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SAY NO TO CORRUPTION

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)
Mr Shahid Ghaffar
Maj Gen Mumtaz Ahmad Bajwa, HI(M) (Retd)
Mr Per Kristian Bakkerud
Mr Khizar Hayat Gondal
Brig Raashid Wali Janjua, SI(M) (Retd)
Mr Shoaib Mir

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: ffcwfp@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

Central Depository Company of Pakistan Limited
Share Registrar Department
CDC House, 99 - B, Block - B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400
Tel: +92-0800-23275, Fax: +92-21-34326053

DIRECTORS' REVIEW

For the period ended September 30, 2016

Dear Members,

On behalf of the Board of Directors, I am pleased to report net earnings of Rs. 7.51 billion for the nine months ended September 30, 2016.

The Company continued to create new Sona urea production benchmarks with nine months output of 1,876 thousand tonnes, 3% higher compared to last year due to better gas availability and operational efficiencies with a capacity utilization of 122%.

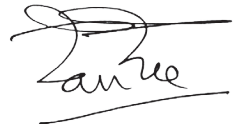
Despite 12% contraction faced by the urea industry, the Company's determined efforts resulted in urea sales of 1,597 thousand tonnes, lower by only 6% as compared to last year.

Lower off-take coupled with suppressed selling prices during the period under review resulted in sales revenue of Rs. 45.93 billion, lower by 15% from last year. In addition, levy of Super Tax, higher financing costs and lower dividend and investment income resulted in per share earnings of Rs. 5.90, lower by 37% compared to corresponding period of last year.

Consistent with the Company's commitment to provide shareholders with a regular stream of income, the Board is pleased to announce third interim dividend of Rs. 1.75 per share (17.50%), aggregating to Rs. 5.15 (51.50%) for the nine months ended September 30, 2016.

Going forward, poor farm economics, limited ability to pass through production costs, suppressed domestic urea prices and declining international prices are expected to pose challenges for the Company. However, the Board remains focused on profitability and maintaining a regular stream of income for its shareholders, through diversification and improved operational efficiencies, supported by sustained gas supply and favorable policies for the industry.

On behalf of the Board,



Chairman

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

Rawalpindi
October 26, 2016

ڈائریکٹرز کا تجزیہ

بورڈ آف ڈائریکٹرز کی جانب سے مجھے یہ اعلان کرتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی نے 30 ستمبر 2016 کو ختم ہونے والے نو ماہی میں 7.51 ارب روپے کا خالص منافع کمایا ہے۔

کمپنی نے سونا یوریا کی پیداوار کے معیار کو قائم کرتے ہوئے نو ماہ کے دورانیہ میں 122 فیصد پیداواری صلاحیت کے ساتھ 1,876 ہزار ٹن سونا یوریا پیداوار حاصل کی، جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 3 فیصد زائد رہی۔

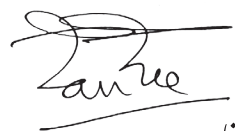
یوریا کی صنعت میں 12 فیصد کمی کے باوجود، کمپنی کی انتھک کاوشوں سے یوریا کی فروخت پچھلے سال کی نسبت صرف 6 فیصد کمی کے ساتھ 1,597 ہزار ٹن رہی۔

زیر جائزہ مدت کے دوران یوریا فروخت میں کمی اور قیمتوں کے زیرِ دباؤ رہنے کے نتیجے میں آمدنی 45.93 ارب روپے رہی جو کہ پچھلی مدت کے مقابلے میں 15 فیصد کم ہے۔ اس کے علاوہ "Super Tax" کے نفاذ، قرضوں کے بڑھتے ہوئے اخراجات اور مالیاتی آمدن (Investment & Dividend Income) میں کمی کے نتیجے میں کمپنی کی 5.90 روپے فی حصص آمدن پچھلے سال کی اسی مدت سے 37 فیصد کم رہی۔

حصہ داروں کی آمدن کو برقرار رکھنے کے پیش نظر بورڈ سال 2016 کے تیسرے عبوری منافع منقسمہ (Dividend) 1.75 روپے (فی حصص 17.50 فیصد) کا اعلان کرتا ہے۔ جو کہ مجموعی طور پر 5.15 روپے (51.50 فیصد) ہے۔

مستقبل میں، کمزور زرعی معیشت، پیداواری لاگت منتقل کرنے کی محدود صلاحیت زیرِ دباؤ یوریا کی قیمتیں اور کم ہوتی بین الاقوامی قیمتیں کمپنی کیلئے متوقع چیلنج ہو سکتے ہیں۔ تاہم بورڈ متنوع کاروباری منصوبوں اور بہتر پیداواری کارکردگی کے ذریعے حصہ داروں کی مستقل آمدن کو برقرار رکھنے اور کمپنی کے منافع پر مرکوز ہے۔ جو کہ گیس کی مسلسل ترسیل اور صنعت کیلئے سازگار پالیسیوں سے ممکن ہے۔

بورڈ کی جانب سے



چیرمین

لیفٹیننٹ جنرل خالد نواز خان

راولپنڈی

26 اکتوبر 2016

ہلال امتیاز (ملٹری)، ستارہ ایثار (ریٹائرڈ)



CONDENSED INTERIM FINANCIAL INFORMATION



1,491.75
+ 240.39
+ 428.45

14092.69

+ 1445.65
+ 1204.25
+ 2008.67
+ 1804.75

CONDENSED INTERIM BALANCE SHEET

As at September 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
(Rupees ‘000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves	5	12,723,578	13,894,676
Surplus on remeasurement of investments available for sale to fair value		513,909	534,407
		26,119,869	27,311,465
NON - CURRENT LIABILITIES			
Long term borrowings	6	18,165,446	15,892,599
Deferred liabilities		4,709,966	4,600,324
		22,875,412	20,492,923
CURRENT LIABILITIES			
Trade and other payables	7	9,828,543	8,113,918
Interest and mark - up accrued	8	528,519	268,094
Short term borrowings	9	14,842,101	18,020,602
Current portion of long term borrowings		6,171,804	4,509,839
Taxation		1,010,381	1,413,048
		32,381,348	32,325,501
		81,376,629	80,129,889

CONTINGENCIES AND COMMITMENTS 10

The annexed notes 1 to 30 form an integral part of this condensed interim financial information.

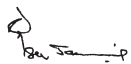
	Note	Un-audited September 30, 2016	Audited December 31, 2015
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	11	21,328,733	21,381,702
Intangible assets		1,573,455	1,576,720
Long term investments	12	29,679,955	29,129,475
Long term loans and advances	13	945,055	814,298
Long term deposits and prepayments	14	13,059	13,001
		53,540,257	52,915,196
CURRENT ASSETS			
Stores, spares and loose tools		3,384,034	3,395,762
Stock in trade		8,897,443	5,100,020
Trade debts		4,914,479	1,773,698
Loans and advances	15	970,635	1,024,594
Deposits and prepayments	16	101,571	39,323
Other receivables	17	5,471,986	2,807,262
Short term investments	18	2,886,414	10,334,720
Cash and bank balances	19	1,209,810	2,739,314
		27,836,372	27,214,693
		81,376,629	80,129,889



Chairman



Chief Executive



Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended September 30, 2016

	Note	For the quarter ended		For the period ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
		(Rupees '000)		(Rupees '000)	
Sales	20	17,603,944	15,107,611	45,925,856	54,293,915
Cost of sales	21	13,513,933	9,155,995	33,508,553	33,659,870
GROSS PROFIT		4,090,011	5,951,616	12,417,303	20,634,045
Distribution cost		1,720,856	1,809,173	4,825,056	4,978,355
		2,369,155	4,142,443	7,592,247	15,655,690
Finance cost	22	605,788	519,666	1,784,164	962,876
Other expenses	23	412,962	459,777	1,227,238	1,641,217
		1,350,405	3,163,000	4,580,845	13,051,597
Other income	24	2,433,356	1,435,130	6,732,720	4,368,343
NET PROFIT BEFORE TAXATION		3,783,761	4,598,130	11,313,565	17,419,940
Provision for taxation		1,171,000	918,000	3,808,000	5,474,000
NET PROFIT AFTER TAXATION		2,612,761	3,680,130	7,505,565	11,945,940
Earnings per share - basic and diluted (Rupees)	25	2.05	2.89	5.90	9.39

The annexed notes 1 to 30 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended September 30, 2016

	For the quarter ended		For the period ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	(Rupees '000)		(Rupees '000)	
Net profit after taxation	2,612,761	3,680,130	7,505,565	11,945,940
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 of tax	(116,296)	(19,027)	(20,498)	353,302
Total comprehensive income for the period	2,496,465	3,661,103	7,485,067	12,299,242

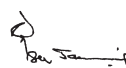
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Chairman



Chief Executive



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the period ended September 30, 2016

	Note	September 30, 2016	September 30, 2015
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	26	976,288	(26,010,464)
Finance cost paid		(1,537,660)	(505,458)
Income tax paid		(4,101,025)	(7,365,920)
Subsidy received on sale of fertilizer		1,533,171	-
Net cash used in from operating activities		(3,129,226)	(33,881,842)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,529,835)	(2,840,594)
Proceeds from sale of property, plant and equipment		19,801	14,328
Investment in subsidiary - FFF		(1,200,000)	-
Investments - net		1,527,717	1,488,064
Interest and profit received		851,220	1,695,953
Dividends received		2,264,743	2,578,962
Net cash generated from investing activities		1,933,646	2,936,713
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing: - Draw - downs		6,050,000	17,352,500
- Repayments		(2,115,188)	(917,500)
Dividends paid		(7,692,314)	(9,951,084)
Net cash (used in) / generaerd from financing activities		(3,757,502)	6,483,916
Net decrease in cash and cash equivalents		(4,953,082)	(24,461,213)
Cash and cash equivalents at beginning of the period		(5,864,224)	15,281,142
Effect of exchange rate changes		13,921	52,177
Cash and cash equivalents at end of the period		(10,803,385)	(9,127,894)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	1,209,810	1,644,606
Short term highly liquid investments		2,828,906	3,716,272
Short term running finance	9	(14,842,101)	(14,488,772)
		(10,803,385)	(9,127,894)

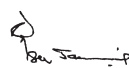
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Chairman



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended September 30, 2016

	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, 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
Balance as at January 1, 2016	12,722,382	160,000	6,802,360	7,092,316	534,407	27,311,465
Total comprehensive income for the period						
Profit after taxation	-	-	-	7,505,565	-	7,505,565
Other comprehensive income - net of tax	-	-	-	-	(20,498)	(20,498)
Total comprehensive income for the period - net of tax	-	-	-	7,505,565	(20,498)	7,485,067
Distribution to owners - recorded directly in equity						
Final dividend 2015: Rs 3.42 per share	-	-	-	(4,351,054)	-	(4,351,054)
First interim dividend 2016: Rs 1.85 per share	-	-	-	(2,353,640)	-	(2,353,640)
Second interim dividend 2016: Rs 1.55 per share	-	-	-	(1,971,969)	-	(1,971,969)
	-	-	-	(8,676,663)	-	(8,676,663)
Balance as at September 30, 2016	12,722,382	160,000	6,802,360	5,921,218	513,909	26,119,869

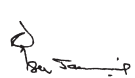
The annexed notes 1 to 30 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended September 30, 2016

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 Pakistan Stock Exchange. 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, food processing and banking operations.
2. This condensed interim financial information of the Company for the period ended September 30, 2016 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in this condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended December 31, 2015. Comparative condensed interim balance sheet is extracted from annual financial statements as of December 31, 2015 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, 2015.

This condensed interim financial information is un-audited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Pakistan Stock Exchange.

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, 2015, except for the following changes;

Securities and Exchange Commission of Pakistan (SECP), during the period through its circular No. 14 of 2016 dated April 21, 2016, has prescribed the implementation of mandatory disclosure requirement for listed companies. This circular prescribes certain disclosures including bifurcation of certain balance sheet and profit and loss items between conventional and Islamic mode. However, subsequently SECP vide circular No. 29 of 2016 dated September 5, 2016, termed these disclosures as voluntary. Accordingly, the Company has opted to present these disclosures in this condensed interim financial information. However, there was no change in reported figures of profit and loss or balance sheet.

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2015: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2015: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

September 30, 2016	December 31, 2015		Un-audited September 30, 2016	Audited December 31, 2015
(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>

5. REVENUE RESERVES

General reserve	6,802,360	6,802,360
Unappropriated profit	5,921,218	7,092,316
	<u>12,723,578</u>	<u>13,894,676</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended September 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
(Rupees '000)			
6. LONG TERM BORROWINGS			
Long term borrowings - secured			
From conventional banks	6.1	20,237,250	16,252,438
From Islamic banks	6.2	4,100,000	4,150,000
		24,337,250	20,402,438
Less: Current portion shown under current liabilities			
From conventional banks		5,137,875	3,999,125
From Islamic banks		1,033,929	510,714
		6,171,804	4,509,839
		18,165,446	15,892,599
6.1 Movement during the period / year is as follows:			
Opening balance		16,252,438	3,625,000
Draw - downs during the period / year		6,050,000	14,721,500
Repayments during the period / year		(2,065,188)	(2,094,062)
Closing balance	6.1.1	20,237,250	16,252,438

6.1.1 The borrowings are secured by way of hypothecation of Company assets including plant, machinery, tools & spares and other moveable properties including stocks and trade debts, ranking pari passu with each other with 25% margin and lien over Pakistan Investment Bonds (PIBs) with 10% margin.

These carry mark-up ranging between 6 month KIBOR + 0.10% to 0.65% per annum and 3 month KIBOR + 0.40% (2015: 6 month KIBOR + 0.10 % to 0.50% and 3 month KIBOR + 0.40% per annum) and are repayable up to September 2021 (2015: December 2020).

	Note	Un-audited September 30, 2016	Audited December 31, 2015
(Rupees '000)			
6.2 Movement during the period / year is as follows:			
Opening balance		4,150,000	655,000
Draw - downs during the period / year		-	3,900,000
Repayments during the period / year		(50,000)	(405,000)
Closing balance	6.2.1	4,100,000	4,150,000

6.2.1 The borrowings are secured by way of hypothecation of Company assets including plant, machinery, tools & spares ranking pari passu with each other with 25% margin and lien over Pakistan Investment Bonds (PIBs), held by the company, with nil margin.

These carry profit rates ranging between 6 month KIBOR + 0.05% to 0.50% per annum (2015: 6 month KIBOR + 0.05% to 0.50% per annum) and are repayable up to December 2020 (2015: December 2020).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended September 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
(Rupees '000)			
7. TRADE AND OTHER PAYABLES			
Creditors		2,023,494	1,475,991
Accrued liabilities		2,321,598	2,588,789
Consignment account with			
Fauji Fertilizer Bin Qasim Limited - unsecured		848,559	547,401
Sales tax payable		-	949,766
Deposits		156,722	252,533
Retention money		167,172	143,480
Advances from customers		622,911	87,541
Workers' Welfare Fund		1,457,187	1,226,298
Workers' Profit Participation Fund		574,067	-
Payable to Gratuity Fund		-	133,690
Dividend payable		1,598,297	613,948
Payable to Fauji Fresh n Freeze Limited		-	30,317
Other liabilities		58,536	64,164
		9,828,543	8,113,918
8. INTEREST AND MARK - UP ACCRUED			
On borrowings from conventional banks		433,334	201,631
On borrowings from Islamic banks		95,185	66,463
		528,519	268,094
9. SHORT TERM BORROWINGS			
Short term borrowings - secured			
From conventional banks	9.1	13,855,920	16,580,602
From Islamic banks	9.2	986,181	1,440,000
		14,842,101	18,020,602

9.1 Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs. 17.40 billion (2015: Rs. 17.35 billion) which represent the aggregate all facility agreements between the Company and respective banks. The facilities have various maturity dates upto July 31, 2017.

The facilities are secured by pari passu / ranking hypothecation charges on assets of the Company besides lien over US \$ and Term Deposits / PIBs in certain cases. The per annum rates of mark-up range between 1 month KIBOR + 0.5% to 0.35%, 3 month KIBOR + nil to 0.50% (2015: 1 month KIBOR + 0.05% to 0.35% and 3 month KIBOR + 0.10% to 0.50%).

9.2 Shariah compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to Rs. 1.80 billion (2015: Rs. 1.44 billion) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto May 31, 2017.

The facilities are secured by ranking hypothecation charges on assets of the Company. The per annum rates of profit range between 1 month KIBOR + 0.10% and 3 month KIBOR + Nil to 3 month KIBOR + 0.14% (2015: 1 month KIBOR + 0.10% and nil).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended September 30, 2016

		Un-audited September 30, 2016	Audited December 31, 2015
		(Rupees '000)	
10. CONTINGENCIES AND COMMITMENTS			
(a) Contingencies			
(i) Guarantees issued by banks on behalf of the Company		15,010	15,010
(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 in 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 favorable decision.			
	Note	Un-audited September 30, 2016	Audited December 31, 2015
		(Rupees '000)	
(b) Commitments in respect of:			
(i) Capital expenditure		1,622,539	1,029,026
(ii) Purchase of fertilizer, stores, spares and other revenue items		4,352,885	540,496
(iii) Rentals under lease agreements:			
Premises		286,127	240,986
Vehicles		79,754	92,415
11. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		21,381,702	20,093,898
Additions during the period / year	11.1	1,529,350	3,272,345
Written down value of disposals		(7,271)	(14,468)
Depreciation during the period / year	11.1 & 11.2	(1,575,048)	(1,970,073)
Closing written down value		21,328,733	21,381,702
11.1 Additions in and depreciation on property, plant and equipment during the period ended September 30, 2015 were Rs 2,834,026 thousand and Rs 1,463,208 thousand respectively.			
		Un-audited September 30, 2016	Audited December 31, 2015
		(Rupees '000)	
11.2 Depreciation charge has been allocated as follows;			
Cost of sales		1,506,298	1,876,329
Distribution cost		55,211	75,857
Other expenses		1,270	1,175
Charged to FFBL under the Company Services Agreement		12,269	16,712
		1,575,048	1,970,073

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended September 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
		(Rupees '000)	
12. LONG TERM INVESTMENTS			
Investment in subsidiaries - at cost			
FFC Energy Limited		2,438,250	2,438,250
Fauji Fresh n Freeze Limited		2,635,500	1,435,500
Investment in associates - at cost			
Fauji Cement Company Limited		1,500,000	1,500,000
Fauji Fertilizer Bin Qasim Limited		4,658,919	4,658,919
Askari Bank Limited		10,461,921	10,461,921
		16,620,840	16,620,840
Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A., Morocco		705,925	705,925
Investments available for sale			
Term Deposit Receipts - from conventional banks		105,616	114,758
Pakistan Investment Bonds		7,740,605	8,230,410
Term Finance Certificates - under mark-up arrangement		-	99,917
		7,846,221	8,445,085
		30,246,736	29,645,600
Less: Current portion shown under short term investments			
Investments available for sale			
Term Deposit Receipts - from conventional banks		32,875	29,574
Pakistan Investment Bonds		533,906	486,551
	18	566,781	516,125
		29,679,955	29,129,475
13. LONG TERM LOANS AND ADVANCES			
Loans and advances - considered good;			
Interest bearing		696,839	559,442
Non - interest bearing		575,439	553,468
		1,272,278	1,112,910
Less: Amount due within twelve months, shown under current loans and advances			
Interest bearing		133,439	115,976
Non - interest bearing		193,784	182,636
	15	327,223	298,612
		945,055	814,298
14. LONG TERM DEPOSITS AND PREPAYMENTS			
Deposits - non-interest bearing		12,378	12,388
Prepayments		681	613
		13,059	13,001

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended September 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
(Rupees '000)			
15. LOANS AND ADVANCES			
Current portion of long term loans and advances	13	327,223	298,612
Loans and advances to employees - unsecured - considered good, non - interest bearing		129,234	46,372
Advances to subsidiary companies - interest bearing			
FFC Energy Limited (FFCEL)	15.1	336,386	336,386
Fauji Fresh n Freeze Limited (FFF)	15.2	-	183,000
Advances to suppliers - considered good		177,792	160,224
		970,635	1,024,594
15.1 This represents aggregate unsecured advance to, FFCEL, subsidiary company under a revolving credit facility upto an amount of Rs 1,500,000 thousand to meet debt servicing obligations and other working capital requirements. This carries mark-up at 1 month KIBOR + 60bps.			
15.2 This represents aggregate unsecured advance to, FFF, subsidiary company under a revolving credit facility upto an amount of Rs 1,000,000 thousand to meet debt servicing obligations and other working capital requirements. This carries mark-up at 1 month KIBOR + 100bps.			
		Un-audited September 30, 2016	Audited December 31, 2015
(Rupees '000)			
16. DEPOSITS AND PREPAYMENTS			
Deposits - non-interest bearing		955	962
Prepayments		100,616	38,361
		101,571	39,323
17. OTHER RECEIVABLES			
Accrued income on investments and bank deposits			
From conventional banks		172,481	421,899
From Islamic banks		596	916
From subsidiaries - conventional		87,961	105,433
Sales tax receivable		907,514	-
Sales tax receivable related to Pak Saudi Fertilizers Limited		42,486	42,486
Advance tax		322,368	322,368
Receivable from Workers' Profit Participation Fund - unsecured		-	33,536
Receivable from subsidiary companies			
Fauji Fresh n Freeze Limited - unsecured		1,736	-
FFC Energy Limited - unsecured		26,484	8,064
Receivable from Fauji Fertilizer Bin Qasim Limited - unsecured		58,882	49,010
Due from Gratuity Fund		36,099	-
Due from Pension Fund		292,561	268,136
Subsidy receivable from Government agencies		3,473,993	1,489,977
Other receivables			
Considered good		48,825	65,437
Considered doubtful		2,232	2,232
Provision for doubtful receivables		(2,232)	(2,232)
		48,825	65,437
		5,471,986	2,807,262

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended September 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
		(Rupees '000)	
18. SHORT TERM INVESTMENTS			
Loans and receivables - Conventional investments			
Term deposits with banks and financial institutions			
Local currency		700,000	8,239,000
Foreign currency		1,413,474	1,396,192
Investments at fair value through profit or loss - Shariah compliant investments		206,159	183,403
Current maturity of long term investments			
Investments available for sale	12	566,781	516,125
		2,886,414	10,334,720
19. CASH AND BANK BALANCES			
At banks			
Local currency			
Current account - Conventional banking		-	106,570
Deposit account - Conventional banking	19.2	678,838	794,496
Deposit account - Shariah compliant	19.3	7,069	20,691
		685,907	921,757
Foreign currency			
Deposit account		1,201	1,965
Cash in transit		519,502	1,813,556
Cash in hand		3,200	2,036
		1,209,810	2,739,314

19.1 Balances with banks include Rs 475,964 thousand (2015: Rs 738,350 thousand) in respect of security deposits received.

19.2 Balances with conventional banks carry mark-up ranging from 2.5% to 6% (2015: 2.5% to 6%) per annum.

19.3 Balances with Islamic banks carry profit ranging from 2.75% to 5% (2015: 4% to 7%) per annum.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended September 30, 2016

20. SALES

Sales include Rs 2,855,621 thousand (2015: Rs 1,939,902 thousand) in respect of sale of purchased fertilizers, and are exclusive of sales tax and discount of Rs 5,174,772 thousand (2015: Rs 8,329,759 thousand) and Rs 604,782 thousand (2015: Nil) respectively.

21. COST OF SALES	For the quarter ended		For the period ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	(Rupees '000)		(Rupees '000)	
Raw materials consumed	6,288,113	6,603,060	19,835,976	18,782,271
Fuel and power	2,320,601	2,494,297	6,750,894	6,312,065
Chemicals and supplies	95,576	76,777	273,654	255,643
Salaries, wages and benefits	1,545,978	1,558,236	4,599,623	4,412,017
Training and employees welfare	205,811	216,018	576,670	587,453
Rent, rates and taxes	8,763	4,570	14,853	13,798
Insurance	51,568	70,589	156,298	120,338
Travel and conveyance	82,947	82,009	260,426	297,903
Repairs and maintenance	369,570	275,607	1,268,804	1,538,767
Depreciation and amortization	526,760	477,634	1,509,472	1,422,873
Communication and other expenses	241,161	384,835	1,023,452	1,191,865
Provision for slow moving spares	-	-	8,301	31,656
Opening stock - work in process	74,396	88,673	106,097	64,860
Closing stock - work in process	(77,290)	(95,899)	(77,290)	(95,899)
Cost of goods manufactured	11,733,954	12,236,406	36,307,230	34,935,610
Opening stock - manufactured urea	8,349,180	109,547	2,172,446	584,930
Closing stock - manufactured urea	(7,324,260)	(3,285,137)	(7,324,260)	(3,285,137)
	1,024,920	(3,175,590)	(5,151,814)	(2,700,207)
Cost of sales - manufactured urea	12,758,874	9,060,816	31,155,416	32,235,403
Opening stock - purchased fertilizers	2,158,006	687,177	2,756,037	21,504
Purchase of fertilizers for resale	-	7,248,049	1,000,047	9,243,010
	2,158,006	7,935,226	3,756,084	9,264,514
Closing stock - purchased fertilizers	(1,402,947)	(7,840,047)	(1,402,947)	(7,840,047)
Cost of sales - purchased fertilizers	755,059	95,179	2,353,137	1,424,467
	13,513,933	9,155,995	33,508,553	33,659,870

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended September 30, 2016

	For the quarter ended		For the period ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	(Rupees '000)		(Rupees '000)	
22. FINANCE COST				
Mark-up on long term borrowings				
Conventional banking	297,393	254,834	902,061	481,265
Islamic banking	66,165	71,878	209,588	113,307
	363,558	326,712	1,111,649	594,572
Mark-up on short term borrowings				
Conventional banking	207,353	120,143	578,666	213,701
Islamic banking	21,138	39,883	64,104	83,353
	228,491	160,026	642,770	297,054
Exchange loss	6,975	28,489	13,921	56,029
Bank and other charges	6,764	4,439	15,824	15,221
	605,788	519,666	1,784,164	962,876
23. OTHER EXPENSES				
Research and development	132,533	115,171	388,746	342,768
Workers' Profit Participation Fund	203,210	247,136	607,603	935,919
Workers' Welfare Fund	77,219	97,470	230,889	362,530
	412,962	459,777	1,227,238	1,641,217
24. OTHER INCOME				
Income from sales under Government subsidy	2,137,631	-	3,517,187	-
Income from financial assets				
Income on loans, deposits and investments				
Placements with conventional banks	258,220	261,480	806,597	1,260,426
Placements with Islamic banks	214	50,614	361	189,043
Gain / (loss) on re-measurement of investments				
Placements with conventional banks	-	1,598	11,828	1,877
Placements with Islamic banks	7,645	(1,471)	22,756	1,455
Dividend income	-	9,365	-	9,365
Exchange gain on foreign currency	3,263	44,085	3,963	69,990
Income from associate				
Dividend from Fauji Fertilizer Bin Qasim Limited (FFBL)	-	349,419	1,420,970	1,397,676
Dividend from Askari Bank Limited (AKBL)	-	543,768	679,710	1,087,536
Dividend from Fauji Cement Company Limited (FCCL)	-	140,625	164,063	234,375
Income from non - financial assets				
Gain on disposal of property, plant and equipment	4,620	3,246	12,530	38
Commission on sale of FFBL products	5,943	2,995	12,376	9,724
Other income				
Scrap sales	6,425	2,567	10,020	24,399
Others	9,395	26,839	70,359	82,439
	2,433,356	1,435,130	6,732,720	4,368,343
25. EARNINGS PER SHARE				
Net profit after tax	2,612,761	3,680,130	7,505,565	11,945,940
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)	2.05	2.89	5.90	9.39

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
For the period ended September 30, 2016

	For the period ended	
	September 30, 2016	September 30, 2015
	(Rupees '000)	
26. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	11,313,565	17,419,940
Adjustments for:		
Depreciation	1,562,779	1,453,705
Amortization	3,750	39,931
Provision for slow moving spares	8,301	31,656
Finance cost	1,784,164	962,876
Gain on sale of property, plant and equipment	(12,530)	(38)
Income on loans, deposits and investments	(806,958)	(1,449,469)
Exchange gain - net	(3,963)	(69,990)
Gain on remeasurement of investment at fair value through profit or loss	(34,584)	(3,332)
Dividend Income	(2,264,743)	(2,719,587)
Government subsidy on sale of fertilizer	(3,517,187)	-
	(3,280,971)	(1,754,248)
	8,032,594	15,665,692
Changes in working capital:		
Decrease / (increase) in current assets		
Stores, spares and loose tools	3,427	(170,456)
Stock in trade	(3,797,423)	(10,371,099)
Trade debts	(3,140,781)	(1,252,898)
Loans and advances	53,959	(565,781)
Deposits and prepayments	(62,248)	(519,598)
Other receivables	(712,701)	(1,900,510)
Increase / (decrease) in current liabilities		
Trade and other payables	730,276	(27,098,587)
	(6,925,491)	(41,878,929)
Changes in long term loans and advances	(130,757)	22,622
Changes in long term deposits and prepayments	(58)	1,854
Changes in deferred liabilities	-	178,297
	976,288	(26,010,464)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended September 30, 2016

27. FINANCIAL INSTRUMENTS

Fair value of Financial Instruments

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: 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 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

27.1 Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended September 30, 2016

Carrying Amount				Fair Value				
Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees '000)								
September 30, 2016 (Un-audited)								
Financial assets not measured at fair value								
Non - current assets								
Long term investments	-	7,279,440	-	7,279,440	-	7,279,440	-	7,279,440
Long term loans and advances	945,055	-	-	945,055	-	-	-	-
Long term deposits	12,378	-	-	12,378	-	-	-	-
Current assets								
Trade debts - net of provision	4,914,479	-	-	4,914,479	-	-	-	-
Loans and advances	792,843	-	-	792,843	-	-	-	-
Deposits	955	-	-	955	-	-	-	-
Other receivables	5,107,132	-	-	5,107,132	-	-	-	-
Short term investments	2,113,474	566,781	206,159	2,886,414	206,159	2,680,255	-	2,886,414
Cash and bank balances	1,209,810	-	-	1,209,810	-	-	-	-
	15,096,126	7,846,221	206,159	23,148,506	206,159	9,959,695	-	10,165,854
Financial liabilities not measured at fair value								
Non - current liabilities								
Long term borrowings	-	-	-	18,165,446	-	-	-	-
Current liabilities								
Trade and other payables	-	-	-	7,174,378	-	-	-	-
Interest and mark-up accrued	-	-	-	528,519	-	-	-	-
Short term borrowings	-	-	-	14,842,101	-	-	-	-
Current portion of long term borrowings	-	-	-	6,171,804	-	-	-	-
	-	-	-	46,882,248	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the period ended September 30, 2016

	Carrying Amount			Fair Value		
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets / liabilities	Total	
					(Rupees '000)	
December 31, 2015 (Audited)						
Financial assets not measured at fair value						
Non - current assets						
Long term investments	-	7,928,960	-	-	7,928,960	-
Long term loans and advances	814,298	-	-	-	814,298	-
Long term deposits	12,388	-	-	-	12,388	-
Current assets						
Trade debts - net of provision	1,773,698	-	-	-	1,773,698	-
Loans and advances	864,370	-	-	-	864,370	-
Deposits	962	-	-	-	962	-
Other receivables	2,408,872	-	-	-	2,408,872	-
Short term investments	9,635,192	516,125	183,403	-	10,334,720	10,334,720
Cash and bank balances	2,739,314	-	-	-	2,739,314	-
	18,249,094	8,445,085	183,403	-	26,877,582	18,263,680
Financial liabilities not measured at fair value						
Non - current liabilities						
Long term borrowings	-	-	-	15,892,599	15,892,599	-
Current liabilities						
Trade and other payables	-	-	-	5,716,623	5,716,623	-
Interest and mark-up accrued	-	-	-	268,094	268,094	-
Short term borrowings	-	-	-	18,020,602	18,020,602	-
Current portion of long term borrowings	-	-	-	4,509,839	4,509,839	-
	-	-	-	44,407,757	44,407,757	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended September 30, 2016

	September 30, 2016	September 30, 2015
	(Rupees '000)	
28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Significant transactions and balances with the related parties are as follows:		
Transactions with subsidiary companies		
Guarantee against loan of subsidiary company	5,450,000	5,450,000
Investment in subsidiary - FFF	1,200,000	-
Balance receivable - unsecured	452,467	648,229 *
Balance payable - unsecured	-	45,663 *
Transactions with associated undertakings / companies due to common directorship		
Expenses charged on account of marketing of fertilizer on behalf of associated company	694,855	494,782
Commission on sale of products	12,376	9,724
Payments under consignment account	21,812,096	27,771,303
Purchase of gas as feed and fuel stock	30,744,574	24,052,096
Sale of fertilizers	1,732	2,184
Dividend income	2,264,743	2,719,587
Dividend paid	3,738,743	4,197,928
Short term investment	-	789,000 *
Investments in TDRs issued by associated company and outstanding at the year end	105,616	114,758 *
Short term borrowing	892,013	989,970 *
Bank balance	-	4,802 *
Running finance	13,061	- *
Balance receivable - unsecured	65,968	58,648 *
Balance payable - unsecured	2,328,610	2,586,607 *
Other related parties		
Remuneration of Chief Executive and Executives:		
Remuneration including benefits and perquisites of chief executive and other executives. No of persons 2016: 1 and 899 (2015: 1 and 846) respectively.	4,276,281	4,096,178
Payments to:		
Employees' Provident Fund Trust	292,952	280,475
Employees' Gratuity Fund Trust	278,084	74,893
Employees' Pension Fund Trust	97,701	459,371
Employee Funds as Dividend	20,969	52,952
Others:		
Balance receivable from / (payable to) Gratuity Fund Trust	36,099	(133,690) *
Balance receivable from Pension Fund Trust	292,561	268,136 *

* Comparative figures of receivable / payable balances are as of December 31, 2015.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the period ended September 30, 2016

29. POST BALANCE SHEET EVENT

The Board of Directors of the Company in its meeting held on October 26, 2016 proposed third interim dividend of Rs 1.75 per share.

30. GENERAL

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

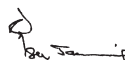
30.2 This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on October 26, 2016.



Chairman



Chief Executive



Director



CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION



14,092.69
+ 1445.65
+ 1204.25
+ 2008.6
+ 1804.7

14092.69

+ 1445.65
+ 1204.25
+ 2008.6
+ 1804.7

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

As at September 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		842,500	853,511
Revenue reserves	5	32,250,148	33,626,176
Surplus on remeasurement of investments available for sale to fair value - net		2,489,041	2,230,710
		48,304,071	49,432,779
NON - CURRENT LIABILITIES			
Long term borrowings	6	26,223,243	24,746,264
Deferred liabilities		5,710,338	5,306,671
Liability against assets subject to finance lease		7,383	5,459
		31,940,964	30,058,394
CURRENT LIABILITIES			
Trade and other payables	7	10,460,728	8,540,491
Interest and mark-up accrued	8	738,127	408,068
Short term borrowings	9	14,842,101	18,020,602
Current portion of long term borrowings		7,652,390	5,801,752
Taxation		1,013,794	1,418,207
		34,707,140	34,189,120
		114,952,175	113,680,293
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes 1 to 31 form an integral part of this condensed interim consolidated financial information.

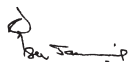
	Note	Un-audited September 30, 2016	Audited December 31, 2015
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	11	34,611,174	35,228,277
Intangible assets		1,936,782	1,940,047
Long term investments	12	46,128,953	46,702,026
Long term loans and advances	13	945,055	814,298
Long term deposits and prepayments	14	28,041	25,081
		83,650,005	84,709,729
CURRENT ASSETS			
Stores, spares and loose tools		3,384,034	3,395,762
Stock in trade		9,000,217	5,127,591
Trade debts		6,094,333	2,198,576
Loans and advances	15	665,453	527,907
Deposits and prepayments	16	125,169	40,120
Other receivables	17	5,666,192	3,083,753
Short term investments	18	4,689,814	11,187,720
Cash and bank balances	19	1,676,958	3,409,135
		31,302,170	28,970,564
		114,952,157	113,680,293



Chairman



Chief Executive



Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended September 30, 2016

	Note	For the quarter ended		For the period ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
		(Rupees'000)		(Rupees'000)	
Sales	20	18,600,029	16,049,741	48,210,252	56,622,032
Cost of sales	21	13,893,005	9,370,288	34,619,205	34,257,850
GROSS PROFIT		4,707,024	6,679,453	13,591,047	22,364,182
Administrative expenses and distribution cost		1,822,387	1,841,388	5,034,185	5,124,379
		2,884,637	4,838,065	8,556,862	17,239,803
Finance cost	22	842,336	744,749	2,517,077	1,807,344
Other expenses	23	412,962	459,777	1,227,238	1,641,217
		1,629,339	3,633,539	4,812,547	13,791,242
Other income	24	2,449,975	413,370	4,525,848	1,694,611
Share of profit of associates and joint venture		831,180	1,016,723	1,779,348	2,899,050
NET PROFIT BEFORE TAXATION		4,910,494	5,063,632	11,117,743	18,384,903
Provision for taxation		1,173,915	920,078	3,817,108	5,480,534
NET PROFIT AFTER TAXATION		3,736,579	4,143,554	7,300,635	12,904,369
Earnings per share - basic and diluted (Rupees)	25	2.94	3.26	5.74	10.14

The annexed notes 1 to 31 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, 2016

	For the quarter ended		For the period ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	(Rupees'000)		(Rupees'000)	
Net profit after taxation	3,736,579	4,143,554	7,300,635	12,904,369
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Exchange difference on translation of investment in foreign company	(20,970)	93,205	(11,011)	(84,871)
Share of other comprehensive income of associates and joint ventures	269,488	83,961	278,829	(90,394)
(Deficit) / Surplus on remeasurement of investments available for sale to fair value - net of tax	(116,296)	(19,027)	(20,498)	353,302
	132,222	158,139	247,320	178,037
Total comprehensive income for the period	3,868,801	4,301,693	7,547,955	13,082,406

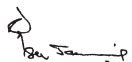
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Chairman



Chief Executive



Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

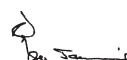
For the period ended September 30, 2016

	Note	September 30, 2016	September 30, 2015
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	27	307,849	(24,043,810)
Finance cost paid		(2,200,939)	(1,165,776)
Income tax paid		(4,111,878)	(7,369,809)
Subsidy received on sale of fertilizer		1,533,171	-
		(4,779,646)	(8,535,585)
Net cash used in operating activities		(4,471,797)	(32,579,395)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,639,399)	(3,818,975)
Proceeds from sale of property, plant and equipment		44,436	14,328
Decrease in investments		(287,630)	1,488,064
Interest received		915,169	1,732,577
Dividend received		2,264,743	2,578,962
Net cash generated from investing activities		1,297,319	1,994,956
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - Draw - draws		6,050,000	18,401,750
- Repayments		(2,722,383)	(1,864,757)
Dividends paid		(6,161,893)	(9,951,084)
Net cash (used in) / generated from financing activities		(2,834,276)	6,585,909
Cash and cash equivalents at beginning of the period		(4,341,404)	16,157,977
Effect of exchange rate changes		13,921	52,177
Cash and cash equivalents at end of the period		(10,336,237)	(7,788,376)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	1,676,958	2,071,914
Short term highly liquid investments		2,828,906	4,628,482
Short term running finances	9	(14,842,101)	(14,488,772)
		(10,336,237)	(7,788,376)

The annexed notes 1 to 31 form an integral part of this condensed interim consolidated financial information.


Chairman


Chief Executive


Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended September 30, 2016

	Capital reserves				Revenue reserves		Surplus on remeasurement of available for sale investments to fair value	Total
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserve	General reserve	Unappropriated profit	
					(Rupees '000)			
Balance at January 1, 2015	12,722,382	40,000	120,000	451,592	-	6,802,360	23,230,168	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	13,082,406
Distributions to owners - recorded directly in equity								
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	40,000	120,000	276,327	-	6,802,360	24,442,668	45,060,603
Balance at January 1, 2016	12,722,382	40,000	120,000	264,730	428,781	6,802,360	26,823,816	49,432,779
Total comprehensive income for the period								
Profit for the period after taxation	-	-	-	-	-	-	7,300,635	7,300,635
Other comprehensive income - net of tax	-	-	-	(11,011)	-	-	258,331	247,320
Total comprehensive income for the period - net of tax	-	-	-	(11,011)	-	-	7,300,635	7,547,955
Distributions to owners - recorded directly in equity								
Final dividend 2015: Rs 3.42 per share	-	-	-	-	-	-	(4,351,054)	(4,351,054)
First interim dividend 2016: Rs 1.85 per share	-	-	-	-	-	-	(2,353,640)	(2,353,640)
Second interim dividend 2016: Rs 1.55 per share	-	-	-	-	-	-	(1,971,969)	(1,971,969)
	-	-	-	-	-	-	(8,676,663)	(8,676,663)
Balance as at September 30, 2016	12,722,382	40,000	120,000	253,719	428,781	6,802,360	25,447,788	48,304,071

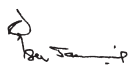
The annexed notes 1 to 31 form an integral part of this condensed interim consolidated financial information.



Chairman



Chief Executive



Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the period ended September 30, 2016

1. 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 Pakistan Stock Exchange. 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, food processing and banking operations.
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, 2016 has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The applicable financial 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, 2015. Comparative condensed interim consolidated balance sheet is extracted from annual audited financial statements for the year ended December 31, 2015 whereas 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 un-audited condensed interim financial report for the period ended September 30, 2015.

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 consolidated financial information and financial risk management policy are the same as those applied in preparation of financial statements of the Group for the year ended December 31, 2015, except for the following changes;

Securities and Exchange Commission of Pakistan (SECP), during the period through its circular No. 14 of 2016 dated April 21, 2016, had prescribed the implementation of mandatory disclosure requirement for listed companies. This circular prescribes certain disclosures including bifurcation of certain balance sheet and profit and loss items between conventional and Islamic mode. However, subsequently SECP vide circular No. 29 of 2016 dated September 5, 2016, termed these disclosures as voluntary. Accordingly, the Group has opted to present these disclosures in this condensed interim consolidated financial information. However, there was no change in reported figures of profit and loss or balance sheet.

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2015: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2015: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

September 30, 2016	December 31, 2015		Un-audited September 30, 2016	Audited December 31, 2015
(Numbers 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
1,272,238,247	1,272,238,247		12,722,382	12,722,382

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the period ended September 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
		(Rupees '000)	
5. REVENUE RESERVES			
General reserve		6,802,360	6,802,360
Unappropriated profit		25,447,788	26,823,816
		32,250,148	33,626,176
6. LONG TERM BORROWINGS			
Loans from banking companies (secured)			
From conventional banks			
Fauji Fertilizer Company Limited	6.1	20,237,250	16,252,438
FFC Energy Limited	6.2	7,365,233	7,708,074
Fauji Fresh n Freeze Limited	6.3	2,173,150	2,437,504
From Islamic banks			
Fauji Fertilizer Company Limited	6.4	4,100,000	4,150,000
		33,875,633	30,548,016
Less: Current portion shown under current liabilities			
From conventional banks		6,618,461	5,291,038
From Islamic banks		1,033,929	510,714
		7,652,390	5,801,752
		26,223,243	24,746,264
6.1 Movement during the period / year is as follows:			
Opening balance		16,252,438	3,625,000
Draw - downs during the period / year		6,050,000	14,721,500
Repayments during the period / year		(2,065,188)	(2,094,062)
Closing balance		20,237,250	16,252,438
6.2 Movement during the period / year is as follows:			
Long term loans from banking companies		7,492,519	7,862,065
Less: Transaction cost			
Initial transaction cost		(269,797)	(269,797)
Amortized during the period / year		142,511	115,806
Closing balance		7,365,233	7,708,074
6.3 Movement during the period / year is as follows:			
MCB Bank Limited		1,325,000	1,590,000
Allied Bank Limited		849,750	849,750
Less: Transaction cost		(4,000)	(4,000)
Amortized during the period / year		2,400	1,754
Closing balance		2,173,150	2,437,504
6.4 Movement during the period / year is as follows:			
Opening balance		4,150,000	655,000
Draw - downs during the period / year		-	3,900,000
Repayments during the period / year		(50,000)	(405,000)
Closing balance		4,100,000	4,150,000

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the period ended September 30, 2016

	Un-audited September 30, 2016	Audited December 31, 2015
	(Rupees '000)	
7. TRADE AND OTHER PAYABLES		
Creditors	2,345,320	1,722,705
Accrued liabilities	2,391,999	2,662,142
Consignment account with Fauji Fertilizer Bin Qasim Limited - unsecured	848,559	547,401
Sales tax payable - net	170,919	1,057,137
Deposits	156,722	252,533
Retention money	169,970	143,480
Advances from customers	626,316	87,541
Workers' Welfare Fund	1,457,187	1,226,298
Workers' Profit Participation Fund	574,067	-
Payable to Gratuity Fund	-	133,690
Dividend payable	1,598,297	613,948
Other liabilities	121,372	93,616
	10,460,728	8,540,491
8. INTEREST AND MARK-UP ACCRUED		
On borrowings from conventional banks	642,942	341,605
On borrowings from Islamic banks	95,185	66,463
	738,127	408,068
9. SHORT TERM BORROWINGS		
Short term borrowings - secured		
From conventional banks	13,855,920	16,580,602
From Islamic banks	986,181	1,440,000
	14,842,101	18,020,602

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the period ended September 30, 2016

	Un-audited September 30, 2016	Audited December 31, 2015
	(Rupees '000)	
10. CONTINGENCIES AND COMMITMENTS		
a) Contingencies:		
i) Guarantees issued by banks on behalf of the Group companies	15,010	15,010
ii) Claims against FFC and/or potential exposure not acknowledged as debt	50,696	50,696
iii) Group's share of contingencies in Fauji Fertilizer Bin Qasim Limited	24,938,630	16,800,914
iv) Group's share of contingencies in Fauji Cement Company Limited as at June 30, 2016 (2015: September 30, 2015).	150,870	226,088
v) Group's share of contingencies in Askari Bank Limited as at June 30, 2016 (2015: September 30, 2015).	100,507,225	77,691,721
vi) 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 FFC's legal advisor, the FFC is confident that there are reasonable grounds for a favorable decision.		

	Note	Un-audited September 30, 2016	Audited December 31, 2015
		(Rupees '000)	
b) Commitments in respect of:			
i) Capital expenditure		1,632,539	1,067,085
ii) Purchase of fertilizer, stores, spares and other operational items		4,352,885	540,496
iii) Group's share of commitments of PMP as at June 30, 2016 (2015: September 30, 2015)		18,913	33,149
iv) Rentals under lease agreements:			
Premises		286,127	285,891
Vehicles		124,659	92,415

11. PROPERTY PLANT AND EQUIPMENT

Opening written down value		35,228,277	33,104,620
Additions during the period / year	11.1	1,638,914	4,729,287
Written down value of disposals / adjustments		(31,906)	(14,468)
Depreciation during the period / year	11.1 & 11.2	(2,224,111)	(2,591,162)
Closing written down value		34,611,174	35,228,277

11.1 Additions in and depreciation on property, plant and equipment during the period ended September 30, 2015 were Rs 3,947,527 thousand and Rs 1,925,292 thousand respectively.

	Un-audited September 30, 2016	Audited December 31, 2015
	(Rupees '000)	
11.2 Depreciation charge has been allocated as follows;		
Cost of sales	2,152,754	2,486,387
Distribution cost	57,818	86,888
Other expenses	1,270	1,175
Charged to FFBL under the Company Services Agreement	12,269	16,712
	2,224,111	2,591,162

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the period ended September 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
		(Rupees '000)	
12. LONG TERM INVESTMENTS			
Equity accounted investments	12.1	38,849,513	38,773,066
Other long term investments	12.2	7,279,440	7,928,960
		46,128,953	46,702,026
12.1 Equity accounted investments			
Investment in associated company - under equity method			
Fauji Fertilizer Bin Qasim Limited			
Balance at the beginning		20,787,172	19,479,310
Share of profit / OCI for the period / year		141,335	2,705,538
Dividend received		(1,420,970)	(1,397,676)
		19,507,537	20,787,172
Askari Bank Limited			
Balance at the beginning		14,541,280	11,859,580
Share of profit / OCI for the period / year		1,715,255	3,769,236
Dividend received		(679,710)	(1,087,536)
		15,576,825	14,541,280
Fauji Cement Company Limited			
Balance at the beginning		1,896,273	1,824,000
Share of profit / OCI for the period / year		216,520	306,648
Dividend received		(164,063)	(234,375)
		1,948,730	1,896,273
Investment in joint venture - under equity method			
Pakistan Maroc Phosphore S.A., Morocco			
Balance at the beginning		1,548,341	1,290,236
Share of profit for the period / year		279,091	355,539
Loss on translation of net assets		(11,011)	(97,434)
		1,816,421	1,548,341
		38,849,513	38,773,066
12.2 Other long term investments			
Investment available for sale			
Term Deposit Receipts - from conventional banks		105,616	114,758
Pakistan Investment Bonds		7,740,605	8,230,410
Term Finance Certificates - under mark-up arrangement		-	99,917
		7,846,221	8,445,085
Less: Current portion shown under short term investments			
Investments available for sale			
Term Deposit Receipts		32,875	29,574
Pakistan Investment Bonds		533,906	486,551
	18	566,781	516,125
		7,279,440	7,928,960

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
For the period ended September 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
		(Rupees '000)	
13. LONG TERM LOANS AND ADVANCES			
Loans and advances - considered good;			
Interest bearing		696,839	559,442
Non-interest bearing		575,439	553,468
		1,272,278	1,112,910
Less: Amount due within twelve months, shown under current loans and advances			
Interest bearing		133,439	115,976
Non-interest bearing		193,784	182,636
	15	327,223	298,612
		945,055	814,298
14. LONG TERM DEPOSITS AND PREPAYMENTS			
Deposits - non-interest bearing		27,360	24,468
Prepayments		681	613
		28,041	25,081
15. LOANS AND ADVANCES			
Current portion of long term loans and advances	13	327,223	298,612
Loans and advances to employees - unsecured - considered good, non-interest bearing		138,540	48,012
Advances to suppliers - considered good		199,690	181,283
		665,453	527,907
16. DEPOSITS AND PREPAYMENTS			
Deposits - non-interest bearing		955	1,292
Prepayments		124,214	38,828
		125,169	40,120
17. OTHER RECEIVABLES			
Accrued income on investments and bank deposits			
From conventional banks		181,374	536,076
From Islamic banks		596	916
Sales tax receivable - net		1,066,611	-
Sales tax receivable related to Pak Saudi Fertilizers Limited		42,486	42,486
Advance tax		356,913	351,708
Receivable from Workers' Profit Participation Fund - unsecured		-	33,536
Receivable from Fauji Fertilizer Bin Qasim Limited - unsecured		58,882	49,010
Due from Gratuity Fund		36,099	-
Due from Pension Fund		292,561	268,136
Subsidy receivable from Government agencies		3,473,993	1,489,977
Other receivables			
Considered good		156,677	311,908
Considered doubtful		2,232	2,232
Provision for doubtful receivables		(2,232)	(2,232)
		156,677	311,908
		5,666,192	3,083,753

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the period ended September 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
(Rupees'000)			
18. SHORT TERM INVESTMENTS			
Loans & receivables - conventional instruments			
Term deposits with banks and financial institutions			
Local currency		2,503,400	9,092,000
Foreign currency		1,413,474	1,396,192
Investments at fair value through profit or loss - Shariah compliant investments		206,159	183,403
Current maturity of long term investments available for sale	12.2	566,781	516,125
		4,689,814	11,187,720
19. CASH AND BANK BALANCES			
At banks			
Local currency			
Current account - Conventional banking		13,002	106,633
Deposit account - Conventional banking	19.2	1,132,909	1,369,642
Deposit account - Islamic banking	19.3	7,069	20,691
		1,152,980	1,496,966
Foreign currency			
Deposit account		1,201	1,965
Cash in transit		519,502	1,908,152
Cash in hand		3,275	2,052
		1,676,958	3,409,135

19.1 Balances with banks include Rs 475,964 thousand (2015: Rs 738,350 thousand) in respect of security deposits received.

19.2 Balances with conventional banks carry mark-up ranging from 2.5% to 7.25% (2015: 2.5% to 7.25%) per annum.

19.3 Balances with Islamic banks carry profit ranging from 2.75% to 5% (2015: 4% to 7%) per annum.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
For the period ended September 30, 2016

	For the quarter ended		For the period ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	(Rupees'000)		(Rupees'000)	
20. SALES				
Fertilizers	17,603,944	15,107,611	45,925,856	54,293,915
Power	949,025	942,130	2,227,336	2,328,117
Food	47,060	-	57,060	-
	<u>18,600,029</u>	<u>16,049,741</u>	<u>48,210,252</u>	<u>56,622,032</u>
21. COST OF SALES				
Raw materials consumed	6,317,009	6,603,060	19,897,839	18,782,271
Fuel and power	2,329,558	2,494,297	6,787,329	6,312,065
Chemicals and supplies	95,576	76,777	273,654	255,643
Salaries, wages and benefits	1,595,681	1,566,891	4,733,608	4,439,772
Training and employees welfare	205,811	216,018	576,670	587,453
Rent, rates and taxes	9,404	3,287	17,103	13,798
Insurance	66,088	87,356	199,656	171,656
Travel and conveyance	85,447	82,009	268,686	297,903
Repairs and maintenance	440,811	311,318	1,476,219	1,598,212
Depreciation and amortization	741,604	630,153	2,155,928	1,880,411
Communication and other expenses	240,997	386,759	1,060,032	1,193,789
Provision for slow moving spares	-	-	8,301	31,656
Opening stock - work in process	74,396	88,673	106,097	64,860
Closing stock - work in process	(77,290)	(95,899)	(77,290)	(95,899)
Cost of goods manufactured	<u>12,125,092</u>	<u>12,450,699</u>	<u>37,483,832</u>	<u>35,533,590</u>
Opening stock - manufactured	8,431,375	109,547	2,200,017	584,930
Closing stock - manufactured	(7,418,521)	(3,285,137)	(7,418,521)	(3,285,137)
	<u>1,012,854</u>	<u>(3,175,590)</u>	<u>(5,218,504)</u>	<u>2,700,207</u>
Cost of sales - manufactured fertilizers	<u>13,137,946</u>	<u>9,275,109</u>	<u>32,265,328</u>	<u>32,833,383</u>
Opening stock - purchased fertilizers	2,158,006	687,177	2,756,037	21,504
Purchase of fertilizers for resale	-	7,248,049	1,000,787	9,243,010
	<u>2,158,006</u>	<u>7,935,226</u>	<u>3,756,824</u>	<u>9,264,514</u>
Closing stock - purchased fertilizers	(1,402,947)	(7,840,047)	(1,402,947)	(7,840,047)
Cost of sale - purchased fertilizers	<u>755,059</u>	<u>95,179</u>	<u>2,353,877</u>	<u>1,424,467</u>
	<u>13,893,005</u>	<u>9,370,288</u>	<u>34,619,205</u>	<u>34,257,850</u>
22. FINANCE COST				
Mark-up on long term borrowings				
Conventional banking	515,250	459,269	1,584,096	1,258,285
Islamic banking	66,165	71,878	209,588	113,307
	<u>581,415</u>	<u>531,147</u>	<u>1,793,684</u>	<u>1,371,592</u>
Mark-up on short term borrowings				
Conventional banking	213,149	130,267	596,175	246,334
Islamic banking	21,138	39,883	64,104	83,353
	<u>234,287</u>	<u>170,150</u>	<u>660,279</u>	<u>329,687</u>
Exchange loss	6,975	28,489	13,921	56,029
Bank and other charges	19,659	14,963	49,193	50,036
	<u>842,336</u>	<u>744,749</u>	<u>2,517,077</u>	<u>1,807,344</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the period ended September 30, 2016

	For the quarter ended		For the period ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	Rupees '000)		(Rupees '000)	
23. OTHER EXPENSES				
Research and development	132,533	115,171	388,746	342,768
Workers' Profit Participation Fund	203,210	247,136	607,603	935,919
Workers' Welfare Fund	77,219	97,470	230,889	362,530
	412,962	459,777	1,227,238	1,641,217
24. OTHER INCOME				
Income from sales under Government subsidy	2,137,631	-	3,517,187	-
Income from financial assets				
Income on loans, deposits and investments				
Placements with conventional banks	274,312	273,531	861,802	1,301,653
Placements with Islamic banks	214	50,614	361	189,043
Gain on re-measurement of investments placed				
Placements with conventional banks	-	1,598	11,828	1,877
Placements with Islamic banks	7,645	(1,471)	22,756	1,455
Dividend income	-	9,365	-	9,365
Exchange gain on foreign currency	3,263	43,964	3,844	70,284
Income from non-financial assets				
Gain on disposal of property, plant and equipment	4,620	3,246	12,530	38
Commission on sale of FFBL products	5,943	2,995	12,376	9,724
Other income				
Scrap sales	6,425	2,567	10,020	24,399
Others	9,922	26,961	73,144	86,773
	2,449,975	413,370	4,525,848	1,694,611
25. EARNINGS PER SHARE				
Net profit after tax (Rupees '000)	3,736,579	4,143,554	7,300,635	12,904,369
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)	2.94	3.26	5.74	10.14

26. SEGMENT INFORMATION

The detail of utilization of the Company assets by the segments as well as related liabilities is as follows:

	Reportable segments			Total
	Fertilizers	Power	Food	
	(Rupees '000)			
September 30, 2016 (Un-audited)				
Assets				
Segment assets (Total)	58,886,874	13,257,598	3,958,190	76,102,662
Equity accounted investees	38,849,513	-	-	38,849,513
Liabilities				
Segment liabilities (Total)	56,257,290	8,040,641	2,350,173	66,648,104
Capital expenditure	1,529,350	5,650	103,914	1,638,914
Depreciation	1,575,048	457,824	191,239	2,224,111
December 31, 2015 (Audited)				
Assets				
Segment assets (Total)	58,734,934	12,348,200	3,824,093	74,907,227
Equity accounted investees	38,773,066	-	-	38,773,066
Liabilities				
Segment liabilities (Total)	53,524,930	8,116,335	2,606,249	64,247,514
Capital expenditure	3,272,345	3,221	1,453,721	4,729,287
Depreciation	1,970,073	610,669	10,420	2,591,162

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
For the period ended September 30, 2016

	September 30, 2016	September 30, 2015
	(Rupees '000)	
27. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	11,117,743	18,384,903
Adjustments for:		
Depreciation	2,211,842	1,947,321
Amortization	3,750	39,931
Provision for slow moving spares	8,301	31,656
Finance cost	2,517,077	1,775,811
Income on loans, deposits and investments	(862,163)	(1,486,093)
Share of profit of associate and joint venture	(1,779,348)	(2,899,050)
Gain on sale of property, plant and equipment	(12,530)	(452)
Exchange gain - net	(3,844)	(69,990)
Gain on remeasurement of investments at fair value through profit or loss	(22,756)	(3,332)
Government subsidy on sale of fertilizer	(3,517,187)	-
	(1,456,858)	(664,198)
	9,660,885	17,720,705
Changes in working capital		
Decrease / (increase) in current assets:		
Stores and spares	3,427	(170,456)
Stock in trade	(3,872,626)	(10,432,126)
Trade debts	(3,895,757)	(1,174,477)
Loans and advances	(137,546)	(574,917)
Deposits and prepayments	(85,049)	(521,700)
Other receivables	(639,159)	(2,029,135)
Decrease in current liabilities:		
Trade and other payables	(594,533)	(27,066,401)
	(9,221,243)	(41,969,212)
Changes in long term loans and advances	(130,757)	22,622
Changes in long term deposits and prepayments	(2,960)	1,854
Changes in deferred liabilities	-	178,297
Change in liability under finance lease	1,924	1,924
	307,849	(24,043,810)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
For the period ended September 30, 2016

28. FINANCIAL INSTRUMENTS

Fair value of Financial Instruments

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Group is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: 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 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

28.1 Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
For the period ended September 30, 2016

Carrying Amount					Fair Value				
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees '000)									
September 30, 2016 (Un-audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	7,279,440	-	-	7,279,440	-	7,279,440	-	7,279,440
Long term loans and advances	945,055	-	-	-	945,055	-	-	-	-
Long term deposits	27,360	-	-	-	27,360	-	-	-	-
Current assets									
Trade debts - net of provision	6,094,333				6,094,333				
Loans and advances	465,763	-	-	-	465,763	-	-	-	-
Deposits	955				955	-	-	-	-
Other receivables	5,266,793	-	-	-	5,266,793	-	-	-	-
Short term investments	3,916,874	566,781	206,159	-	4,689,814	206,159	4,483,655	-	4,689,814
Cash and bank balances	1,676,958	-		-	1,676,958	-	-	-	-
	18,394,091	7,846,221	206,159	-	26,446,471	206,159	11,763,095	-	11,969,254
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowings	-	-	-	26,223,243	26,223,243	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	7,632,239	7,632,239	-	-	-	-
Interest and mark-up accrued	-	-	-	738,127	738,127	-	-	-	-
Short term borrowings	-	-	-	14,842,101	14,842,101	-	-	-	-
Current portion of long term borrowings	-	-	-	7,652,390	7,652,390	-	-	-	-
	-	-	-	57,088,100	57,088,100	-	-	-	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
For the period ended September 30, 2016

	Carrying Amount			Fair Value					
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
					(Rupees '000)				
December 31, 2015 (Audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	-	7,928,960	-	-	7,928,960	99,917	7,829,043	-	7,928,960
Long term loans and advances	814,298	-	-	-	814,298	-	-	-	-
Long term deposits	24,468	-	-	-	24,468	-	-	-	-
Current assets									
Trade debts - net of provision	2,198,576	-	-	-	2,198,576	-	-	-	-
Loans and advances	346,624	-	-	-	346,624	-	-	-	-
Deposits	1,292	-	-	-	1,292	-	-	-	-
Other receivables	2,656,023	-	-	-	2,656,023	-	-	-	-
Short term investments	10,488,192	516,125	183,403	-	11,187,720	183,403	11,004,317	-	11,187,720
Cash and bank balances	3,409,135	-	-	-	3,409,135	-	-	-	-
	19,938,608	8,445,085	183,403	-	28,567,096	283,320	18,833,360	-	19,116,680
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowings	-	-	-	24,746,264	24,746,264	-	-	-	-
Current liabilities									
Trade and other payables	-	-	-	6,169,515	6,169,515	-	-	-	-
Interest and mark-up accrued	-	-	-	408,068	408,068	-	-	-	-
Short term borrowings	-	-	-	18,020,602	18,020,602	-	-	-	-
Current portion of long term borrowings	-	-	-	5,801,752	5,801,752	-	-	-	-
	-	-	-	55,146,201	55,146,201	-	-	-	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the period ended September 30, 2016

	September 30, 2016	September 30, 2015
	(Rupees '000)	
29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Significant transactions and balances with the related parties are as follows:		
Transactions with associated undertakings / companies due to common directorship		
Expenses charged on account of marketing of fertilizer on behalf of associated company	694,855	494,782
Commission on sale of products	12,376	9,724
Payment under consignment account	21,812,096	17,710,356
Purchase of gas as feed and fuel stock	30,744,574	24,052,096
Sale of fertilizers	1,732	2,184
Dividend income	2,264,743	2,719,587
Dividend paid	3,738,743	4,197,928
Short term investment	-	789,000 *
Long term investment	105,616	114,758 *
Short term borrowing	892,013	989,970 *
Long term borrowing	-	742,925 *
Bank balance	260,051	538,541 *
Running finance	13,061	- *
Balance receivable	65,968	597,189 *
Balance payable	2,328,610	3,329,533 *
Other related parties		
Remuneration of Chief Executive and Executives:		
Remuneration including benefits and perquisites of chief executive and other executives. No of persons 2016: 1 and 965 (2015: 1 and 846) respectively.	4,404,421	4,123,488
Payments to:		
Employees' Provident Fund Trust	292,952	280,475
Employees' Gratuity Fund Trust	278,084	74,893
Employees' Pension Fund Trust	97,701	459,371
Employee Funds as Dividend	20,969	52,952
Others:		
Balance receivable from Gratuity Fund Trust	36,099	(133,690) *
Balance receivable from Pension Fund Trust	292,561	268,136 *

* Comparative figures of receivable / payable balances are as of December 31, 2015.

30. POST BALANCE SHEET EVENT

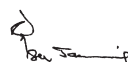
The Board of Directors of FFC in its meeting held on October 26, 2016 proposed third interim dividend of Rs 1.75 per share.

31. GENERAL**31.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.**31.2** This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on October 26, 2016.


Chairman



Chief Executive



Director

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