

**THIRD QUARTER
FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(UN-AUDITED)**



FAUJI FERTILIZER COMPANY LIMITED



Company Information

BOARD OF DIRECTORS

Lt Gen Khalid Nawaz Khan, HI(M), Sitara-i-Esar, (Retd)
Chairman
Lt Gen Shafqaat Ahmed, HI(M) (Retd)
Chief Executive & Managing Director
Mr Qaiser Javed
Dr Nadeem Inayat
Engr Rukhsana Zuberi
Mr Farhad Shaikh Mohammad
Maj Gen Muhammad Farooq Iqbal, HI(M) (Retd)
Brig Dr. Gulfam Alam, SI(M) (Retd)
Mr Shahid Ghaffar
Ms Nargis Ghaloo
Maj Gen Mumtaz Ahmad Bajwa, HI(M) (Retd)
Mr Muhammad Arif Azim
Mr Per Kristian Bakkerud

CHIEF FINANCIAL OFFICER

Mohammad Munir Malik
Tel No. 92-51-8456101, Fax No. 92-51-8459961
E-mail: munir_malik@ffc.com.pk

COMPANY SECRETARY

Brig Sher Shah, SI(M) (Retd)
Tel No. 92-51-8453101, Fax No. 92-51-8459931
E-mail: secretary@ffc.com.pk

REGISTERED OFFICE

156 The Mall, Rawalpindi Cantt, Pakistan
Website: www.ffc.com.pk
Tel No. 92-51-111-332-111, 8450001, Fax No. 92-51-8459925
E-mail: ffcryp@ffc.com.pk

PLANTSITES

Goth Machhi, Sadiqabad

(Distt: Rahim Yar Khan), Pakistan
Tel No. 92-68-5786420-9, Fax No. 92-68-5786401

Mirpur Mathelo

(Distt: Ghotki), Pakistan
Tel No. 92-723-661500-09
Fax No. 92-723-661462

MARKETING DIVISION

Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat, Lahore, Pakistan
Tel No. 92-42-36369137-40, Fax No. 92-42-36366324

KARACHI OFFICE

B-35, KDA Scheme No. 1, Karachi, Pakistan
Tel No. 92-21-34390115-16, Fax No. 92-21-34390117 & 34390122

AUDITORS

KPMG Taseer Hadi & Co
Chartered Accountants
6th Floor, State Life Building, Jinnah Avenue, Islamabad, Pakistan
Tel No. 92-51-2823558, Fax No. 92-51-2822671

SHARES REGISTRAR

THK Associates (Pvt) Limited,
Ground Floor, State Life Building – 3, Dr. Ziauddin Ahmed Road, Karachi – 75530,
Pakistan. Tel No. 92-21-111-000-322, Fax No. 92-21-35655595

Directors' Review

For the Period Ended September 30, 2015

Dear Members,

On behalf of the Board of Directors, I am pleased to report net earnings of Rs. 11.95 billion for the period ended September 30, 2015, translating into per share earnings of Rs. 9.39.

Sona urea production of 1,818 thousand tonnes by the three plants during the period was higher by 3% compared to last year, due to improved operating efficiency, with an achievement of 119% against designed capacity.

Substantial increase in feed / fuel gas prices with effect from September 1, 2015, led to escalation in urea selling prices. However, the Government announced its intention of reducing the feed gas price to lower the selling prices of urea, through the Prime Minister's 'Kissan Package'. Non implementation of this decision by GOP resulted in uncertainty in the market, negatively impacting urea offtake, with aggregate Sona urea sales of 1,696 thousand tonnes during the period, 4% below the offtake for the same period of 2014.

Sales revenue for the period was recorded at Rs. 54.29 billion, marginally down by 1% compared to last year owing to lower urea offtake during the third quarter, whereas the financing costs increased by Rs. 357 million, mainly because of higher borrowings for payment of withheld GIDC, besides increased working capital financing caused by the decline in cash generation owing to uncertain market conditions. Incremental levies including 3% Super Tax and 2.50% higher dividend taxation, further pressurized Company margins, resulting in a profitability decline of 8% compared to last year.

With a view to maintaining a regular stream of income for the shareholders, the Board is pleased to announce third interim dividend of 27.50 % (Rs. 2.75 per share), for the period.

The Board remains focused towards sustained profitability and shareholders' returns through cost economization and improved efficiencies to increase productivity, besides augmenting Company earnings through its diversification initiatives.

On behalf of the Board,



Chairman

Lt Gen Khalid Nawaz Khan,
HI (M), (Retired)

Rawalpindi
October 28, 2015



Condensed
**Interim Financial
Information**

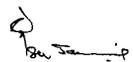
**Condensed Interim Balance Sheet
As at September 30, 2015**

	Note	Un-audited September 30, 2015	Audited December 31, 2014
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves	5	12,737,657	12,483,585
Surplus on remeasurement of investments available for sale to fair value - net		656,866	303,564
		<u>26,276,905</u>	<u>25,669,531</u>
NON - CURRENT LIABILITIES			
Long term borrowings	6	17,539,375	2,500,000
Deferred liabilities		4,350,996	4,574,028
		<u>21,890,371</u>	<u>7,074,028</u>
CURRENT LIABILITIES			
Trade and other payables	7	12,546,631	37,904,434
Interest and mark - up accrued		487,535	30,117
Short term borrowings	8	14,488,772	11,602,443
Current portion of long term borrowings		3,175,625	1,780,000
Taxation		1,010,518	2,501,109
		<u>31,709,081</u>	<u>53,818,103</u>
		<u>79,876,357</u>	<u>86,561,662</u>
CONTINGENCIES AND COMMITMENTS			
	9		

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

	Note	Un-audited September 30, 2015	Audited December 31, 2014
(Rupees '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	21,450,426	20,093,898
Intangible assets		1,577,841	1,611,204
Long term investments	11	28,221,787	28,134,520
Long term loans and advances		800,566	823,188
Long term deposits and prepayments		13,770	15,624
		52,064,390	50,678,434
CURRENT ASSETS			
Stores, spares and loose tools		3,453,623	3,314,823
Stock in trade		11,352,849	981,750
Trade debts		2,075,358	822,460
Loans and advances		1,624,535	1,058,754
Deposits and prepayments		545,974	26,376
Other receivables		2,876,615	1,072,461
Short term investments	12	4,238,407	27,432,837
Cash and bank balances		1,644,606	1,173,767
		27,811,967	35,883,228
		79,876,357	86,561,662


Chairman

Chief Executive

Director

Condensed Interim Profit and Loss Account (Un-audited)

For the period ended September 30, 2015

	Note	For the quarter ended		For the period ended	
		September 30,	September 30,	September 30,	September 30,
		2015	2014	2015	2014
		(Rupees '000)		(Rupees '000)	
Sales	13	15,107,611	19,042,388	54,293,915	55,038,986
Cost of sales	14	9,155,995	11,578,823	33,659,870	33,258,287
GROSS PROFIT		5,951,616	7,463,565	20,634,045	21,780,699
Distribution cost		1,809,173	1,585,919	4,978,355	4,610,583
		4,142,443	5,877,646	15,655,690	17,170,116
Finance cost		519,666	176,455	962,876	606,307
Other expenses	16	459,777	588,572	1,641,217	1,631,341
		3,163,000	5,112,619	13,051,597	14,932,468
Other income	17	1,435,130	1,671,780	4,368,343	3,489,214
NET PROFIT BEFORE TAXATION		4,598,130	6,784,399	17,419,940	18,421,682
Provision for taxation		918,000	1,984,000	5,474,000	5,460,000
NET PROFIT AFTER TAXATION		3,680,130	4,800,399	11,945,940	12,961,682
Earnings per share - basic and diluted (Rupees)	15	2.89	3.77	9.39	10.19

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, 2015

	For the quarter ended		For the period ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	(Rupees '000)		(Rupees '000)	
Net profit after taxation	3,680,130	4,800,399	11,945,940	12,961,682
Other comprehensive income for the period				
Items that may be subsequently reclassified to profit or loss				
(Deficit) / Surplus on remeasurement of investments available for sale to fair value - net	(19,027)	6,253	353,302	7,028
Total comprehensive income for the period	3,661,103	4,806,652	12,299,242	12,968,710

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



Chairman



Chief Executive



Director

Condensed Interim Cash Flow Statement (Un-audited)

For the period ended September 30, 2015

Note	September 30, 2015	September 30, 2014
(Rupees '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in) / generated from operations	18 (26,010,464)	22,761,345
Finance cost paid	(505,458)	(467,745)
Income tax paid	(7,365,920)	(7,111,442)
Net cash (used in) / generated from operating activities	<u>(33,881,842)</u>	<u>15,182,158</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,840,594)	(2,733,083)
Proceeds from sale of property, plant and equipment	14,328	20,513
Investments - net	1,488,064	(4,440,841)
Interest received	1,695,953	1,101,419
Dividends received	2,578,962	2,158,587
Net cash generated from / (used in) investing activities	<u>2,936,713</u>	<u>(3,893,405)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing: - Disbursements	17,352,500	-
- Repayments	(917,500)	(730,000)
Dividends paid	(9,951,084)	(12,988,728)
Net cash generated from / (used in) financing activities	<u>6,483,916</u>	<u>(13,718,728)</u>
Net decrease in cash and cash equivalents	(24,461,213)	(2,429,975)
Cash and cash equivalents at beginning of the period	15,281,142	13,012,602
Effect of exchange rate changes	52,177	(43,513)
Cash and cash equivalents at end of the period	<u><u>(9,127,894)</u></u>	<u><u>10,539,114</u></u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,644,606	1,947,686
Short term highly liquid investments	3,716,272	13,001,182
Short term running finance	(14,488,772)	(4,409,754)
	<u>(9,127,894)</u>	<u>10,539,114</u>

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, 2015

	Share capital	Capital reserves	Revenue reserves		Surplus on remeasurement of investments available for sale to fair value	Total
			General reserve	Unappropriated profit		
(Rupees '000)						
Balance as at January 1, 2014	12,722,382	160,000	6,802,360	5,456,013	10,508	25,151,263
Total comprehensive income for the period						
Profit after taxation	-	-	-	12,961,682	-	12,961,682
Other comprehensive income - net of tax	-	-	-	-	7,028	7,028
Total comprehensive income for the period - net of tax	-	-	-	12,961,682	7,028	12,968,710
Distribution to owners - recorded directly in equity						
Final dividend 2013: Rs 4.00 per share	-	-	-	(5,088,952)	-	(5,088,952)
First interim dividend 2014: Rs 3.00 per share	-	-	-	(3,816,714)	-	(3,816,714)
Second interim dividend 2014: Rs 3.40 per share	-	-	-	(4,325,610)	-	(4,325,610)
	-	-	-	(13,231,276)	-	(13,231,276)
Balance as at September 30, 2014	12,722,382	160,000	6,802,360	5,186,419	17,536	24,888,697
Balance as at January 1, 2015	12,722,382	160,000	6,802,360	5,681,225	303,564	25,669,531
Total comprehensive income for the period						
Profit after taxation	-	-	-	11,945,940	-	11,945,940
Other comprehensive income - net of tax	-	-	-	-	353,302	353,302
Total comprehensive income for the period - net of tax	-	-	-	11,945,940	353,302	12,299,242
Distribution to owners - recorded directly in equity						
Final dividend 2014: Rs 3.50 per share	-	-	-	(4,452,833)	-	(4,452,833)
First interim dividend 2015: Rs 3.94 per share	-	-	-	(5,012,618)	-	(5,012,618)
Second interim dividend 2015: Rs 1.75 per share	-	-	-	(2,226,417)	-	(2,226,417)
	-	-	-	(11,691,868)	-	(11,691,868)
Balance as at September 30, 2015	12,722,382	160,000	6,802,360	5,935,297	656,866	26,276,905

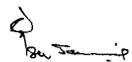
The annexed notes 1 to 20 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2015

1. Fauji Fertilizer Company Limited (the Company) is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The registered office of the Company is situated at 156 - The Mall, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, other manufacturing, energy generation and banking operations.
2. This condensed interim financial information of the Company for the period ended September 30, 2015 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

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

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

3. The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of financial statements of the Company for the year ended December 31, 2014.

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2014: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2014: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

September 30, 2015	December 31, 2014		Un-audited September 30, 2015	Audited December 31, 2014
(Number of shares)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs 10 each, issued for consideration in cash	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs 10 each, issued as fully paid bonus shares	10,157,423	10,157,423
<u>1,272,238,247</u>	<u>1,272,238,247</u>		<u>12,722,382</u>	<u>12,722,382</u>

Notes To The Condensed Interim Financial Information

For the period ended September 30, 2015

	Note	Un-audited September 30, 2015	Audited December 31, 2014
(Rupees '000)			
5. REVENUE RESERVES			
General reserve		6,802,360	6,802,360
Unappropriated profit		5,935,297	5,681,225
		<u>12,737,657</u>	<u>12,483,585</u>
6. LONG TERM BORROWINGS			
Long term borrowings - secured	6.1	20,715,000	4,280,000
Less: Current portion shown under current liabilities		3,175,625	1,780,000
		<u>17,539,375</u>	<u>2,500,000</u>
6.1 Movement in this account during the period / year is as follows:			
Opening balance		4,280,000	5,740,000
Draw-downs during the period / year		17,352,500	-
Repayments during the period / year		(917,500)	(1,460,000)
Closing balance	6.2	<u>20,715,000</u>	<u>4,280,000</u>

6.2 These finances are secured by charge on all Company assets including plant, machinery, tools & spares and all other moveable properties including stocks and book debts, ranking pari passu with each other with 25% margin besides lien over certain Pakistan Investment Bonds (PIBs) with 10% margin.

These carry mark-up ranging between 6 months KIBOR + 0.05% to 0.50% per annum and 3 Months KIBOR+ 0.40% (December 31, 2014: 6 month KIBOR + 0.35 % to 0.50% per annum) and are repayable upto September 2020 (December 31, 2014: December 2018).

	Un-audited September 30, 2015	Audited December 31, 2014
(Rupees '000)		
7. TRADE AND OTHER PAYABLES		
Creditors	2,941,456	25,417,864
Accrued liabilities	3,514,296	2,415,831
Consignment account with		
Fauji Fertilizer Bin Qasim Limited - unsecured	203,408	131,667
Sales tax payable - net	-	1,090,128
Deposits	238,624	215,453
Retention money	133,813	162,956
Advances from customers	443,093	6,378,845
Workers' Welfare Fund	1,550,929	1,191,661
Workers' Profit Participation Fund	883,881	-
Unclaimed dividend	380,848	866,481
Dividend Payable	2,226,417	-
Other liabilities	29,866	33,548
	<u>12,546,631</u>	<u>37,904,434</u>

8. SHORT TERM BORROWINGS

The Company has short term running finance / istisna facilities limits aggregating Rs. 15.69 billion (December 31, 2014: Rs. 13.30 billion). These are secured by first pari-passu and ranking hypothecation charge over assets of the Company and carry mark-up ranging between one month KIBOR + 0.05% to 0.35% and three months KIBOR + 0.10% to 0.30% per annum (December 31, 2014: one month KIBOR + 0.05 % to 0.35% and three months KIBOR + 0.05% to 0.15% per annum).

Facilities amounting to Rs 2.0 billion (2014: Rs 1.0 billion) are secured against Term Deposit Receipts / PIB's.

Notes To The Condensed Interim Financial Information

For the period ended September 30, 2015

	Un-audited September 30, 2015	Audited December 31, 2014
	(Rupees '000)	
9. CONTINGENCIES AND COMMITMENTS		
(a) Contingencies:		
(i) Guarantees issued by banks on behalf of the Company	15,010	50,997
(ii) Claims against the Company and / or potential exposure not acknowledged as debt	50,696	50,696
(iii) The Competition Commission of Pakistan has imposed a penalty of Rs 5.5 billion on the Company for alleged unreasonable increase in urea prices during the year 2011. However, the fact remains that price increase was essentially caused by extended gas curtailment and delayed urea imports by the Government of Pakistan resulting in product shortage leading to market imbalance and price hike. The Company has filed an appeal against the above penalty before the Competition Appellate Tribunal. Based on legal advice from the Company's legal advisor, the Company is confident that there are reasonable grounds for a favourable decision.		
Note	Un-audited September 30, 2015	Audited December 31, 2014
	(Rupees '000)	
(b) Commitments in respect of:		
(i) Capital expenditure	1,039,663	2,913,033
(ii) Purchase of fertilizer, stores, spares and other revenue items	2,754,339	2,869,125
(iii) Investment in Fauji Fresh n Freeze Limited	435,000	435,000
(iv) Rentals under lease agreements:		
Premises	200,349	184,136
Vehicles	101,030	95,460
10. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	20,093,898	18,444,188
Additions during the period / year	10.1 2,834,026	3,470,092
Written down value of disposals	(14,290)	(12,211)
Depreciation during the period / year	(1,463,208)	(1,808,171)
Closing written down value	<u>21,450,426</u>	<u>20,093,898</u>

10.1 Additions in and depreciation on property, plant and equipment during the period ended September 30, 2014 were Rs 2,733,083 thousand and Rs 1,326,423 thousand respectively.

Notes To The Condensed Interim Financial Information

For the period ended September 30, 2015

	Un-audited September 30, 2015	Audited December 31, 2014
Note	(Rupees '000)	
11. LONG TERM INVESTMENTS		
Investment in subsidiaries - at cost		
FFC Energy Limited (FFCEL)	2,438,250	2,438,250
Fauji Fresh n Freeze Limited (FFFL)	1,035,500	1,035,500
Investment in associates - at cost		
Fauji Cement Company Limited (FCCL)	1,500,000	1,500,000
Fauji Fertilizer Bin Qasim Limited (FFBL)	4,658,919	4,658,919
Askari Bank Limited (AKBL)	10,461,921	10,461,921
	16,620,840	16,620,840
Investment in joint venture - at cost		
Pakistan Maroc Phosphore S.A., Morocco (PMP)	705,925	705,925
Investments available for sale		
Certificates of Investment (COIs) / Term Deposit Receipts (TDRs)	117,801	113,868
Pakistan Investment Bonds (PIBs)	7,728,605	7,178,198
Term Finance Certificates (TFCs)	102,600	99,500
	7,949,006	7,391,566
	28,749,521	28,192,081
Less: Current portion shown under short term investments	12	
Investments available for sale		
Certificates of Investment (COIs) / Term Deposit Receipts (TDRs)	26,429	27,094
Pakistan Investment Bonds (PIBs)	501,305	30,467
	527,734	57,561
	28,221,787	28,134,520
12. SHORT TERM INVESTMENTS		
Loans and receivables		
Term deposits with banks and financial institutions		
Local currency	2,150,000	25,400,000
Foreign currency	1,384,216	1,309,818
Investments at fair value through profit or loss - Held for trading	176,457	665,458
Current maturity of long term investments		
Investments Available for sale	11	57,561
	527,734	57,561
	4,238,407	27,432,837

Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2015

13. SALES

Sales are exclusive of sales tax of Rs 8,329,759 thousand (September 30, 2014: Rs. 9,291,921 thousand).

	For the quarter ended		For the Period ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	(Rupees '000)		(Rupees '000)	
14. COST OF SALES				
Raw materials consumed	6,603,060	6,145,085	18,782,271	18,106,823
Fuel and power	2,494,297	2,046,851	6,312,065	5,781,900
Chemicals and supplies	76,777	108,267	255,643	278,974
Salaries, wages and benefits	1,558,236	1,089,199	4,412,017	3,669,769
Training and employees welfare	216,018	186,431	587,453	566,702
Rent, rates and taxes	4,570	1,555	13,798	8,613
Insurance	70,589	86,394	120,338	133,734
Travel and conveyance	82,009	120,377	297,903	336,704
Repairs and maintenance	275,607	296,002	1,538,767	1,023,740
Depreciation and amortisation	477,634	454,853	1,422,873	1,304,835
Communication and other expenses	384,835	472,038	1,191,865	1,269,899
Provision for slow moving spares	-	-	31,656	38,040
Opening stock - work in process	88,673	51,707	64,860	67,903
Closing stock - work in process	(95,899)	(46,401)	(95,899)	(46,401)
Cost of goods manufactured	12,236,406	11,012,358	34,935,610	32,541,235
Opening stock of manufactured urea	109,547	78,725	584,930	71,424
Closing stock of manufactured urea	(3,285,137)	(184,328)	(3,285,137)	(184,328)
	(3,175,590)	(105,603)	(2,700,207)	(112,904)
Cost of sales - manufactured urea	9,060,816	10,906,755	32,235,403	32,428,331
Opening stock of purchased fertilizers	687,177	263,382	21,504	-
Purchase of fertilizers for resale	7,248,049	3,493,040	9,243,010	3,914,310
	7,935,226	3,756,422	9,264,514	3,914,310
Closing stock - purchased fertilizers	(7,840,047)	(3,084,354)	(7,840,047)	(3,084,354)
Cost of sales - purchased fertilizers	95,179	672,068	1,424,467	829,956
	9,155,995	11,578,823	33,659,870	33,258,287
15. EARNINGS PER SHARE				
Net profit after tax (Rupees '000)	3,680,130	4,800,399	11,945,940	12,961,682
Weighted average number of shares in issue during the period - (Number '000)	1,272,238	1,272,238	1,272,238	1,272,238
Basic and diluted earnings per share (Rupees)	2.89	3.77	9.39	10.19

Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2015

	For the quarter ended		For the Period ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	(Rupees '000)		(Rupees '000)	
16. OTHER EXPENSES				
Research and development	115,171	83,967	342,768	264,252
Workers' Profit Participation Fund	247,136	364,451	935,919	989,439
Workers' Welfare Fund	97,470	140,154	362,530	377,650
	<u>459,777</u>	<u>588,572</u>	<u>1,641,217</u>	<u>1,631,341</u>
17. OTHER INCOME				
Income from financial assets				
Income on loans, deposits and investments	312,094	526,964	1,449,469	1,172,695
Gain on re-measurement of investments	127	3,828	3,332	3,227
Dividend income	9,365	-	9,365	-
Exchange gain / (loss)	44,085	23,763	69,990	(35,026)
	<u>365,671</u>	<u>554,555</u>	<u>1,532,156</u>	<u>1,140,896</u>
Income from subsidiary				
Commission on sale of FFBL products	-	4,845	-	10,904
Dividend from FFBL	-	475,233	-	1,544,507
Dividend from AKBL	-	543,768	-	543,768
	<u>-</u>	<u>1,023,846</u>	<u>-</u>	<u>2,099,179</u>
Income from associate				
Dividend from FFBL	349,419	-	1,397,676	-
Dividend from AKBL	543,768	-	1,087,536	-
Dividend from FCCL	140,625	70,312	234,375	140,625
	<u>1,033,812</u>	<u>70,312</u>	<u>2,719,587</u>	<u>140,625</u>
Income from non-financial assets				
Gain on disposal of property, plant and equipment	3,246	6,513	38	19,551
Commission on sale of FFBL products	2,995	-	9,724	-
	<u>6,241</u>	<u>6,513</u>	<u>9,762</u>	<u>19,551</u>
Other income				
Scrap sales	2,567	2,909	24,399	9,199
Others	26,839	13,645	82,439	79,764
	<u>29,406</u>	<u>16,554</u>	<u>106,838</u>	<u>88,963</u>
	<u>1,435,130</u>	<u>1,671,780</u>	<u>4,368,343</u>	<u>3,489,214</u>

Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2015

	September 30, 2015	September 30, 2014
	(Rupees '000)	
18. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	17,419,940	18,421,682
Adjustments for:		
Depreciation and amortisation	1,503,139	1,384,971
Provision for slow moving spares	31,656	38,040
Finance cost	962,876	606,307
Gain on sale of property, plant and equipment	(38)	(19,551)
Income on loans, deposits and investments	(1,449,469)	(1,172,695)
Exchange (gain) / loss - net	(69,990)	35,026
Gain on remeasurement of investment at fair value through profit or loss	(3,332)	(3,227)
Dividend Income	(2,719,587)	(2,228,900)
	<u>(1,744,745)</u>	<u>(1,360,029)</u>
	15,675,195	17,061,653
Changes in working capital:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(170,456)	(300,904)
Stock in trade	(10,371,099)	(3,189,160)
Trade debts	(1,252,898)	(1,430,452)
Loans and advances	(565,781)	274,157
Deposits and prepayments	(519,598)	(56,540)
Other receivables	(1,910,013)	(218,613)
(Decrease) / increase in current liabilities		
Trade and other payables	(27,098,587)	10,565,297
	<u>(41,888,432)</u>	<u>5,643,785</u>
Changes in long term loans and advances	22,622	(103,211)
Changes in long term deposits and prepayments	1,854	(12,666)
Changes in deferred liabilities	178,297	171,784
	<u>(26,010,464)</u>	<u>22,761,345</u>

Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2015

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions and balances with the related parties are as follows

	September 30, 2015	September 30, 2014
	(Rupees '000)	
Transactions with subsidiary companies		
Expenses charged on account of marketing of fertilizer on behalf of subsidiary company	-	513,009
Commission on sale of subsidiary company's products	-	10,904
Payment under consignment account	-	34,056,198
Dividend income	-	2,088,275
Long term investment	-	450,000
Term deposits	-	2,217,329
Bank balance	-	67,788
Balance receivable - unsecured	958,728	619,603 *
Transactions with associated undertakings / companies due to common directorship		
Expenses charged on account of marketing of fertilizer on behalf of associated company	494,782	-
Commission on sale of products	9,724	-
Payments under consignment account	27,771,303	-
Purchase of gas as feed and fuel stock	24,052,096	22,684,933
Services and materials received	1,864	240,481
Sale of fertilizer	2,184	2,162
Dividend income	2,719,587	140,625
Dividend paid	4,197,928	5,868,071
Long term investments	117,801	-
Running finance	1,792	-
Dividend payable	987,416	-
Balance receivable - unsecured	6,371,858	8,353 *
Balance payable - unsecured	8,337,043	26,119,281 *
Other related parties		
Remuneration of Chief Executive and Executives:		
Remuneration including benefits and perquisites of chief executive and other executives. No of persons 2015: 1 and 846 (2014:1 and 721) respectively.		
	4,096,178	3,183,090
Payments to:		
Employees' Provident Fund Trust	280,475	237,288
Employees' Gratuity Fund Trust	74,893	586,201
Employees' Pension Fund Trust	459,371	94,067
Others:		
Balance receivable from Gratuity Fund Trust	29,763	28,090 *
Balance receivable from Pension Fund Trust	415,157	59,019 *

* Comparative figures of receivable / payable balances are as of December 31, 2014.

Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended September 30, 2015

20. GENERAL

- 20.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 20.2** The Board of Directors in its meeting held on October 28, 2015 proposed third interim dividend of Rs 2.75 per share.
- 20.3** This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on October 28, 2015.



Chairman



Chief Executive



Director



Condensed

**Interim Consolidated
Financial Information**

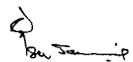
Condensed Interim Consolidated Balance Sheet
As at September 30, 2015

Note	Un-audited September 30, 2015	Audited December 31, 2014	
	(Rupees '000)		
EQUITY AND LIABILITIES			
EQUITY			
Share capital	3	12,722,382	12,722,382
Capital reserves		436,327	611,592
Revenue reserves	4	31,245,028	30,032,528
Surplus on remeasurement of investments available for sale to fair value - net		656,866	303,564
		45,060,603	43,670,066
NON - CURRENT LIABILITIES			
Long term borrowings	5	26,741,647	11,406,203
Deferred liabilities		4,350,996	4,574,028
Liability against assets subject to finance lease		4,817	2,893
		31,097,460	15,983,124
CURRENT LIABILITIES			
Trade and other payables		12,893,984	38,526,069
Interest and mark-up accrued		763,232	115,891
Short term borrowings		14,618,272	11,602,443
Current portion of long term borrowings		4,158,225	3,054,000
Current portion of liability against assets subject to finance lease		-	238
Taxation		1,013,564	2,501,510
		33,447,277	55,800,151
		109,605,340	115,453,341
CONTINGENCIES AND COMMITMENTS			
	6		

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

	Note	Un-audited September 30, 2015	Audited December 31, 2014
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	7	35,112,504	33,104,620
Intangible assets		1,941,009	1,974,531
Long term investments	8	42,019,221	41,787,131
Long term loans and advances		802,746	823,188
Long term deposits and prepayments		13,770	17,804
		79,889,250	77,707,274
CURRENT ASSETS			
Stores, spares and loose tools		3,453,623	3,314,823
Stock in trade		11,417,474	985,347
Trade debts		3,395,740	2,221,263
Loans and advances		831,833	531,379
Deposits and prepayments		549,290	27,589
Other receivables		2,845,599	1,182,227
Short term investments	9	5,150,617	27,432,837
Cash and bank balances		2,071,914	2,050,602
		29,716,090	37,746,067
		109,605,340	115,453,341


Chairman

Chief Executive

Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the period ended September 30, 2015

	Note	For the quarter ended		For the period ended	
		September 30, 2015	(Re-presented) September 30, 2014	September 30, 2015	(Re-presented) September 30, 2014
		(Rupees'000)		(Rupees'000)	
Sales		16,049,741	19,887,128	56,622,032	57,095,614
Cost of sales	10	9,370,288	11,763,758	34,257,850	33,809,328
GROSS PROFIT		6,679,453	8,123,370	22,364,182	23,286,286
Administrative expenses and distribution cost		1,841,388	1,635,615	5,124,379	4,741,491
		4,838,065	6,487,755	17,239,803	18,544,795
Finance cost		744,749	504,469	1,807,344	1,582,573
Other expenses	12	459,777	588,572	1,641,217	1,631,341
		3,633,539	5,394,714	13,791,242	15,330,881
Other income	13	413,370	1,119,713	1,694,611	1,842,634
Share of profit / (loss) of associates and joint venture		1,016,723	(181,739)	2,899,050	8,546
NET PROFIT BEFORE TAXATION		5,063,632	6,332,688	18,384,903	17,182,061
Provision for taxation		920,078	1,927,390	5,480,534	5,466,173
NET PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		4,143,554	4,405,298	12,904,369	11,715,888
Discontinued operations - net of tax		-	970,519	-	1,772,462
Profit for the period		4,143,554	5,375,817	12,904,369	13,488,350
Earnings per share - basic and diluted (Rupees)					
Continuing operations		3.26	3.47	10.14	9.21
Discontinued operations		-	0.76	-	1.39
	11	3.26	4.23	10.14	10.60

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



Chairman



Chief Executive



Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)
For the period ended September 30, 2015

	For the quarter ended		For the period ended	
	September 30, 2015	(Re-presented) September 30, 2014	September 30, 2015	(Re-presented) September 30, 2014
	(Rupees'000)		(Rupees'000)	
Net profit after taxation	4,143,554	5,375,817	12,904,369	13,488,350
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Exchange difference on translation of investment in foreign company	93,205	41,642	(84,871)	(27,125)
Share of other comprehensive income of associates and joint ventures	83,961	-	(90,394)	-
Surplus on remeasurement of investments available for sale to fair value - net	(19,027)	6,253	353,302	7,028
Other comprehensive income from continuing operations - net	158,139	47,895	178,037	(20,097)
Discontinued Operations - net	-	83,285	-	(54,249)
Total comprehensive income for the period	4,301,693	5,506,997	13,082,406	13,414,004

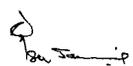
The annexed notes 1 to 16 form an integral part of this condensed interim consolidated financial information.



Chairman



Chief Executive



Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the period ended September 30, 2015

	Note	September 30, 2015	(Re-presented) September 30, 2014
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	14	(24,043,810)	24,030,392
Finance cost paid		(1,165,776)	(1,472,650)
Income tax paid		(7,369,809)	(7,113,146)
		<u>(8,535,585)</u>	<u>(8,585,796)</u>
Net cash (used in) / generated from operating activities		(32,579,395)	15,444,596
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(3,818,975)	(3,056,061)
Proceeds from sale of property, plant and equipment		14,328	20,513
Interest received		1,732,577	1,103,183
Decrease / (increase) in investments		1,488,064	(4,440,841)
Dividend received		2,578,962	614,080
Net cash generated from / (used in) investing activities		1,994,956	(5,759,126)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - disbursements		18,401,750	(240,000)
- repayments		(1,864,757)	(343,504)
Dividends paid		(9,951,084)	(11,444,221)
Net cash generated from / (used in) financing activities		6,585,909	(12,027,725)
CASH FLOWS FROM DISCONTINUED OPERATIONS			
Operating cash flows		-	(2,031,847)
Investing cash flows		-	(2,010,710)
Financing cash flows		-	906,434
Net cash used in discontinued operations		-	(3,136,123)
Net decrease in cash and cash equivalents		(23,998,530)	(5,478,378)
Cash and cash equivalents at beginning of the period		16,157,977	16,409,752
Effect of exchange rate changes		52,177	(43,513)
Cash and cash equivalents at end of the period		<u>(7,788,376)</u>	<u>10,887,861</u>
CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,071,914	5,367,416
Short term highly liquid investments		4,628,482	14,578,262
Short term running finances		(14,488,772)	(9,057,817)
		<u>(7,788,376)</u>	<u>10,887,861</u>

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



Chairman



Chief Executive



Director

Condensed Interim Consolidated Statement of Changes In Equity (Un-audited)

For the period ended September 30, 2015

	Attributable to equity holders of Fauji Fertilizer Company Limited						Non-controlling interests	Total	
	Capital reserves			Revenue reserves		Surplus on remeasurement of available for sale investments to fair value			
	Share capital	Capital reserves	Translation reserve	Statutory reserve	General reserve				Unappropriated profit
(Rupees '000)									
Balance at January 1, 2014	12,722,382	276,184	1,048,107	6,436	6,802,360	7,574,207	10,508	6,757,655	35,197,839
Total comprehensive income for the period									
Profit for the period after taxation	-	-	-	-	-	12,617,637	-	870,713	13,488,350
Other comprehensive income - net of tax	-	-	(54,727)	-	-	-	7,028	(26,647)	(74,346)
Total comprehensive income for the period - net of tax	-	-	(54,727)	-	-	12,617,637	7,028	844,066	13,414,004
Distributions to owners - recorded directly in equity									
FFC dividends:									
Final dividend 2013: Rs 4.00 per share	-	-	-	-	-	(5,088,952)	-	-	(5,088,952)
First interim dividend 2014: Rs 3.00 per share	-	-	-	-	-	(3,816,714)	-	-	(3,816,714)
Second interim dividend 2014: Rs 3.40 per share	-	-	-	-	-	(4,325,610)	-	-	(4,325,610)
Dividend to FFBL non-controlling interest holders:									
Final dividend 2013: Rs 2.25 per share	-	-	-	-	-	-	-	(1,032,473)	(1,032,473)
First interim dividend 2014: Rs 1.00 per share	-	-	-	-	-	-	-	(458,877)	(458,877)
Total transactions with owners	-	-	-	-	-	(13,231,276)	-	(1,491,350)	(14,722,626)
Balance as at September 30, 2014	12,722,382	276,184	993,380	6,436	6,802,360	6,960,568	17,536	6,110,371	33,889,217
Balance at January 1, 2015	12,722,382	160,000	451,592	-	6,802,360	23,230,168	303,564	-	43,670,066
Total comprehensive income for the period									
Profit for the period after taxation	-	-	-	-	-	12,904,369	-	-	12,904,369
Other comprehensive income - net of tax	-	-	(175,265)	-	-	-	353,302	-	178,037
Total comprehensive income for the period - net of tax	-	-	(175,265)	-	-	12,904,369	353,302	-	13,082,406
Distributions to owners - recorded directly in equity									
FFC dividends:									
Final dividend 2014: Rs 3.50 per share	-	-	-	-	-	(4,452,834)	-	-	(4,452,834)
First interim dividend 2015: Rs 3.94 per share	-	-	-	-	-	(5,012,618)	-	-	(5,012,618)
Second interim dividend 2015: Rs 1.75 per share	-	-	-	-	-	(2,226,417)	-	-	(2,226,417)
	-	-	-	-	-	(11,691,869)	-	-	(11,691,869)
Balance as at September 30, 2015	12,722,382	160,000	276,327	-	6,802,360	24,442,668	656,866	-	45,060,603

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



Chairman



Chief Executive



Director

Notes To The Condensed Interim Consolidated Financial Information (Un-audited)

For the period ended September 30, 2015

1. Fauji Fertilizer Company Limited (the Company) is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The registered office of the Company is situated at 156 - The Mall, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, other manufacturing, energy generation and banking operations.

1% equity of Fauji Fertilizer Bin Qasim Limited (FFBL) aggregating to 9,341,100 ordinary shares, held by FFC, were sold to Fauji Foundation (FF) on October 3, 2014 at the closing market price. Further, FFC irrevocably appointed FF as its proxy, to represent FFC in the general meetings of FFBL and Askari Bank Limited (AKBL) allowing FF to vote for and on behalf of FFC and resolved that representatives of FF may be elected or co-opted or appointed on the Board of Directors of FFBL and AKBL, as nominated by FF. This resulted in loss of control over FFBL and AKBL. Accordingly, the status of FFBL and AKBL has been changed to associated companies of FFC and therefore the group has classified FFBL and AKBL as discontinued operations, for the year ended December 31, 2014 and accordingly the comparatives in condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income and condensed interim consolidated cash flow statement have been represented.

2. This condensed interim consolidated financial report is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial report of the Group for the period ended September 30, 2015 has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The applicable financial framework for banks also includes the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP).

This condensed interim consolidated financial report does not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2014. Comparative condensed interim consolidated balance sheet is extracted from annual audited financial statements for the year ended December 31, 2014 where as comparative condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity are stated from unaudited condensed interim financial report for the period ended September 30, 2014.

3. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2014: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2014: Rs 15,000,000 thousand).

September 30, 2015	December 31, 2014		Un-audited September 30, 2015	Audited December 31, 2014
(Numbers)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs.10 each issued for consideration in cash	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs.10 each issued as fully paid bonus shares	10,157,423	10,157,423
<u>1,272,238,247</u>	<u>1,272,238,247</u>		<u>12,722,382</u>	<u>12,722,382</u>

4. REVENUE RESERVES

General reserve	6,802,360	6,802,360
Unappropriated profit	24,442,668	23,230,168
	<u>31,245,028</u>	<u>30,032,528</u>

Notes To The Condensed Interim Consolidated Financial Information

For the period ended September 30, 2015

	Note	Un-audited September 30, 2015	Audited December 31, 2014
(Rupees '000)			
5. LONG TERM BORROWINGS			
Loans from banking companies - secured	5.1	20,715,000	4,280,000
Long term loan - Government of Pakistan loan FFBL (un-secured)	5.2	-	-
Long term loan - FFCEL (secured)	5.3	8,047,789	8,963,275
Long term loan - FFFL (MCB)	5.4	2,137,083	1,216,928
		<u>30,899,872</u>	<u>14,460,203</u>
Less: Current portion shown under current liabilities		<u>4,158,225</u>	<u>3,054,000</u>
		<u>26,741,647</u>	<u>11,406,203</u>
5.1 Movement in this account during the period / year is as follows:			
Opening balance		4,280,000	5,740,000
Draw-downs during the period / year		17,352,500	-
Repayments during the period / year		<u>(917,500)</u>	<u>(1,460,000)</u>
Closing balance		<u>20,715,000</u>	<u>4,280,000</u>
5.2 Movement in this account during the period / year is as follows:			
Opening balance		-	2,592,802
Adjustment during the period / year		<u>-</u>	<u>(2,592,802)</u>
Closing balance		<u>-</u>	<u>-</u>
5.3 Movement in this account during the period / year is as follows:			
Long Term Financing from financial institutions		8,210,119	9,157,138
Less: Transaction cost			
Initial transaction cost		(269,797)	(269,797)
Amortised during the period / year		<u>107,467</u>	<u>75,934</u>
Closing balance		<u>8,047,789</u>	<u>8,963,275</u>
5.4 Movement in this account during the quarter / year is as follows:			
MCB Bank Limited		1,590,000	1,220,000
Allied Bank Limited		549,750	-
Less: Transaction cost		(4,000)	(4,000)
Amortised during the period / year		<u>1,333</u>	<u>928</u>
Closing balance		<u>2,137,083</u>	<u>1,216,928</u>

Notes To The Condensed Interim Consolidated Financial Information

For the period ended September 30, 2015

	Un-audited September 30, 2015	Audited December 31, 2014
	(Rupees '000)	
6. CONTINGENCIES AND COMMITMENTS		
a) Contingencies:		
i) Guarantees issued by banks on behalf of the Group companies.	15,010	50,997
ii) Claims against FFC and/or potential exposure not acknowledged as debt.	50,696	50,696
iii) During the period, FFCEL received notice under section 48 of the Sales Tax Act, 1990 for the payment of default surcharge on the sales tax amounts for the period from August 2013 to November 2013. FFCEL's appeal against the notice is currently in the High Court. The management is expecting a favorable outcome and accordingly provision has not been recognized against this amount.	49,922	56,123
iv) Group's share of contingencies in Fauji Fertilizer Bin Qasim Limited.	17,239,023	17,604,632
v) Group's share of contingencies in Fauji Cement Company Limited as at June 30, 2015 (2014: September 30, 2014).	111,671	111,086
vi) Group's share of contingencies in Askari Bank Limited as at June 30, 2015 (2014: September 30, 2014).	68,495,076	69,952,374
vii) The Competition Commission of Pakistan has imposed a penalty of Rs 5.5 billion on FFC for alleged unreasonable increase in urea prices during the year 2011. However, the fact remains that price increase was essentially caused by extended gas curtailment and delayed urea imports by the Government of Pakistan resulting in product shortage leading to market imbalance and price hike. FFC has filed an appeal against the above penalty before the Competition Appellate Tribunal. Based on legal advice from the FFC's legal advisor, the Company is confident that there are reasonable grounds for a favourable decision.		
	Un-audited September 30, 2015	Audited December 31, 2014
	(Rupees '000)	
b) Commitments in respect of:		
i) Capital expenditure	1,113,191	2,994,277
ii) Purchase of fertilizer, stores, spares and other operational items	2,754,339	2,869,125
iii) Rentals under lease agreements:		
Premises	245,254	229,041
Vehicles	101,030	95,460

Notes To The Condensed Interim Consolidated Financial Information

For the period ended September 30, 2015

Note	Un-audited September 30, 2015	Audited December 31, 2014
(Rupees '000)		
7. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	33,104,620	44,314,880
Additions during the period / year	3,947,527	7,829,632
Written down value of disposals / adjustments	(14,351)	(2,287,916)
Depreciation during the period / year	(1,925,292)	(3,471,748)
	35,112,504	46,384,848
Discontinued operations	-	(13,280,228)
	<u>35,112,504</u>	<u>33,104,620</u>

7.1 Additions in and depreciation on property, plant and equipment during the period ended September 30, 2014 were Rs 3,658,588 thousand and Rs 2,822,569 thousand respectively.

Note	Un-audited September 30, 2015	Audited December 31, 2014
(Rupees '000)		
8. LONG TERM INVESTMENTS		
Equity accounted investments	34,597,949	34,453,126
Other long term investments	7,421,272	7,334,005
	<u>42,019,221</u>	<u>41,787,131</u>

8.1 Equity accounted investments

Investment in associated company - under equity method

Fauji Fertilizer Bin Qasim Limited (FFBL)

Balance at the beginning	19,479,310	18,710,223
Share of profit / OCI for the period / year	640,893	1,118,510
Dividend received	(1,397,676)	(349,423)
	18,722,527	19,479,310

Askari Bank Limited (AKBL)

Balance at the beginning	11,859,580	11,859,580
Share of profit for the period / year	1,720,761	-
Dividend received	(1,087,536)	-
	12,492,805	11,859,580

Fauji Cement Company Limited (FCCL)

Balance at the beginning	1,824,000	2,149,878
Share of profit for the period / year	280,720	207,670
Dividend received	(93,750)	(168,750)
	2,010,970	2,188,798
Discontinued operations	-	(364,798)
	<u>2,010,970</u>	<u>1,824,000</u>

Foundation Wind Energy - I Limited

Advance for issue of shares - balance at beginning	-	923,941
Advance for issue of shares during the period / year	-	189,043
Share of loss for the year	-	(10,631)
	-	1,102,353
Discontinued operations	-	(1,102,353)
	<u>-</u>	<u>-</u>

Notes To The Condensed Interim Consolidated Financial Information

For the period ended September 30, 2015

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

Foundation Wind Energy - II (Private) Limited

Advance for issue of shares - balance at beginning	-	971,100
Advance paid during the period / year	-	96,226
Share of profit / (loss) for the year	-	(1,653)
	-	1,065,673
Discontinued operations	-	(1,065,673)
	-	-

Investment in joint venture-under equity method

Pakistan Maroc Phosphore S.A., Morocco (PMP)		
Balance at the beginning	1,290,236	1,961,774
Share of profit for the period / year	166,282	553,461
(Loss) / gain on translation of net assets	(84,871)	1,354,774
	1,371,647	3,870,009
Discontinued operations	-	(2,579,773)
	1,371,647	1,290,236
	<u>34,597,949</u>	<u>34,453,126</u>

8.2 Other long term investments

Investment available for sale

Certificates of Investment (COIs) / Term Deposit Receipts (TDRs)	117,801	113,868
Pakistan Investment Bonds (PIBs)	7,728,605	7,178,198
Term Finance Certificates (TFCs)	102,600	99,500
	7,949,006	7,391,566

Less: Current portion shown under short term investments 9

Investments available for sale

Certificates of Investment (COIs) / Term Deposit Receipts (TDRs)	26,429	27,094
Pakistan Investment Bonds (PIBs)	501,305	30,467
	527,734	57,561
	<u>7,421,272</u>	<u>7,334,005</u>

9. SHORT TERM INVESTMENTS

Loans & receivables

Term deposits with banks and financial institutions		
Local currency	3,062,210	25,400,000
Foreign currency	1,384,216	1,309,818
Investments at fair value through profit or loss - Held for trading	176,457	665,458
Current maturity of long term investments	527,734	57,561
	<u>5,150,617</u>	<u>27,432,837</u>

Notes To The Condensed Interim Consolidated Financial Information (Un-audited)

For the period ended September 30, 2015

	For the quarter ended		For the period ended	
	(Re-presented)		(Re-presented)	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	(Rupees'000)		(Rupees'000)	
10. COST OF SALES				
Raw materials consumed	6,603,060	6,145,085	18,782,271	18,106,823
Fuel and power	2,494,297	2,046,851	6,312,065	5,781,900
Chemicals and supplies	76,777	108,267	255,643	278,974
Salaries, wages and benefits	1,566,891	1,095,977	4,439,772	3,687,139
Training and employees welfare	216,018	187,072	587,453	568,626
Rent, rates and taxes	3,287	1,555	13,798	8,613
Insurance	87,356	103,982	171,656	186,497
Travel and conveyance	82,009	120,377	297,903	336,704
Repairs and maintenance	311,318	303,443	1,598,212	1,043,329
Depreciation and amortisation	630,153	607,340	1,880,411	1,764,230
Communication and other expenses	386,759	472,038	1,193,789	1,269,899
Provision for slow moving spares	-	-	31,656	38,040
Opening stock - work in process	88,673	51,707	64,860	67,903
Closing stock - work in process	(95,899)	(46,401)	(95,899)	(46,401)
Cost of goods manufactured	12,450,699	11,197,293	35,533,590	33,092,276
Add: Opening stock - manufactured fertilizers	109,547	78,725	584,930	71,424
Less: Closing stock - manufactured fertilizers	(3,285,137)	(184,328)	(3,285,137)	(184,328)
	(3,175,590)	(105,603)	(2,700,207)	(112,904)
Cost of sales - manufactured fertilizers	9,275,109	11,091,690	32,833,383	32,979,372
Opening stock of purchased fertilizers	687,177	263,382	21,504	-
Purchase of fertilizers for resale	7,248,049	3,493,040	9,243,010	3,914,310
	7,935,226	3,756,422	9,264,514	3,914,310
Less: Closing stock of purchased fertilizers	(7,840,047)	(3,084,354)	(7,840,047)	(3,084,354)
Cost of sale of purchased fertilizers	95,179	672,068	1,424,467	829,956
	9,370,288	11,763,758	34,257,850	33,809,328
11. EARNINGS PER SHARE				
Net profit after tax (Rupees '000)				
Continuing operations	4,143,554	4,405,298	12,904,369	11,715,888
Discontinued operations	-	970,519	-	1,772,462
	4,143,554	5,375,817	12,904,369	13,488,350
Weighted average number of shares in issue during the period - (Number '000)	1,272,238	1,272,238	1,272,238	1,272,238
Basic and diluted earnings per share (Rupees)				
Continuing operations	3.26	3.47	10.14	9.21
Discontinued operations	-	0.76	-	1.39
	3.26	4.23	10.14	10.60

Notes To The Condensed Interim Consolidated Financial Information (Un-audited)

For the period ended September 30, 2015

	For the quarter ended		For the period ended	
	September 30, 2015	(Re-presented) September 30, 2014	September 30, 2015	(Re-presented) September 30, 2014
	(Rupees'000)		(Rupees'000)	
12. OTHER EXPENSES				
Research and development	115,171	83,967	342,768	264,252
Workers' Profit Participation Fund	250,398	364,451	935,919	989,439
Workers' Welfare Fund	94,208	140,154	362,530	377,650
	<u>459,777</u>	<u>588,572</u>	<u>1,641,217</u>	<u>1,631,341</u>
13. OTHER INCOME				
Income from financial assets				
Income on loans, deposits and investments	324,145	531,074	1,490,696	1,181,951
Gain on re-measurement of investments	127	3,828	3,332	3,227
Dividend income	9,365	-	9,365	-
Exchange gain / (loss)	43,964	22,121	70,284	2,663
	<u>377,601</u>	<u>557,023</u>	<u>1,573,677</u>	<u>1,187,841</u>
Income from subsidiary				
Commission on sale of FFBL products	-	-	-	-
Dividend from FFBL	-	-	-	-
Dividend from AKBL	-	543,768	-	543,768
	<u>-</u>	<u>543,768</u>	<u>-</u>	<u>543,768</u>
Income from non-financial assets				
Gain on disposal of property, plant and equipment	3,246	6,513	38	19,551
Commission on sale of FFBL products	2,995	-	9,724	-
	<u>6,241</u>	<u>6,513</u>	<u>9,762</u>	<u>19,551</u>
Other income				
Scrap sales	2,567	2,909	24,399	9,199
Others	26,961	9,500	86,773	82,275
	<u>29,528</u>	<u>12,409</u>	<u>111,172</u>	<u>91,474</u>
	<u>413,370</u>	<u>1,119,713</u>	<u>1,694,611</u>	<u>1,842,634</u>

Notes To The Condensed Interim Consolidated Financial Information (Un-audited)
For the period ended September 30, 2015

	September 30, 2015	(Re-presented) September 30, 2014
	(Rupees'000)	
14. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	18,384,903	17,182,061
Adjustments for:		
Depreciation and amortisation	1,996,755	1,846,065
Provision for slow moving spares	31,656	38,040
Finance cost	1,775,811	1,591,522
Impairment	-	577
Income on loans, deposits and investments	(1,486,093)	(1,174,452)
Share of profit of associate and joint venture	(2,899,050)	8,546
Gain on sale of property, plant and equipment	(452)	(19,551)
Exchange gain	(69,990)	(7,620)
Dividend Income	-	(684,393)
Gain on remeasurement of investments at fair value through profit or loss	(3,332)	(3,227)
	(654,695)	1,595,507
	17,730,208	18,777,568
Changes in working capital		
Decrease / (increase) in current assets:		
Stores and spares	(170,456)	(121,549)
Stock in trade	(10,432,126)	(3,368,516)
Trade debts	(1,174,477)	(1,795,847)
Loans and advances	(574,917)	256,037
Deposits and prepayments	(521,700)	(85,957)
Other receivables	(2,038,638)	494,504
(Decrease) / increase in current liabilities:		
Trade and other payables	(27,064,477)	9,828,704
	(41,976,791)	5,207,376
Changes in long term loans and advances	22,622	(103,211)
Changes in long term deposits and prepayments	1,854	(23,125)
Changes in deferred liabilities	178,297	171,784
	(24,043,810)	24,030,392

Notes To The Condensed Interim Consolidated Financial Information (Un-audited)
For the period ended September 30, 2015

15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions and balances with the related parties are as follows:

	September 30, 2015	September 30, 2014
	(Rupees '000)	
Transactions with associated undertakings / companies due to common directorship		
Long term investment	117,801	179,346
Sale of fertilizer	2,184	2,162
Dividends paid	4,197,928	6,392,950
Purchase of gas as feed and fuel stock	24,052,096	22,684,933
Expenses charged on account of marketing of fertilizer	494,782	-
Commission on sale of products	9,724	-
Payment under consignment account	27,771,303	-
Services received	1,864	240,481
Bank balance	236,163	-
Running finance	1,792	-
Dividend payable	987,416	-
Balance payable	8,337,043	26,119,281 *
Balance receivable	6,371,858	3,275,428 *
Transactions with joint venture company		
Raw material purchased	-	17,325,157
Expenses incurred on behalf of joint venture company	-	13,142
Balance receivable	-	8,353 *
Other related parties		
Remuneration including benefits and perquisites of Chief Executives and Executives, No. of persons 2015: 1 and 846 (2014: 1 and 761).	4,123,488	3,386,100
Payments to:		
Employees' Provident Fund Trust	280,475	280,364
Employees' Gratuity Fund Trust	74,893	639,734
Employees' Pension Fund Trust	459,371	94,067
Others:		
Balance receivable from Gratuity Fund Trust	29,763	28,090 *
Balance receivable from Pension Fund Trust	415,157	59,019 *

*Comparative figures of receivable/payable balances are as of December 31, 2014.

16. GENERAL

16.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

16.2 The Board of Directors of FFC in its meeting held on October 28, 2015 proposed a third interim dividend of Rs 2.75 per share.

16.3 This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of FFC on October 28, 2015.



Chairman



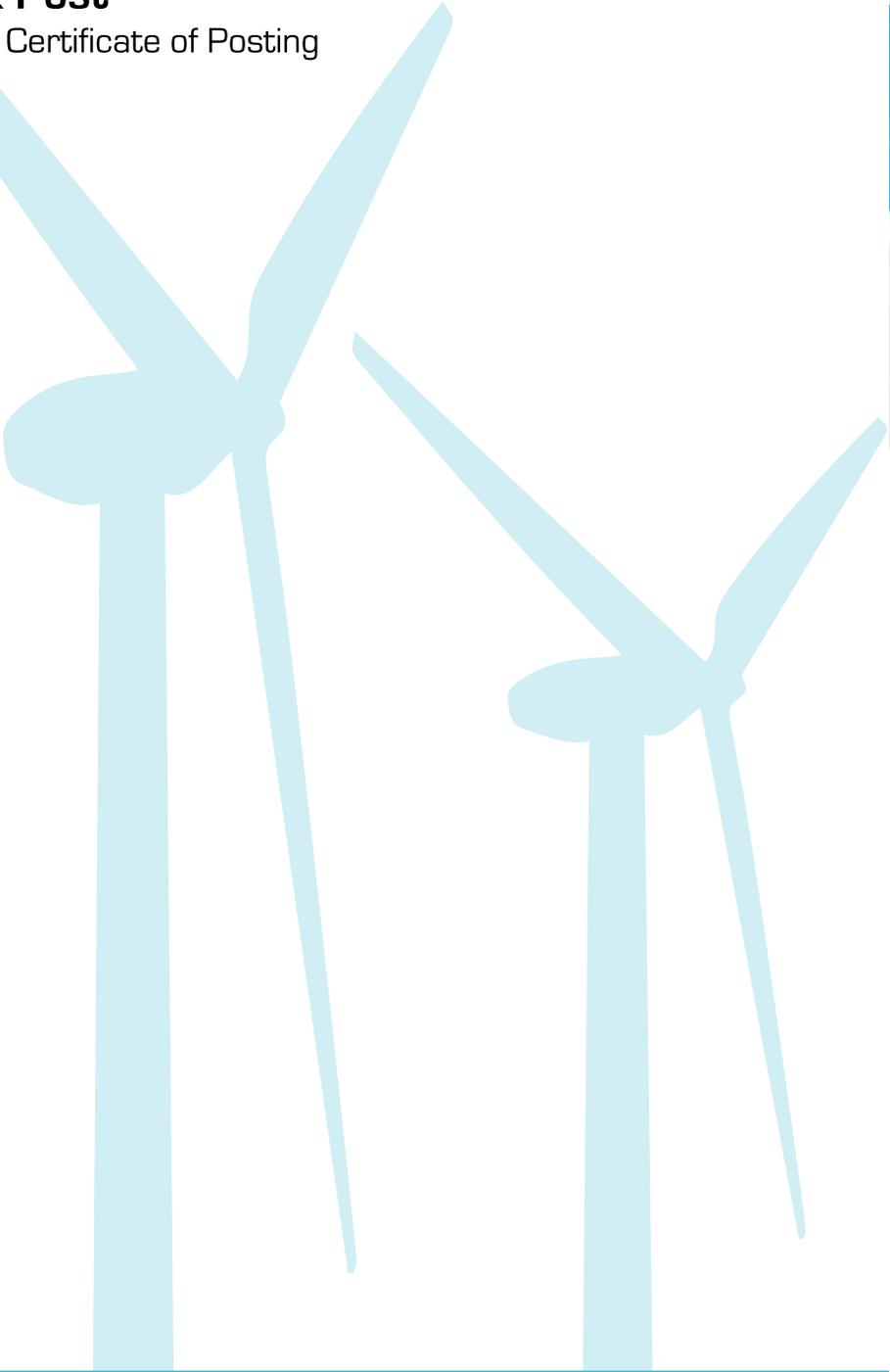
Chief Executive



Director

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Askari Bank Ltd



Fauji Fresh n Freeze Ltd
(Formerly AHFL)

