	(562)
Revaluation reserve on available for sale investments	(119,331)	442,238	(563,579)	761,121
Related deferred tax	17,899	(55,280)	71,197	(95,140)
	(101,432)	386,958	(492,382)	665,981
Total comprehensive income / (loss)	469,690	388,147	(1,227,120)	(305,988)
Attributable to:				
- Owners of the Parent Company	657,147	610,145	(328,030)	226,208
- Non controlling interest	(187,457)	(221,998)	(899,090)	(532,196)
	469,690	388,147	(1,227,120)	(305,988)

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


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

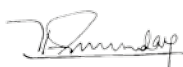
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2017

		2017	2016
			Restated
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operating activities	17	(3,801,426)	(14,404,492)
Income tax paid		(2,189,297)	(1,448,970)
(Payment to) / receipt from gratuity fund		(9,377)	6,270
Finance cost paid		(2,979,673)	(1,370,061)
Compensated absences paid		(84,251)	(15,233)
Receipt from Workers' (Profit) Participation Fund		11,247	10,921
Net cash used in operating activities		(9,052,777)	(17,221,565)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(5,758,528)	(14,752,592)
Long-term investments		-	(672,526)
Dividend received		636,244	372,668
Sale proceeds of property, plant and equipment		26,560	91,754
Increase in long-term deposits		-	213
Long-term loans recovered / (disbursed)		11,287	(45,150)
Investment at fair value through profit and loss account		917,647	(1,499,900)
Profit received on bank balances and term deposit receipts		349,304	253,060
Net cash used in investing activities		(3,817,486)	(16,252,473)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings - net		(1,224,725)	1,936,486
Injection of equity by non-controlling interest		325,000	1,488,454
Deferred Government assistance repaid		(648,200)	(648,201)
Long-term loans - net		(1,690,046)	25,406,172
Lease liability		(14,665)	80,871
Dividend paid		(548,001)	(2,848,157)
Net cash (used in) / generated from financing activities		(3,800,637)	25,415,625
NET DECREASE IN CASH AND CASH EQUIVALENTS		(16,670,900)	(8,058,413)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		10,474,842	4,876,123
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		(6,196,058)	(3,182,290)
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the statement of cash flows comprises the following balance sheet amounts:			
- Cash and bank balances		4,505,419	6,115,453
- Short-term highly liquid investments	13	3,350,000	2,925,497
- Short-term running finance		(14,051,477)	(12,223,240)
		(6,196,058)	(3,182,290)

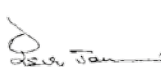
The annexed notes, from 1 to 22, form an integral part of this interim condensed consolidated financial information.




CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Reserves							
	Share capital	Capital reserve	Revaluation reserve on available for sale investments	Statutory reserve	Translation reserve	Accumulated profit / (loss)	Non-controlling Interest	Total
	(Rupees '000)							
Balance as at January 01, 2016 - audited	9,341,100	228,350	482,449	355,039	711,110	5,732,238	2,690,509	19,540,795
Total comprehensive income								
Loss after taxation for the period	-	-	-	-	-	(414,901)	(532,196)	(947,097)
Other comprehensive income / (loss) for the period	-	-	665,981	-	(24,871)	-	-	641,110
Total comprehensive income / (loss) for the period	-	-	665,981	-	(24,871)	(414,901)	(532,196)	(305,987)
Transfer to statutory reserve	-	-	-	169,822	-	(169,822)	-	-
Transactions with owners, recorded directly in equity distributions to owners								
Final dividend 2015 (Rs. 3.05 per ordinary share)	-	-	-	-	-	(2,849,045)	-	(2,849,045)
Change in ownership interest								
Cash receipt from NCI acquired	-	-	-	-	-	-	1,488,454	1,488,454
Acquisition of non-controlling interest	-	-	-	-	-	(641,423)	(22,310)	(663,733)
Balance as at September 30, 2016 - restated	<u>9,341,100</u>	<u>228,350</u>	<u>1,148,430</u>	<u>524,861</u>	<u>686,239</u>	<u>1,657,047</u>	<u>3,624,457</u>	<u>17,210,484</u>
Balance as at January 01, 2017 - audited	9,341,100	228,350	705,043	577,799	683,133	2,934,171	3,454,533	17,924,129
Total comprehensive income								
Profit / (loss) after taxation for the period	-	-	-	-	-	211,208	(899,090)	(687,882)
Other comprehensive loss for the period	-	-	(492,382)	-	(46,856)	-	-	(539,238)
Total comprehensive (loss) / income for the period	-	-	(492,382)	-	(46,856)	211,208	(899,090)	(1,227,120)
Transfer to statutory reserve	-	-	-	204,055	-	(204,055)	-	-
Transactions with owners, recorded directly in equity distributions to owners								
Final dividend 2016 (Re. 0.5 per ordinary share)	-	-	-	-	-	(467,055)	-	(467,055)
Final dividend 2016 (Re. 0.1 per ordinary share)	-	-	-	-	-	(93,411)	-	(93,411)
Total transactions with owners	-	-	-	-	-	(560,466)		(560,466)
Change in ownership interest								
Cash receipt from NCI	-	-	-	-	-	-	325,000	325,000
Balance as at September 30, 2017	<u>9,341,100</u>	<u>228,350</u>	<u>212,661</u>	<u>781,854</u>	<u>636,277</u>	<u>2,380,858</u>	<u>2,880,443</u>	<u>16,461,543</u>

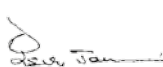
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2017

1 THE GROUP AND ITS OPERATIONS

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

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

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

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

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

2 BASIS OF PREPARATION

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

Securities and Exchange Commission of Pakistan, via its Circular No. 23 related Press Release of 2017, dated October 04, 2017, has instructed companies whose financial year closes on or before December 31, 2017 to prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

The disclosures in this interim condensed consolidated financial information do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2016. Comparative balance sheet is extracted from audited annual consolidated financial statements as at December 31, 2016 whereas comparative profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity are extracted from unaudited interim condensed consolidated financial information of FFBL for the period ended September 30, 2016.

This interim condensed consolidated financial information is unaudited and is being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange (PSX).

3 ACCOUNTING POLICIES

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

4 Group consists of following subsidiary companies:

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

		Un-audited September 30, 2017	Audited December 31, 2016
	Note	(Rupees '000)	
5. LONG-TERM LOANS			
Loans from banking companies-secured	5.1	43,423,900	45,113,946
Less: Current portion shown under current liabilities		5,726,543	4,516,890
		<u>37,697,357</u>	<u>40,597,056</u>
5.1 During the period, the Company repaid a bullet loan facility from Meezan Bank Limited and obtained a fresh facility which is to be settled in December 2018.			
6. DEFERRED GOVERNMENT ASSISTANCE			
Deferred Government assistance from Government of Pakistan		-	648,200
Less: Current portion shown under current liabilities	6.1	-	648,200
		<u>-</u>	<u>-</u>
6.1 During the period, the Company has repaid the last installment of the GoP loan of Rs. 648,200 thousand.			
7. DEFERRED LIABILITIES			
Compensated leave absences		531,282	540,456
Deferred taxation	7.1	-	1,487,949
		<u>531,282</u>	<u>2,028,405</u>
7.1 The balance of deferred tax is in respect of following major taxable / (deductable) temporary differences:			
Accelerated depreciation		2,276,577	2,485,626
Share of profit from joint venture and associates - net		643,675	445,174
Provision for inventory obsolescence		(26,067)	(52,665)
Deferred tax on revaluation of available for sale investments		29,488	100,685
Accrued liabilities and payables		(2,464,838)	(1,153,606)
Unabsorbed losses		(1,300,298)	(965,807)
		<u>(841,463)</u>	<u>859,407</u>
Deferred tax asset-net, shown under non-current asset	7.2	841,463	628,542
		<u>-</u>	<u>1,487,949</u>
7.2 Deferred tax asset on unused tax losses, tax credits and other deductible temporary differences, are recognized on the basis that sufficient future taxable profits will be available against which they can be utilized.			

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Un - audited September 30, 2017	Audited December 31, 2016
	(Rupees '000)	
8. CONTINGENCIES AND COMMITMENTS		
Contingencies		
i) Guarantees issued by banks on behalf of the Group.	71,840	86,165
ii) Group's share of contingent liabilities of Fauji Cement Company Limited as at June 30, 2017	49,830	34,956
iii) Group's share of contingent liabilities of Foundation Wind Energy - I Limited as at June 30, 2017	77,756	78,884
iv) Group's share of contingent liabilities of Foundation Wind Energy - II (Private) Limited as at June 30, 2017	269,546	76,224
v) Group's share of contingent liabilities of Askari Bank Limited as at June 30, 2017	68,635,001	51,084,321
vi) Contingent liabilities on behalf of Fauji Foods Limited	1,282,460	65,450
Commitments		
i) Capital expenditures - contracted.	1,459,682	1,399,627
ii) Letters of credit for purchase of stores, spares and raw materials	973,146	1,386,747
iii) Group share of commitments of FWE- I & FWE- II as at June 30, 2017	223,916	111,035
iv) Group's share of commitments of PMP as at June 30, 2017.	63,121	26,891
v) Commitments of Fauji Meat Limited	50,970	368,728
vi) Commitments of FFBL Power Company Limited	1,213,349	1,232,023
vii) Group's share of commitments of Fauji Cement Company Limited as at June 30, 2017.	23,079	4,610
viii) Commitments on behalf of Fauji Foods Limited	1,409,400	1,200,250
9. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	46,535,066	30,796,994
Additions during the period / year	5,775,975	17,713,396
Disposals during the period / year	(49,337)	(136,919)
Depreciation during the period / year	(2,188,654)	(1,890,550)
Depreciation charged on disposals during the period / year	35,389	52,145
Closing written down value	50,108,439	46,535,066

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Un - audited September 30, 2017	Audited December 31, 2016
	(Rupees '000)	
10. LONG-TERM INVESTMENTS		
Investment in joint venture - equity method		
Pakistan Maroc Phosphore S.A. Morocco (PMP)		
Balance brought forward	3,630,614	3,094,397
Share of profit	298,118	638,808
Dividend	(107,023)	(102,645)
(Loss) / profit during the year on translation of net assets	(47,137)	54
Closing balance	3,774,572	3,630,614
Investment in associates - equity method		
Fauji Cement Company Limited (FCCL)		
Balance brought forward	392,688	379,345
Share of profit	26,235	64,906
Dividend	(16,875)	(51,563)
Closing balance	402,048	392,688
Foundation Wind Energy - I Limited (FWE-I)		
Opening balance	1,574,361	1,244,195
Share of profit	258,487	330,166
Closing balance	1,832,848	1,574,361
Foundation Wind Energy - II (Private) Limited (FWE-II)		
Opening balance	1,770,038	1,231,217
Share of profit	102,792	538,821
Closing balance	1,872,830	1,770,038
Askari Bank Limited (AKBL)		
Opening balance	7,438,520	6,402,578
Share of profit	844,891	1,122,184
Dividend	(407,826)	(339,855)
Revenue reserve on revaluation of available for sale investment	(563,579)	254,394
Effect of translation	281	(781)
Closing balance	7,312,287	7,438,520
Investment - available for sale - unquoted		
Arabian Sea Country Club Limited (ASCCL)		
300,000 ordinary shares of Rs. 10 each	3,000	3,000
Less: Impairment in value of investment	3,000	3,000
	-	-
	15,194,585	14,806,221

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

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

12. OTHER RECEIVABLES

This includes an amount of Rs. 3,579 million (December 31, 2016: Rs. 676 million) receivable from Fauji Fertilizer Company Limited, an associated company on account of amount recovered from customers, against sales of the Company's products under an inter-company services agreement.

13. SHORT-TERM INVESTMENTS

The balance at the period end includes investments in term deposits receipts of various banks, having maturity periods ranging from 3 months to 1 year, and carrying mark-up between 6.00% to 9.15% per annum (December 31, 2016: 5.25% to 7.50% per annum).

	Un-audited Quarter ended September 30,		Un-audited Nine months ended September 30,	
	2017	2016 Restated	2017	2016 Restated
	(Rupees '000)		(Rupees '000)	
14. COST OF SALES				
Raw materials consumed	11,015,749	9,372,081	27,877,508	27,477,482
Packing materials consumed	816,326	413,543	1,763,600	949,871
Fuel and power	683,878	1,115,574	1,994,012	3,109,632
Ash dumping	38,542	-	46,411	-
Chemicals and supplies consumed	106,723	92,447	277,095	225,996
Salaries, wages and benefits	581,710	447,814	1,669,287	1,291,122
Rent, rates and taxes	11,606	24,263	37,060	47,480
Insurance	39,528	29,895	93,875	93,472
Travel and conveyance	41,723	42,651	121,300	113,712
Utilities	29,425	-	83,151	-
Repairs and maintenance	204,037	170,719	1,023,737	961,632
Communication, establishment and other expenses	72,839	30,146	213,280	96,851
Provision for debts & obsolete stock	-	-	-	20,849
Depreciation	833,255	427,665	1,965,457	1,224,062
Opening stock - work in process	94,072	114,234	152,818	145,310
Closing stock - work in process	(82,136)	(112,371)	(82,136)	(112,371)
Cost of goods manufactured	14,487,277	12,168,661	37,236,455	35,645,100
Opening stock - finished goods	6,072,705	11,723,606	1,432,743	1,684,531
Closing stock - finished goods	(8,405,167)	(13,091,539)	(8,405,167)	(13,091,539)
Cost of sales	12,154,815	10,800,728	30,264,031	24,238,092

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Note	Un-audited Quarter ended September 30,		Un-audited Nine months ended September 30,	
		2017	2016 Restated	2017	2016 Restated
		(Rupees '000)		(Rupees '000)	
15. OTHER INCOME					
Share of profit from joint venture and associates					
Pakistan Maroc Phosphore S.A, Morocco		124,859	145,394	298,118	558,182
Foundation Wind Energy - I Limited.		178,021	122,409	258,487	186,786
Foundation Wind Energy - II (Private) Limited		144,731	284,214	102,792	350,608
Fauji Cement Company Limited		8,379	-	26,235	43,304
Askari Bank Limited		356,333	379,128	844,891	857,991
		812,323	931,145	1,530,523	1,996,871
Profit on bank balances & term deposits receipts		105,789	61,421	324,212	217,899
Gain / Dividend from mutual funds and other investments		22,128	-	108,320	100
Provision written back		-	-	-	77,502
Subsidy income on DAP		-	848,262	1,581,534	2,443,295
Subsidy income on Urea		289,806	485,914	907,087	727,403
Interest and guarantee fee		3,813	5,620	12,452	20,135
Exchange (losses) / gains		-	(10,525)	-	3,448
Scrap sale and other receipts		14,237	11,571	58,211	37,126
Gain on sale of property, plant and equipment		1,621	11,866	12,612	15,258
Miscellaneous income		2,331	520	5,626	2,770
		439,725	1,414,649	3,010,054	3,544,936
		1,252,048	2,345,794	4,540,577	5,541,807
16. TAXATION - NET					
Current tax	16.1	590,203	10,100	1,460,966	263,302
Deferred tax		(725,571)	(59,455)	(1,629,673)	(716,645)
		(135,368)	(49,355)	(168,707)	(453,343)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Un-audited Nine Months ended September 30,	
	2017	2016 Restated
	(Rupees '000)	
17. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation from ordinary activities	(856,589)	(1,400,440)
Adjustment for non-cash charges and other items:		
Provision for gratuity	91,476	60,367
Exchange losses / (gains)	29,075	(3,448)
Provision for compensated absences	75,078	57,239
Provision for debtors	-	9,000
Provision written back	-	(77,502)
Provision for obsolete stores and spares	-	11,849
Provision for Workers' Welfare Fund	79,633	-
Provision for Workers' Profit Participation Fund	14,957	-
Amortization of transaction cost of long-term finance	22,414	-
Depreciation	2,173,321	1,308,603
Finance cost	2,735,329	1,844,524
Profit on bank balances and term deposits receipts	(324,212)	(217,899)
Income on mutual funds and other investments	(108,320)	(100)
Interest and guarantee fee	(12,452)	(20,135)
Profit from joint venture and associates - net	(1,530,523)	(1,996,871)
Gain on sale of property, plant and equipment	(12,612)	(15,258)
Operating profit / (loss) before working capital changes	2,376,575	(440,071)
Changes in working capital		
Stores and spares	(72,386)	(153,172)
Stock-in-trade	(8,149,196)	(10,853,619)
Trade debts	(290,469)	(2,329,699)
Advances	91,140	(121,775)
Trade deposits and short-term prepayments	(25,734)	(43,733)
Other receivables	(3,474,279)	907,521
Sales tax receivable	(450,311)	(2,780,063)
Trade and other payables	6,193,234	1,410,119
	(6,178,001)	(13,964,421)
Cash used in operations	(3,801,426)	(14,404,492)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

18. RELATED PARTY TRANSACTIONS

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

	Un-audited Nine months ended September 30,	
	2017	2016 Restated (Rupees '000)
Transactions with Fauji Foundation (FF)		
Dividend paid	102,505	521,069
Donation paid and services provided	29,830	-
Rent charged to the Company	-	378
Transactions with associated undertakings due to common directorship		
Services and material acquired	846,242	786,896
Services and material provided	1,834	9,501
Commission charged to the Company	15,385	12,376
Dividend paid	279,535	1,420,970
Services received from Fauji Foundation Hospital	375	361
Profit on bank balances (AKBL)	29,182	27,817
Mark-up on running finance with AKBL	41,234	726
Income from TDR's with AKBL	930	-
Expenses paid on behalf of AKBL	2,018	1,096
Balances at bank (AKBL)	400,686	1,648,699 *
Running finance with AKBL	882,360	449,999 *
Balance receivable at the period end-unsecured (FFCL)	3,579,377	675,776 *
Receipts against consignment account (FFCL)	28,111,090	22,371,651
Interest and guarantee fee from FWE-I and FWE-II	12,452	20,136
Transactions with Foundation Gas	842	-
Balance payable at the period end-Foundation Gas	28	47 *
Transactions with joint venture		
Purchase of raw materials	16,827,430	17,954,930
Expenses incurred on behalf of joint venture	6,674	10,339
Balance payable - secured	3,884,111	3,865,702 *
Balance receivable - unsecured	7,514	118,731 *
Other related parties		
Contribution to Provident Fund	52,142	47,294
Contribution to Gratuity Fund	68,644	60,367
(Receipts from) / payment to Gratuity Fund	(2,418)	6,270
Receipts from Workers' (Profit) Participation Fund (WPPF)	(11,296)	(10,971)
Balance payable - (WWF+WPPF) unsecured	1,232,690	1,126,506 *
Payable to Gratuity Fund	255,896	135,871 *
Remuneration to key management personnel	390,138	290,607

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

FFBL has provided a cash collateral of Rs. 300 Million (out of total authorized limit of Rs. 1.5 billion) under lien on behalf of Fauji Meat Limited (FML) to secure working capital facility under the Special Resolution passed vide 13th Extra-Ordinary General Meeting held on August 28, 2017.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. SEGMENT REPORTING

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

	Fertilizer	Food	Meat	Power	Elimination-net	Consolidated
	(Rupees '000)					
September 30, 2017						
Revenue	27,156,128	4,441,596	661,688	4,571,514	(2,541,052)	34,289,874
(Loss) / profit after taxation	(277,592)	(1,935,629)	(952,385)	1,086,730	1,390,994	(687,882)
September 30, 2016 - restated						
Revenue	22,101,237	1,974,483	446,596	-	-	24,522,316
Loss after taxation	(1,054,260)	(749,098)	(512,668)	(44,409)	1,413,338	(947,097)
September 30, 2017						
Assets	66,384,435	10,238,435	8,193,926	34,026,123	(8,554,833)	110,288,086
Liabilities	54,465,438	8,593,275	6,942,864	24,464,152	(639,186)	93,826,543
December 31, 2016						
Assets	63,794,502	7,956,864	8,567,722	29,043,194	(6,179,493)	103,182,789
Liabilities	51,037,443	5,452,612	6,364,274	21,867,953	536,378	85,258,660

20. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

20.1 Financial risk factors

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

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

20.2 Fair Value estimation

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Level 1	Level 2	Level 3
	(Rupees '000)		
September 30, 2017 - unaudited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	1,705,240	-	-
December 31, 2016 - audited			
ASSETS			
Financial assets at fair value through profit or loss			
- Short-term investments	2,514,567	-	-

21. RESTATEMENT OF COMPARATIVE FIGURES

During 2015, the Company jointly with Fauji Foundation has acquired a 51% shareholding of Fauji Foods Limited (FFL), a listed company engaged in manufacture and sale of toned milk, milk powder, fruit juices, allied dairy and food products with shares listed on the Pakistan Stock Exchange Limited. As per the agreement signed on May 18, 2015, the Company and Fauji Foundation acquired voting shares of 38.25% (4,500 thousand) and 12.75% (1,500 thousand) respectively. The investment was initially accounted for as an associate.

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

	"As previously reported - September 30, 2016"	Change	"As restated - September 30, 2016"
	(Rupees '000)		
Impact on profit and loss account			
Sales - net	22,547,833	1,974,483	24,522,316
Cost of sales	(22,363,938)	(1,874,154)	(24,238,092)
Selling and administrative expenses	(4,233,517)	(1,124,297)	(5,357,814)
Finance cost	(1,757,059)	(84,017)	(1,841,076)
Other operating expenses and income	3,535,614	(18,259)	3,517,355
Share of profit of joint venture and associates - net	1,789,935	206,936	1,996,871
Taxation	123,374	329,969	453,343
	(357,758)	(589,339)	(947,097)
Loss attributable to:			
-Equity holders of the Parent Company	(218,505)	(196,396)	(414,901)
-Non-controlling interest	(139,253)	(392,943)	(532,196)
	(357,758)	(589,339)	(947,097)
Loss per share - basic and diluted (Rupees)	(0.23)	(0.21)	(0.44)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

22. GENERAL


- 22.1 Figures have been rounded off to the nearest thousand rupees.
- 22.2 Corresponding figures have been re-arranged / restated, wherever necessary, for the purpose of comparison.
- 22.3 This interim condensed consolidated financial information was authorized for issue on October 19, 2017 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

