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Company Information

BOARD OF DIRECTORS

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

Chairman

Lt Gen Shafgaat Ahmed, HI(M) (Retd)

Chief Executive & Managing Director

Mr Qaiser Javed

Dr Nadeem Inayat

Engr Rukhsana Zuberi

Mr Farhad Shaikh Mohammad

Maj Gen Mumtaz Ahmad Bajwa, HI(M) (Retd)

Mr Per Kristian Bakkerud

Brig Raashid Wali Janjua, SI(M) (Retd)

Mr Naveed Kamran Baloch

Maj Gen Wasim Sadiq, HI(M) (Retd)

Mr Manzoor Ahmed

Mr Maroof Afzal

CHIEF FINANCIAL OFFICER

Mr Mohammad Munir Malik

Tel No. +92-51-8456101, Fax No. +92-51-8459961

E-mail: munir malik@ffc.com.pk

COMPANY SECRETARY

Brig Ashfaq Ahmed, 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, +92-51-8450001

Fax No. +92-51-8459925, E-mail: ffcrwp@ffc.com.pk

PLANTSITES

Goth Machhi, Sadigabad

(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 No. +92-0800-23275, Fax No. +92-21-34326053



Fauji Fertilizer Company Limited

Directors' Review

For the period ended September 30, 2017

Dear Members,

On behalf of the Board of Directors, we are pleased to report net earnings of Rs 5.93 billion for the period ended September 30, 2017.

Our manufacturing facilities attained highest ever Sona urea production of 1,928 thousand tonnes during the period, on account of better operational efficiencies and a capacity utilization of 126%, which was 3% higher than the output during the corresponding period of last year.

Despite adverse market conditions, the Company recorded Sona urea offtake including exports, of 1,741 thousand tonnes, 9% above last year, whereas record DAP sales of 337 thousand tonnes were also registered during the period, compared to 45 thousand tonnes marketed last year.

With enhanced DAP sales, the Company was able to arrest the decline in urea revenues which was caused by the prevailing oversupply situation. The aggregate all products revenues (including subsidy) thus stood at Rs 62.73 billion, with an improvement of 27% compared to last year, while gross profit (including subsidy) of Rs 16.54 billion registered an increase of 4% over 2016.

However, higher distribution costs attributable to incremental urea production and increased DAP imports, besides reduction in dividend income and escalating finance costs, resulted in per share earnings of Rs 4.66, compared to Rs 5.90 last year.

With a view to providing steady returns to our shareholders, the Board is pleased to announce third interim dividend of 15% (Rs 1.50 per share), with aggregate distribution of 40% (Rs 4.00 per share) for the period.

Despite being critical to the agriculture based economy of the Country, the Fertilizer industry is going through a very tough period, with high gas/GIDC costs in contrast to the fertilizer policy, besides direct pressure on product pricing.

Favorable Governmental policies are therefore vital for sustainability of the fertilizer industry, and in turn ensuring continued food security in the Country through a prosperous and productive agricultural sector. The Company remains focused on providing premium quality products to its customers besides delivering regular returns to its shareholders through continuous cost economization and efficiency enhancements.

On behalf of the Board,

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

Rawalpindi October 20, 2017 Chief Executive & Managing Director Lt Gen Shafqaat Ahmed HI (M), (Retired)

ڈائر یکڑز کا تجزیہ

بورڈ آف ڈائر یکڑز کی جانب سے ہمیں بیاعلان کرتے ہوئے خوشی محسوں ہور ہی ہے کہ کمپنی نے 30 ستمبر 2017 کوشم ہونے والے نوماہی میں 5.93 ارب روپے کا خالص منافع کمایا ہے۔

ہونے والے نوماہی میں 5.93 ارب روپے کا خالص منافع کمایا ہے۔ بہتر آپریشنل کارکردگی اور 126 فیصد پیدواری صلاحیت کی بدولت کمپنی نے دورانِ مدت 1,928 ہزارٹن کی ریکارڈیوریا پیداوار حاصل کی جو کہ بچھلے سال کی اسی مدت سے 3 فیصد زیادہ ہے۔

مارکیٹ کے منفی حالات کے باوجود سونا ایوریا کی فروخت بشمول برآمدات 1,741 ہزارٹن رہی جو کہ پچھلے سال سے 9 فیصد زائد ہے۔ کمپنی نے اس مدت کے دوران DAP کی 337 ہزارٹن فروخت کے ساتھ نیار یکارڈ قائم کیا جبکہ گزشتہ سال DAP کی فروخت 45 ہزارٹن رہی۔

اضافی DAP فروخت کے باعث کمپنی یوریا کی آمدن میں کی ، جو کہ مارکیٹ میں یوریا کی زائد فراہمی کی وجہ سے پیدا ہوئی، پرقابو پانے میں کامیاب رہی۔اس طرح کمپنی کی مجموعی آمدن بشمول سبسڈی 62.73 ارب روپے رہی جو کہ چکھلے سال کے مقابلے میں 27 فیصد زائد ہے جبکہ خام منافع بشمول سبسڈی 16.54 ارب روپے رہا جو کہ 2016کے مقابلے میں 4 فیصد زیادہ ہے۔

تاہم Distribution Cost میں پوریا کی اضافی پیداواراورDAP کی کثیر درآمدات کی وجہ سے اضافہ، منافع منتقسمہ (Dividend) کی وصولی میں کمی اور بڑھتی ہوئی مالیاتی لاگت کے نتیجہ میں کمپنی کی فی خصص خالص آمدن 4.66 رویے تھی۔ رویے رہی جو کہ گزشتہ سال 5.90 رویے تھی۔

حصص یافتگان کو متحکم آمدن فراہم کرنے کے پیش نظر بورڈ تیسرے عبوری منافع منقسمہ 15 فیصد (فی حصص 1.50 روپ) کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے۔جس کے ساتھ اسی مدت کی مجموعی ادائیگی 40 فیصد (فی حصص 4.00روپ) ہوگئی۔

ملک کی زراعت پربنی معیشت کے لیے کھا دکی اہمیت کے باوجود ، کھا دکی صنعت فرٹیلا کزر پالیسی کے برعکس GIDC اور گیس کی بڑھتی ہوئی لاگت اور مصنوعات کی قیمتوں کے قیمن میں براہِ راست دباؤ کی وجہ سے ایک مشکل ترین دور سے گزر رہی ہے۔

فرٹیلائزر کی صنعت کی بقاء کے لئے سازگار حکومتی پالیسیاں از حد ضروری ہیں جو کہ ایک خوشحال اور پیداواری زرعی شعبے کے ذریعے ملک میں غذائی تحفظ کانشلسل بقینی بنانے کے لیے ضروری ہیں۔ کمپنی کی توجہ اپنے صارفین کو اعلیٰ معیار کی مصنوعات فراہم کرنے اور خرچوں پرموثر کنٹرول اور بہتر کارکردگی کے ذریعے صص یافتگان کو سلسل آمدن مہیا کرنے پر مستقل مرکوز ہے۔

بورڈ کی جانب سے

چیف ایگزیکٹواورمینجنگ ڈائریکٹر

ليفشينن جزل شفقات احمر

ہلال امتیاز (مکٹری) (ریٹائرڈ)

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چیئر ملین

ليفشينك جنزل خالدنواز خان

بلال امتیاز (ملٹری)،ستارهٔ ایثار (ریٹائرڈ)

راولپنڈی

. 20 اكتوبر2017



CONDENSED INTERIM BALANCE SHEET

As at September 30, 2017

	Note	Un-audited September 30, 2017	Audited December 31, 2016
		(Rupe	es '000)
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves	5	14,096,241	14,841,963
Surplus on remeasurement of investments available for sale to fair value - net		360,526	486,950
		27,339,149	28,211,295
NON - CURRENT LIABILITIES			
Long term borrowings	6	16,693,642	16,653,294
Deferred liabilities		4,693,514	4,811,884
		21,387,156	21,465,178
CURRENT LIABILITIES			
Trade and other payables	7	30,571,410	10,911,897
Mark-up and profit accrued	8	618,869	321,091
Short term borrowings	9	22,975,699	22,176,525
Current portion of long term borrowings		6,881,804	6,434,304
Taxation		1,563,588	1,248,814
		62,611,370	41,092,631
TOTAL EQUITY AND LIABILITIES		111,337,675	90,769,104
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, 2017	2016
ASSETS		(Rupe	es '000)
NON CURRENT AGGETS			
NON - CURRENT ASSETS	11	21,481,658	24 222 722
Property, plant and equipment	11		21,232,732
Intangible assets		1,579,052	1,585,211
Long term investments	12	27,579,648	29,656,283
Long term loans and advances	13	979,115	934,150
Long term deposits and prepayments	14	13,366	13,975
		51,632,839	53,422,351
CURRENT ASSETS			
Stores, spares and loose tools		3,653,824	3,428,235
Stock in trade	15	11,434,524	4,237,327
Trade debts		11,553,591	4,305,951
Loans and advances	16	1,847,456	903,440
Deposits and prepayments	17	128,405	50,241
Other receivables	18	13,836,012	7,751,842
Short term investments	19	10,029,606	14,143,829
Cash and bank balances	20	7,221,418	2,525,888
		59,704,836	37,346,753
TOTAL ASSETS		111,337,675	90,769,104
		,	=======================================



Chairman



Chief Executive

Director Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended September 30, 2017

		For the qua	arter ended	For the period ended	
	Note	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
		(Rupe	es '000)	(Rupe	es '000)
Sales	21	27,588,722	17,603,944	57,750,026	45,925,856
Cost of sales	22	22,264,176	13,513,933	46,187,163	33,508,553
GROSS PROFIT		5,324,546	4,090,011	11,562,863	12,417,303
Distribution cost		2,464,227	1,720,856	6,534,693	4,825,056
		2,860,319	2,369,155	5,028,170	7,592,247
Finance cost		715,255	605,788	1,917,188	1,784,164
Other expenses	23	368,760	412,962	1,038,336	1,227,238
		1,776,304	1,350,405	2,072,646	4,580,845
Other income	24	1,549,098	2,433,356	7,115,882	6,732,720
NET PROFIT BEFORE TAXATION		3,325,402	3,783,761	9,188,528	11,313,565
Provision for taxation		1,209,000	1,171,000	3,255,000	3,808,000
NET PROFIT AFTER TAXATION		2,116,402	2,612,761	5,933,528	7,505,565
Earnings per share - basic and					
diluted (Rupees)	25	1.66	2.05	4.66	5.90

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







Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended September 30, 2017

	For the quarter ended		For the pe	riod ended
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	(Rupe	es '000)	(Rupe	es '000)
Net profit after taxation	2,116,402	2,612,761	5,933,528	7,505,565
Other comprehensive income Items that may be subsequently reclassified to profit or loss				
Deficit on re-measurement of investments available for sale to fair value - net of tax	(46,548)	(116,296)	(126,424)	(20,498)
Total comprehensive income for the period	2,069,854	2,496,465	5,807,104	7,485,067

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





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Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the period ended September 30, 2017

To the period orided coptomber co, 2017			
		September 30,	September 30
	Note	2017	2016
		(Rupe	es '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	26	4,738,146	976,288
Finance cost paid		(1,643,197)	(1,537,660)
Income tax paid		(3,058,596)	(4,101,025)
Subsidy received on sale of fertilizer		2,925,030	1,533,171
Net cash generated from / (used in) operating activities		2,961,383	(3,129,226)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,890,310)	(1,529,835)
Proceeds from sale of property, plant and equipment		16,467	19,801
Investment in subsidiary - FFF		(200,000)	(1,200,000)
Decrease in other investments - net		1,177,773	1,527,717
Interest and profit received		976,361	851,220
Dividends received		1,150,906	2,264,743
Net cash generated from investing activities		1,231,197	1,933,646
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Draw-downs		4,000,000	6,050,000
Repayments		(3,512,152)	(2,115,188)
Dividends paid		(5,912,434)	(7,692,314)
Net cash used in financing activities		(5,424,586)	(3,757,502)
Net decrease in cash and cash equivalents		(1,232,006)	(4,953,082)
Cash and cash equivalents at beginning of the period		(6,041,304)	(5,864,224)
Effect of exchange rate changes		23,787	13,921
Cash and cash equivalents at end of the period		(7,249,523)	(10,803,385)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	7,221,418	1,209,810
Short term highly liquid investments		8,504,758	2,828,906
Short term borrowings	9	(22,975,699)	(14,842,101)
		(7,249,523)	(10,803,385)

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





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Director

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

For the period ended September 30, 2017

			Revenue reserves		Surplus on remeasurement	
	Share capital	Capital reserves	General reserve	Unappropriated profit	of investments available for sale to fair value	Total
			(Rupe	es '000)		
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)
	-	-	-	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
Balance as at January 1, 2017	12,722,382	160,000	6,802,360	8,039,603	486,950	28,211,295
Total comprehensive income for the period						
Profit after taxation	-	-	-	5,933,528	-	5,933,528
Other comprehensive income - net of tax	-	-	-	-	(126,424)	(126,424)
	-		•	5,933,528	(126,424)	5,807,104
Distribution to owners - recorded directly in equity						
Final dividend 2016: Rs 2.75 per share	-	-	-	(3,498,655)	-	(3,498,655)
First interim dividend 2017: Rs 1.50 per share	-		-	(1,908,357)	-	(1,908,357)
Second interim dividend 2017: Rs 1.00 per share	-	-	-	(1,272,238)	-	(1,272,238)
	-	•		(6,679,250)	•	(6,679,250)
Other changes in equity						
Transfer to general reserve	-		2,000,000	(2,000,000)		
Balance as at September 30, 2017	12,722,382	160,000	8,802,360	5,293,881	360,526	27,339,149

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



Chairman



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Chief Executive

Director

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

For the period ended September 30, 2017

- Fauji Fertilizer Company Limited (the Company) is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Act, 2017) 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, 2017 has been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

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, 2016. Comparative condensed interim balance sheet is extracted from annual financial statements as of December 31, 2016 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 stated from un-audited condensed interim financial information of the Company for the period ended September 30, 2016.

This condensed interim financial information is un-audited and is being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

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, 2016, except the following:

The Companies Act, 2017 was enacted on May 30, 2017 and SECP vide its circular 23 of 2017 has clarified that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2016: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2016: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited September 30, 2017	Audited December 31, 2016		Un-audited September 30, 2017	Audited December 31, 2016
(Number	of shares)		(Rupe	es '000)
		Ordinary shares of Rs 10 each, issued		
256,495,902	256,495,902	for consideration in cash	2,564,959	2,564,959
		Ordinary shares of Rs 10 each, issued		
1,015,742,345	1,015,742,345	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

4.1 Fauji Foundation held 44.35% (2016: 44.35%) ordinary shares of the Company at the period end.

		Un-audited September 30, 2017 (Rupe	Audited December 31, 2016 es '000)
5.	REVENUE RESERVES		,
	General reserve	8,802,360	6,802,360
	Unappropriated profit	5,293,881	8,039,603
		14,096,241	14,841,963

For the period ended September 30, 2017

		Note	Un-audited September 30, 2017	Audited December 31, 2016
			(Rupe	es '000)
6.	LONG TERM BORROWINGS			
	Loans from banking companies - secured			
	From conventional banks	6.1	20,509,374	19,448,312
	From Islamic banks	6.2	3,066,072	3,639,286
			23,575,446	23,087,598
	Less: Current portion shown under current liabilities			
	From conventional banks		5,735,375	5,287,875
	From Islamic banks		1,146,429	1,146,429
			6,881,804	6,434,304
			16,693,642	16,653,294
6.1	Movement during the period / year is as follows:			
	Opening balance		19,448,312	16,252,438
	Draw-downs during the period / year		4,000,000	7,350,000
	Repayments during the period / year		(2,938,938)	(4,154,126)
	Closing balance	6.1.1	20,509,374	19,448,312

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 book 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 0.50% per annum and 3 month KIBOR + 0.40% per annum (2016: 6 month KIBOR + 0.10 % to 0.65% and 3 month KIBOR + 0.40% per annum) and are repayable up to June 2022 (2016: September 2021).

		Note	Un-audited September 30, 2017	Audited December 31, 2016
			(Rupe	es '000)
6.2	Movement during the period / year is as follows:			
	Opening balance		3,639,286	4,150,000
	Draw-downs during the period / year		-	-
	Repayments during the period / year		(573,214)	(510,714)
	Closing balance	6.2.1	3,066,072	3,639,286

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), with nil margin.

These carry profit rates ranging between 6 month KIBOR + 0.05% to 0.50% per annum (2016: 6 month KIBOR + 0.05% to 0.50% per annum) and are repayable up to December 2020 (2016: December 2020).

For the period ended September 30, 2017

		Note	Un-audited September 30, 2017	Audited December 31, 2016
_			(Rupe	es '000)
7.	TRADE AND OTHER PAYABLES			
	Creditors		19,183,154	4,630,804
	Accrued liabilities		3,413,936	3,270,824
	Consignment account with Fauji Fertilizer Bin Qasim Limited - unsecured		3,578,940	678,110
	Deposits		152,842	151,049
	Retention money		171,199	165,976
	Advances from customers		1,022,588	334,964
	Workers' Welfare Fund		1,281,719	1,114,399
	Workers' Profit Participation Fund		384,219	-
	Unclaimed dividend		1,174,334	407,518
	Other liabilities		208,479	158,253
			30,571,410	10,911,897
8.	MARK-UP AND PROFIT ACCRUED			
	On borrowings from conventional banks		526,894	281,481
	On borrowings from Islamic banks		91,975	39,610
			618,869	321,091
9.	SHORT TERM BORROWINGS			
	Short term borrowings - secured			
	From conventional banks	9.1	20,952,289	19,369,365
	From Islamic banks	9.2	2,023,410	2,807,160
			22,975,699	22,176,525

9.1 Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 32.085 billion (2016: Rs 25.48 billion) which represent the aggregate all facility agreements between the Company and respective banks. The facilities have various maturity dates upto June 30, 2018.

The facilities are secured by pari passu / ranking hypothecation charges on assets of the Company besides lien over US \$ /Pak Rupees Term Deposits / PIBs in certain cases. The per annum rates of mark-up range between 1 month KIBOR + 0.25% to 0.35% and 3 month KIBOR + 0.02% to 0.50% (2016: 1 month KIBOR + 0.03% to 0.35% and 3 month KIBOR + nil to 0.50%).

9.2 Shariah compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to Rs 3.5 billion (2016: Rs 2.85 billion) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto May 31, 2018.

The facilities are secured by ranking hypothecation charges on assets of the Company. The per annum rates of profit range between 3 month KIBOR + 0.10% to 3 month KIBOR + 0.14% (2016: 3 month KIBOR+ nil to 3 month KIBOR + 0.14%).

For the period ended September 30, 2017

10. CONTINGENCIES AND COMMITMENTS

(a) Contingencies:

There is no change in the contingent liabilities as reported in the financial statements for the year ended December 31, 2016.

			Un-audited September 30, 2017	Audited December 31, 2016
			(Rupe	es '000)
(b)	Cor	nmitments in respect of:		
	(i)	Capital expenditure	2,267,010	1,506,491
	(ii)	Purchase of fertilizer, stores, spares and other operational items	3,418,852	2,442,596
	(iii)	Investment in Fauji Fresh n Freeze Limited	800,000	1,000,000
	(iv)	Rentals under lease agreements:		
		Premises	387,670	405,355
		Vehicles	88,311	75,010

(v) The Company has received an offer from The Hub Power Company Limited (HUBCO) to join as a shareholder with equity investment of 30% of the share capital in Thar Energy Limited (TEL). The Board has authorized the Company to proceed with negotiations towards the execution of a definitive Shareholders' Agreement providing for the terms of FFC's equity investment.

The proposed equity investment will be subject to an agreement on the terms and conditions of investment and obtaining of all necessary corporate and regulatory approvals by the companies involved i.e. FFC, TEL and HUBCO.

			Un-audited September 30,	•
		Note	2017	2016
			(Rupe	es '000)
11.	PROPERTY, PLANT AND EQUIPMENT			
	Opening written down value		21,232,732	21,381,702
	Additions during the period / year	11.1	1,888,895	1,985,368
	Written down value of disposals		(14,110)	(7,571)
	Depreciation during the period / year	11.1 & 11.2	(1,625,859)	(2,126,767)
			21,481,658	21,232,732

11.1 Additions in and depreciation on property, plant and equipment during the period ended September 30, 2016 were Rs 1,529,350 thousand and Rs 1,575,048 thousand respectively.

		2017	Audited December 31, 2016
11.2	Depreciation charge has been allocated as follows:	(1.1.)	,
	Cost of sales	1,561,471	2,035,462
	Distribution cost	52,445	72,805
	Other expenses	1,344	1,511
	Charged to FFBL under the Company Services Agreement	10,599	16,989
		1,625,859	2,126,767

		Note	Un-audited September 30, 2017	2016
40	LONG TERM INVESTMENTS		(Rupe	es '000)
12.	LONG TERM INVESTMENTS			
	Investment in subsidiary companies - at cost			
	FFC Energy Limited		2,438,250	2,438,250
	Fauji Fresh n Freeze Limited		2,835,500	2,635,500
	Investment in associated companies (Quoted) - 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 (Unquoted) - at cost			
	Pakistan Maroc Phosphore S.A., Morocco		705,925	705,925
	Investments available for sale			
	Term Deposit Receipts - from conventional banks		111,466	96,138
	Pakistan Investment Bonds		7,007,773	7,701,536
			7,119,239	7,797,674
			29,719,754	30,198,189
	Less: Current portion shown under short term investments			
	Investments available for sale			
	Term Deposit Receipts - from conventional banks		30,372	27,515
	Pakistan Investment Bonds		2,109,734	514,391
		19	2,140,106	541,906
			27,579,648	29,656,283
13.	LONG TERM LOANS AND ADVANCES			
	Loans and advances - considered good:			
	Interest bearing		746,311	709,994
	Non-interest bearing		579,014	559,740
			1,325,325	1,269,734
	Less: Amount due within twelve months, shown under current loans and advances			
	Interest bearing		144,303	134,246
	Non-interest bearing		201,907	201,338
		16	346,210	335,584
			979,115	934,150
14.	LONG TERM DEPOSITS AND PREPAYMENTS			
	Non-interest bearing deposits		12,378	12,378
	Prepayments		988	1,597
			13,366	13,975

		Note	Un-audited September 30, 2017	Audited December 31, 2016
			(Rupe	es '000)
15.	STOCK IN TRADE			
	Raw materials		146,520	91,878
	Work in process		60,735	96,785
	Finished goods			
	Manufactured urea		7,034,761	3,675,771
	Purchased fertilizer		3,976,709	372,893
			11,011,470	4,048,664
	Stock in transit		215,799	-
			11,434,524	4,237,327
16.	LOANS AND ADVANCES			
	Current portion of long term loans and advances	13	346,210	335,584
	Loans and advances to employees - unsecured			
	- considered good, non-interest bearing		115,210	42,635
	Advances to subsidiary companies - interest bearing			
	FFC Energy Limited (FFCEL)	16.1	213,057	336,386
	Fauji Fresh n Freeze Limited (FFF)	16.2	1,000,000	-
	Advances to suppliers - considered good		172,979	188,835
			1,847,456	903,440

- 16.1 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.
- **16.2** 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, 2017	Audited December 31, 2016
		(Rupe	es '000)
17.	DEPOSITS AND PREPAYMENTS		
	Non-interest bearing deposits	944	944
	Prepayments	127,461	49,297
		128,405	50,241

		Note	Un-audited September 30, 2017	Audited December 31, 2016
			(Rupe	es '000)
18.	OTHER RECEIVABLES			
	Accrued income on investments, bank deposits and advances			
	From conventional banks		148,847	393,612
	From Islamic banks		-	508
	From subsidiaries - conventional		135,512	93,761
	Sales tax receivable		5,431,939	1,092,335
	Sales tax receivable related to Pak Saudi Fertilizers Limited		42,486	42,486
	Advance tax		322,368	322,368
	Dividend receivable		84,375	50,911
	Receivable from Workers' Profit Participation Fund - unsecured		-	108,194
	Receivable from subsidiary companies			
	Fauji Fresh n Freeze Limited - unsecured		1	2,628
	FFC Energy Limited - unsecured		49,593	20,798
	Receivable from Fauji Fertilizer Bin Qasim Limited - unsecured		40,338	39,203
	Due from Gratuity Fund		109,954	80,450
	Due from Pension Fund		309,099	286,778
	Subsidy receivable from Government of Pakistan		7,124,812	5,072,534
	Other receivables			
	Considered good		36,688	145,276
	Considered doubtful		2,232	2,232
	Provision for doubtful receivables		(2,232)	(2,232)
			36,688	145,276
			13,836,012	7,751,842
19.	SHORT TERM INVESTMENTS			
	Loans and receivables - Conventional investments			
	Term deposits with banks and financial institutions			
	Local currency		5,200,000	11,050,942
	Foreign currency		1,452,102	1,420,224
	Investments at fair value through profit or loss			
	Conventional investments		1,027,840	702,344
	Shariah compliant investments		209,558	428,413
	Current maturity of long term investments			
	Investments available for sale	12	2,140,106	541,906
			10,029,606	14,143,829

7,221,418

2,525,888

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

		Note	Un-audited September 30, 2017	Audited December 31, 2016
			(Rupe	es '000)
20.	CASH AND BANK BALANCES			
	At banks			
	Local Currency			
	Current Account - Conventional banking		375,798	125,718
	Current Account - Islamic Banking		770,812	-
	Deposit Account - Conventional banking	20.2	626,645	217,747
	Deposit Account - Islamic Banking	20.3	3,987	28,816
			1,777,242	372,281
	Foreign Currency			
	Deposit Account - Conventional Banking		282	1,198
	Cash in transit	20.4	5,440,484	2,150,877
	Cash in hand		3,410	1,532

- 20.1 Balances with banks include Rs 130,027 thousand (2016: Rs 110,147 thousand) in respect of security deposits received.
- 20.2 Balances with conventional banks carry mark-up ranging from 3.50% to 5.85% (2016: 3.50% to 5.25%)
- 20.3 Balances with Islamic banks carry profit ranging from 1.65% to 4.75% (2016: 1.65% to 4.00%) per annum.
- 20.4 These represent demand drafts in transit at the period / year end.

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

	For the quarter ended		For the pe	riod ended
		September 30,		September 30,
	2017	2016	2017	2016
21. SALES	(Rupe	es '000)	(Rupe	es '000)
Manufactured urea - local	16,231,969	17,821,021	45,657,368	48,681,389
		17,021,021		40,001,309
Manufactured urea - export	1,784,551	-	2,153,159	-
Purchased and packaged fertilizers	13,289,578	979,850	17,850,881	2,998,852
	31,306,098	18,800,871	65,661,408	51,680,241
Sales tax	(2,579,728)	(1,105,591)	(4,847,168)	(5,149,603)
Trade discount	(1,137,648)	(91,336)	(3,064,214)	(604,782)
	(3,717,376)	(1,196,927)	(7,911,382)	(5,754,385)
	27,588,722	17,603,944	57,750,026	45,925,856
22. COST OF SALES				
Raw materials consumed	6,471,518	6,288,113	19,178,793	19,835,976
Fuel and power	2,482,312	2,320,601	7,118,437	6,750,894
Chemicals and supplies	89,726	95,576	288,041	273,654
Salaries, wages and benefits	1,659,842	1,545,978	4,946,933	4,599,623
Training and employees welfare	245,200	205,811	615,741	576,670
Rent, rates and taxes	6,676	8,763	14,665	14,853
Insurance	44,834	51,568	136,623	156,298
Travel and conveyance	98,721	82,947	273,994	260,426
Repairs and maintenance	404,486	369,570	810,464	1,268,804
Depreciation and amortization	526,975	526,760	1,567,707	1,509,472
Communication and other expenses	389,999	241,161	932,786	1,023,452
Provision for slow moving spares	-		34,029	8,301
	12,420,289	11,736,848	35,918,213	36,278,423
Opening stock - work in process	81,067	74,396	96,785	106,097
Closing stock - work in process	(60,735)	(77,290)	(60,735)	(77,290)
	20,332	(2,894)	36,050	28,807
Cost of goods manufactured	12,440,621	11,733,954	35,954,263	36,307,230
Opening stock - manufactured urea	6,866,857	8,349,180	3,675,771	2,172,446
Closing stock - manufactured urea	(7,034,761)	(7,324,260)	(7,034,761)	(7,324,260)
3	(167,904)	1,024,920	(3,358,990)	(5,151,814)
Cost of sales - manufactured urea	12,272,717	12,758,874	32,595,273	31,155,416
Opening stock - purchased fertilizers	6,336,196	2,158,006	372,893	2,756,037
Purchase of fertilizers for resale	7,631,972	-	17,195,706	1,000,047
	13,968,168	2,158,006	17,568,599	3,756,084
Closing stock - purchased fertilizers	(3,976,709)	(1,402,947)	(3,976,709)	(1,402,947)
Cost of sales - purchased fertilizers	9,991,459	755,059	13,591,890	2,353,137
	22,264,176	13,513,933	46,187,163	33,508,553

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) For the period ended September 30, 2017

	For the quarter ended		For the pe	riod ended
	September 30,	September 30,	September 30,	September 30,
	2017	2016	2017	2016
	(Rupees '000)		(Rupe	es '000)
23. OTHER EXPENSES				
Research and development	129,565	132,533	378,603	388,746
Workers' Profit Participation Fund	178,230	203,210	492,413	607,603
Workers' Welfare Fund	60,965	77,219	167,320	230,889
	368,760	412,962	1,038,336	1,227,238
24. OTHER INCOME				
Income from sales under Government subsidy	1,116,741	2,137,631	4,977,308	3,517,187
Income from associated companies	186,683	-	1,235,281	2,264,743
Income from financial assets	215,155	269,342	806,419	845,505
Income from non - financial assets	11,884	10,563	17,742	24,906
Other income	18,635	15,820	79,132	80,379
	1,549,098	2,433,356	7,115,882	6,732,720
25. EARNINGS PER SHARE				
Net profit after tax	2,116,402	2,612,761	5,933,528	7,505,565
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)	1.66	2.05	4.66	5.90

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

		September 30, 2017	September 30, 2016
		(Rupe	es '000)
26.	CASH GENERATED FROM OPERATIONS		
	Net profit before taxation	9,188,528	11,313,565
	Adjustments for:		
	Depreciation	1,615,260	1,562,779
	Amortization	7,574	3,750
	Provision for slow moving spares	34,029	8,301
	Finance cost	1,917,188	1,784,164
	Gain on disposal of property, plant and equipment	(2,357)	(12,530)
	Income on loans, deposits and investments	(772,839)	(806,958)
	Exchange gain - net	(8,911)	(3,963)
	Gain on re-measurement of investments at fair value through profit or loss	(9,003)	(34,584)
	Dividend Income	(1,235,281)	(2,264,743)
	Government subsidy on sale of fertilizer	(4,977,308)	(3,517,187)
		(3,431,648)	(3,280,971)
		5,756,880	8,032,594
	Changes in working capital:		
	(Increase) / decrease in current assets:		
	Stores, spares and loose tools	(259,618)	3,427
	Stock in trade	(7,197,197)	(3,797,423)
	Trade debts	(7,247,640)	(3,140,781)
	Loans and advances	(944,016)	53,959
	Deposits and prepayments	(78,164)	(62,248)
	Other receivables	(4,140,440)	(712,701)
	Increase in current liabilities:		
	Trade and other payables	18,892,697	730,276
		(974,378)	(6,925,491)
	Changes in long term loans and advances	(44,965)	(130,757)
	Changes in long term deposits and prepayments	609	(58)
		4,738,146	976,288

For the period ended September 30, 2017

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. 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.

		J	Carrying Amount				Fair Value	alue	
	Loans and	Available for sale	Fair value through	Other financial assets /					
	receivables	investments	profit or loss	liabilities	Total	Level 1	Level 2	Level 3	Total
September 30, 2017 (Un-audited)					(Rupees '000)				
Financial assets not measured at fair value									
Non - current assets									
Long term investments	•	4,979,133	•	•	4,979,133	•	4,979,133	•	4,979,133
Long term loans and advances	979,115	•	•	•	979,115	•	•	•	•
Long term deposits	12,378	•	•	•	12,378	•	•	•	•
Current assets									
Trade debts - net of provision	11,553,591	•	•	•	11,553,591	•	•	•	•
Loans and advances	1,674,477	•	•	•	1,674,477	•	•	•	•
Deposits	944	•	•	•	944	•	•		•
Other receivables	13,386,783	•	•	•	13,386,783	•	•	•	•
Short term investments	6,652,102	2,140,106	1,237,398	•	10,029,606	1,237,398	2,140,106		3,377,504
Cash and bank balances	7,221,418	•	•	•	7,221,418	•	•	•	•
	41,480,808	7,119,239	1,237,398		49,837,445	1,237,398	7,119,239		8,356,637
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowings	•	•	•	16,693,642	16,693,642	•	•	•	•
Current liabilities									
Trade and other payables	•	•	•	27,882,884	27,882,884	•	•		•
Mark-up and profit accrued	•	•	•	618,869	618,869	•	•	•	•
Short term borrowings	•	•	•	22,975,699	22,975,699	•	•	•	•
Current portion of long term borrowings	•	•	•	6,881,804	6,881,804	•	•	•	•
				75,052,898	75,052,898				

		J	Carrying Amount	ţ			Fair Value	/alue	
	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, 2016 (Audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	'	7,255,768	1	1	7,255,768	•	7,255,768	1	7,255,768
Long term loans and advances	934,150	,	•	,	934,150	•	1	•	1
Long term deposits	12,378	,	'	,	12,378	•	1	•	1
Current assets									
Trade debts - net of provision	4,305,951	1	'	,	4,305,951	•	1	•	1
Loans and advances	714,605	1	,	1	714,605	•	1	1	1
Deposits	944	,	,	•	944		,	,	,
Other receivables	7,227,883	1	,	ı	7,227,883	•	1	1	1
Short term investments	12,471,166	541,906	1,130,757	1	14,143,829	1,130,757	541,906	1	1,672,663
Cash and bank balances	2,525,888	,	'	,	2,525,888		,	,	,
	28,192,965	7,797,674	1,130,757		37,121,396	1,130,757	7,797,674		8,928,431
Financial liabilities not measured at fair value									
Non - current liabilities									
Long term borrowings	•	1	•	16,653,294	16,653,294	1	1	1	1
Current liabilities									
Trade and other payables	'	'	'	9,462,534	9,462,534	'	'	'	,
Mark-up and profit accrued	'	,	,	321,091	321,091	,	,	1	,
Short term borrowings	'	'	'	22,176,525	22,176,525	'	'	'	,
Current portion of long term borrowings	'	1	,	6,434,304	6,434,304	•		1	1
				55,047,748	55,047,748				

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

For the period ended September 30, 2017

September 30,	September 30,
2017	2016
(Rupee	s '000)

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Subsidiary companies

Subsidiary companies		
Guarantee against loan of subsidiary company	5,450,000	5,450,000
Investment in subsidiary - FFF	200,000	1,200,000
Balances receivable - unsecured *	1,476,963	452,467
Associated undertaking / companies due to common directorship		
Expenses charged on account of marketing of fertilizer on behalf of associated company	603,053	694,855
Commission on sale of products	15,385	12,376
Payments under consignment account	28,147,460	21,812,096
Purchase of gas as feed and fuel stock	14,979,552	30,744,574
Sale of fertilizers	641	1,732
Donations	65,095	84,619
Others	16,882	235
Dividend income	1,235,281	2,264,743
Dividend paid	2,962,247	3,738,743
Dividend receivable *	84,375	50,911
Short term investment *	-	300,000
Long term investments *	114,939	96,138
Short term borrowing *	972,771	730,698
Running finance *	57,864	50,417
Balances receivable - unsecured *	48,799	47,171
Balances payable - unsecured *	22,823,730	5,565,853
Key management personnel		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2017: 1 and 978 (2016: 1 and 899)		
respectively.	4,659,649	4,276,281
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	312,379	292,952
Employees' Gratuity Fund Trust	118,014	278,084
Employees' Pension Fund Trust	89,283	97,701
Employees' Funds as Dividend on equity holding of 0.12% (2016: 0.24%)	5,451	20,969
Balance receivable from Gratuity Fund Trust *	109,954	36,099
Balance receivable from Pension Fund Trust *	309,099	292,561

^{*} Comparative figures of receivable / payable balances are as of December 31, 2016.

29. POST BALANCE SHEET EVENT

The Board of Directors of the Company in its meeting held on October 20, 2017 proposed third interim dividend of Rs 1.50 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 20, 2017.





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Chairman

Chief Executive

Director



Condensed Interim Consolidated Financial Information









CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

As at September 30, 2017

	Note	Un-audited September 30, 2017	Audited December 31, 2016
		(Rupe	es '000)
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	12,722,382
Capital reserves		1,823,663	1,396,672
Revenue reserves	5	33,513,739	33,871,490
Surplus on remeasurement of investments available for sale to			
fair value - net		2,074,698	2,726,211
		50,134,482	50,716,755
Share in revaluation reserve of associate - net		759,892	649,076
NON - CURRENT LIABILITIES			
Long term borrowings	6	23,059,756	24,012,599
Deferred liabilities		6,205,512	6,097,396
Liability against assets subject to finance lease		7,383	8,025
		29,272,651	30,118,020
CURRENT LIABILITIES			
Trade and other payables	7	30,895,841	11,217,362
Mark-up and profit accrued	8	778,722	351,075
Short term borrowings	9	23,366,599	22,382,525
Current portion of long term borrowings		8,607,006	7,964,843
Taxation		1,567,832	1,253,817
Current portion of land lease liability		2,566	-
		65,218,566	43,169,622
TOTAL FOUNTY AND LIABILITIES		445 205 504	104 652 472
TOTAL EQUITY AND LIABILITIES		145,385,591	124,653,473
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, 2017	Audited December 31, 2016
		(Rupe	es '000)
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	11	33,679,816	34,280,489
Intangible assets		1,946,873	1,948,538
Long term investments	12	46,001,590	48,063,891
Long term loans and advances	13	979,115	934,150
Long term deposits and prepayments	14	29,794	29,483
		82,637,188	85,256,551
CURRENT ASSETS			
Stores, spares and loose tools		3,669,363	3,441,103
Stock in trade	15	11,669,615	4,317,247
Trade debts		13,082,866	5,072,016
Loans and advances	16	713,666	599,610
Deposits and prepayments	17	134,287	58,116
Other receivables	18	14,074,654	7,710,953
Short term investments	19	11,809,606	15,498,649
Cash and bank balances	20	7,594,346	2,699,228
		62,748,403	39,396,922
TOTAL ASSETS		145,385,591	124,653,473









Director Chief Financial Officer

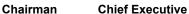
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended September 30, 2017

		For the qu	arter ended	For the pe	riod ended
	Note	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
		(Rupe	es '000)	(Rupe	es '000)
Sales	21	28,753,304	18,600,029	60,351,590	48,210,252
Cost of sales	22	22,797,788	13,893,005	47,499,168	34,619,205
GROSS PROFIT		5,955,516	4,707,024	12,852,422	13,591,047
Administrative expenses and					
distribution cost		2,587,822	1,822,387	6,901,041	5,034,185
		3,367,694	2,884,637	5,951,381	8,556,862
Finance cost		907,549	842,336	2,546,123	2,517,077
Other expenses	23	368,760	412,962	1,038,336	1,227,238
		2,091,385	1,629,339	2,366,922	4,812,547
Other income	24	1,383,111	2,449,975	5,951,030	4,525,848
Share of profit of associates and					
joint venture		1,158,997	949,919	2,067,235	2,033,540
NET PROFIT BEFORE TAXATION		4,633,493	5,029,233	10,385,187	11,371,935
Provision for taxation		1,409,115	1,292,654	3,577,236	4,071,300
NET PROFIT AFTER TAXATION		3,224,378	3,736,579	6,807,951	7,300,635
Earnings per share - basic and					
diluted (Rupees)	25	2.53	2.94	5.35	5.74

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





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Director

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)For the period ended September 30, 2017

	For the qua	arter ended	For the pe	riod ended
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	(Rupe	es '000)	(Rupe	es '000)
Net profit after taxation	3,224,378	3,736,579	6,807,951	7,300,635
Other comprehensive income				
Items that may not be subsequently reclassified to profit or loss				
Equity accounted investees - share of OCI, net of tax	(33,237)	-	(20,039)	-
Items that may be subsequently reclassified to profit or loss				
Deficit on remeasurement of investments				
available for sale to fair value - net of tax	(46,548)	(116,296)	(126,424)	(20,498)
Equity accounted investees - share of OCI, net of tax	(221,345)	248,518	(564,511)	267,818
	(267,893)	132,222	(690,935)	247,320
Comprehensive income taken to equity	2,923,248	3,868,801	6,096,977	7,547,955
Comprehensive income not recognised in equity Items that may be subsequently reclassified	,			
to profit or loss	(3,260)	-	110,816	-
Total comprehensive income for the period	2,919,988	3,868,801	6,207,793	7,547,955

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



Chairman



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Chief Executive

Director

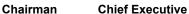
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the period ended September 30, 2017

	Note	September 30, 2017	September 30, 2016
		(Rupe	es '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	27	5,722,996	307,849
Finance cost paid		(2,170,612)	(2,200,939)
Income tax paid		(2,911,610)	(4,111,878)
Subsidy received on sale of fertilizer		2,925,030	1,533,171
		(2,157,192)	(4,779,646)
Net cash genrated from / (used in) operating activities		3,565,804	(4,471,797)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,971,671)	(1,639,399)
Proceeds from sale of property, plant and equipment		289,272	44,436
Decrease / (increase) in investments - net		715,865	(287,630)
Interest received		1,082,610	915,169
Dividend received		1,295,567	2,264,743
Net cash generated from investing activities		1,411,643	1,297,319
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Draw-downs		4,000,000	6,050,000
Repayments		(4,310,680)	(2,722,383)
Dividends paid		(5,912,434)	(6,161,893)
Net cash used in financing activities		(6,223,114)	(2,834,276)
Cash and cash equivalents at beginning of the period		(6,073,964)	(4,341,404)
Effect of exchange rate changes		52,136	13,921
Cash and cash equivalents at end of the period		(7,267,495)	(10,336,237)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	7,594,346	1,676,958
Short term highly liquid investments	-	8,504,758	2,828,906
Short term borrowings	9	(23,366,599)	(14,842,101)
v		(7,267,495)	(10,336,237)
		,	· · · /

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







Director



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

For the period ended September 30, 2017

		Capital reserve			Revenue reserves		Surplus on remeasurement		
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserve	General reserve	Unappropriated profit	of available for sale investments to fair value	Total
					(Rupees '000)				
Balance as at January 1, 2016	12,722,382	40,000	120,000	264,730	428,781	6,802,360	26,823,816	2,230,710	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	258,331	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)
Other changes in equity									
Transfer to statutory reserve	-	-	-	-	424,433	-	(424,433)	-	-
Balance as at September 30, 2016	12,722,382	40,000	120,000	253,719	853,214	6,802,360	25,023,355	2,489,041	48,304,071
Balance as at January 1, 2017	12,722,382	40,000	120,000	251,153	985,519	6,802,360	27,069,130	2,726,211	50,716,755
Total comprehensive income for the period									
Profit for the period after taxation	-		-			-	6,807,951	-	6,807,951
Other comprehensive income - net of tax	-		-	(39,422)	-	-	(20,039)	(651,513)	(710,974)
Total comprehensive income for the period - net of tax	-	-	•	(39,422)	-	-	6,787,912	(651,513)	6,096,977
Distributions to owners - recorded directly in equity									
Final dividend 2016: Rs 2.75 per share	-	-	-	-	-	-	(3,498,655)	-	(3,498,655)
First interim dividend 2017: Rs 1.50 per share	-	-	-	-	-	-	(1,908,357)	-	(1,908,357)
Second interim dividend 2017: Rs 1.00 per share	-	-	-	-	-	-	(1,272,238)	-	(1,272,238)
	-	•	•	-		•	(6,679,250)	•	(6,679,250)
Other changes in equity									
Transfer to general reserve	-		-	-	-	2,000,000	(2,000,000)		-
Transfer to statutory reserve	-		•	-	466,413		(466,413)		-
	-				466,413	2,000,000	(2,466,413)		-
Balance as at September 30, 2017	12,722,382	40,000	120,000	211,731	1,451,932	8,802,360	24,711,379	2,074,698	50,134,482

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



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Chief Executive

Director

Chief Financial Officer

1. Fauji Fertilizer Company Limited (the Group) comprises of Fauji Fertilizer Company Limited (FFC / parent company) and its subsidiaries, FFC Energy Limited (FFCEL) and Fauji Fresh n Freeze (FFF). These companies are incorporated in Pakistan as public limited companies. The shares of FFC are quoted on Pakistan Stock Exchange

The principal activity of FFC is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, other manufacturing and banking operations. FFCEL has setup a 49.5 MW wind energy power project. FFF will principally be engaged in the business of processing fresh, frozen fruit, vegetables, fresh meat, frozen cooked and semi cooked food.

This condensed interim consolidated financial report is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 237 of the Companies Act, 2017. This condensed interim consolidated financial report of the Group for the period ended September 30, 2017 has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed 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, 2016. Comparative condensed interim consolidated balance sheet is extracted from annual audited financial statements for the year ended December 31, 2016 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 un-audited condensed interim consolidated financial report for the period ended September 30, 2016.

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, 2016, except for the following:

The Companies Act, 2017 was enacted on May 30, 2017 and SECP vide its circular 23 of 2017 has clarified that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1.500,000,000 (2016: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2016: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited September 30, 2017	Audited December 31, 2016		Un-audited September 30, 2017	Audited December 31, 2016
(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
1,272,238,247	1,272,238,247	any para sorias siraisor	12,722,382	12,722,382

4.1	uji Foundation held 44.35% (2016: 44.35%) ordinary shares of the FFC at the period end.		
		Un-audited September 30, 2017	Audited December 31, 2016
		(Rupees '000)	
5.	REVENUE RESERVES		
	General reserve	8,802,360	6,802,360
	Unappropriated profit	24,711,379	27,069,130
		33,513,739	33,871,490

		Note	Un-audited September 30, 2017	Audited December 31, 2016
			(Rupe	es '000)
6.	LONG TERM BORROWINGS			
	Loans from banking companies - secured			
	From conventional banks			
	Fauji Fertilizer Company Limited	6.1	20,509,374	19,448,312
	FFC Energy Limited	6.2	6,588,991	6,981,494
	Fauji Fresh n Freeze Limited	6.3	1,502,325	1,908,350
	From Islamic banks			
	Fauji Fertilizer Company Limited	6.4	3,066,072	3,639,286
			31,666,762	31,977,442
	Less: Current portion shown under current liabilities			
	From conventional banks		7,460,577	6,818,414
	From Islamic banks		1,146,429	1,146,429
			8,607,006	7,964,843
			23,059,756	24,012,599
6.1	Movement during the period / year is as follows:			
	Opening balance		19,448,312	16,252,438
	Draw-downs during the period / year		4,000,000	7,350,000
	Repayments during the period / year		(2,938,938)	(4,154,126)
	Closing balance		20,509,374	19,448,312
6.2	Movement during the period / year is as follows:			
	Long term loans from banking companies		6,683,558	7,100,152
	Less: Transaction cost			
	Initial transaction cost		(269,797)	(269,797)
	Amortized during the period / year		175,230	151,139
	Closing balance		6,588,991	6,981,494
6.3	Movement during the period / year is as follows:			
	MCB Bank Limited		795,000	1,060,000
	Allied Bank Limited		708,125	849,750
	Less: Transaction cost		(4,000)	(4,000)
	Amortized during the period / year		3,200	2,600
	Closing balance		1,502,325	1,908,350
6.4	Movement during the period / year is as follows:			
5	Opening balance		3,639,286	4,150,000
	Repayments during the period / year		(573,214)	(510,714)
	Closing balance		3,066,072	3,639,286
	Olosing balance		3,000,012	

		Un-audited September 30, 2017	Audited December 31, 2016
		(Rupe	es '000)
7.	TRADE AND OTHER PAYABLES		
	Creditors	19,303,727	4,833,451
	Accrued liabilities	3,441,844	3,388,146
	Consignment account with Fauji Fertilizer Bin Qasim Limited - unsecured	3,578,940	678,110
	Sales tax payable - net	109,403	-
	Deposits	152,842	151,049
	Retention money	174,940	169,732
	Advances from customers	1,026,842	337,829
	Workers' Welfare Fund	1,281,719	1,114,399
	Workers' Profit Participation Fund	384,219	-
	Payable to Gratuity Fund	20,656	3,892
	Unclaimed dividend	1,174,334	407,518
	Other liabilities	246,375	133,236
		30,895,841	11,217,362
8.	MARK-UP AND PROFIT ACCRUED		
	On borrowings from conventional banks	686,747	311,465
	On borrowings from Islamic banks	91,975	39,610
		778,722	351,075
9.	SHORT TERM BORROWINGS		
	Short term borrowings - secured		
	From conventional banks	21,343,189	19,575,365
	From Islamic banks	2,023,410	2,807,160
		23,366,599	22,382,525

For the period ended September 30, 2017

10. CONTINGENCIES AND COMMITMENTS

(a) Contingencies:

There is no change in the contingent liabilities as reported in the consolidated financial statements for the year ended December 31, 2016, except for the following:

			Un-audited September 30, 2017	Audited December 31, 2016
			(Rupee:	s '000)
	(i)	Group's share of contingencies in Fauji Fertilizer Bin Qasim Limited.	35,108,753	25,675,042
	(ii)	Group's share of contingencies in Fauji Cement Company Limited as at June 30, 2017	109,448	150,870
	(iii)	Group's share of contingencies in Askari Bank Limited as at June 30, 2017	137,258,673	101,248,858
(b)	Co	mmitments in respect of:		
	(i)	Capital expenditure	2,267,010	1,506,491
	(ii)	Purchase of fertilizer, stores, spares and other operational items	3,418,852	2,442,592
	(iii)	Group's share of commitments of PMP as at June 30, 2017	31,561	7,718
	(iv)	Rentals under lease agreements:		
		Premises	430,009	450,260
		Vehicles	88,311	75,010

(v) FFC has received an offer from The Hub Power Company Limited (HUBCO) to join as a shareholder with equity investment of 30% of the share capital in Thar Energy Limited (TEL). The Board has authorized FFC to proceed with negotiations towards the execution of a definitive Shareholders' Agreement providing for the terms of FFC's equity investment.

The proposed equity investment will be subject to an agreement on the terms and conditions of investment and obtaining of all necessary corporate and regulatory approvals by the companies involved i.e. FFC, TEL and HUBCO.

		Note	Un-audited September 30, 2017	Audited December 31, 2016
			(Rupee	s '000)
11.	PROPERTY, PLANT AND EQUIPMENT			
	Opening written down value		34,280,489	35,228,277
	Additions during the period / year	11.1	1,965,762	2,074,876
	Written down value of disposals / adjustments		(286,915)	(22,537)
	Depreciation during the period / year	11.1 & 11.2	(2,279,520)	(3,000,127)
			33,679,816	34,280,489

11.1 Additions in and depreciation on property, plant and equipment during the period ended September 30, 2016 were Rs 1,638,914 thousand and Rs 2,224,111 thousand respectively.

	were Rs 1,638,914 thousand and Rs 2,224,111 thousand respectively.		
		Un-audited September 30, 2017	Audited December 31, 2016
		(Rupee	s '000)
11.2	Depreciation charge has been allocated as follows:		
	Cost of sales	2,208,434	2,904,060
	Administrative expenses and distribution cost	59,143	77,567
	Other expenses	1,344	1,511
	Charged to FFBL under Inter Company Services Agreement	10,599	16,989
		2,279,520	3,000,127

		Note	Un-audited September 30, 2017	Audited December 31, 2016
			(Rupe	es '000)
12.	LONG TERM INVESTMENTS			
	Equity accounted investments	12.1	41,022,457	40,808,123
	Other long term investments	12.2	4,979,133	7,255,768
			46,001,590	48,063,891
12.1	Equity accounted investments			
	Investment in associated companies - under equity method			
	Fauji Fertilizer Bin Qasim Limited			
	Balance at the beginning		19,735,481	20,787,172
	Share of profit for the period / year		105,351	451,880
	Share of OCI for the period / year		(242,953)	238,528
	Acquisition of Non controlling interest by associate		-	(321,129)
	Dividend received		(279,535)	(1,420,970)
			19,318,344	19,735,481
	Askari Bank Limited			
	Balance at the beginning		17,148,611	14,541,280
	Share of profit for the period / year		1,676,733	2,244,891
	Share of OCI for the period / year		(290,812)	1,042,150
	Dividend received		(815,652)	(679,710)
			17,718,880	17,148,611
	Fauji Cement Company Limited			
	Balance at the beginning		2,063,119	1,896,273
	Share of profit for the period / year		136,092	330,909
	Dividend received		(93,750)	(164,063)
			2,105,461	2,063,119
	Investment in joint venture - under equity method			
	Pakistan Maroc Phosphore S.A., Morocco		1 960 012	1 5/10 2/11
	Balance at the beginning Share of profit for the period / year		1,860,912 149,059	1,548,341
	Loss on translation of net assets		(23,569)	312,571
	Dividend received		(106,630)	
	Siviatina received		1,879,772	1,860,912
			41,022,457	40,808,123
12.2	Other long term investments		- , ,	
	Investment available for sale			
	Term Deposit Receipts - from conventional banks		111,466	96,138
	Pakistan Investment Bonds		7,007,773	7,701,536
			7,119,239	7,797,674
	Less: Current portion shown under short term investments			
	Investments available for sale			
	Term Deposit Receipts - from conventional banks		30,372	27,515
	Pakistan Investment Bonds	40	2,109,734	514,391
		19	2,140,106	541,906
			4,979,133	7,255,768

		Note	Un-audited September 30, 2017	Audited December 31, 2016
			(Rupe	es '000)
13.	LONG TERM LOANS AND ADVANCES			
	Loans and advances - considered good:			
	Interest bearing		746,311	709,994
	Non-interest bearing		579,014	559,740
			1,325,325	1,269,734
	Less: Amount due within twelve months, shown under current loans and advances			
	Interest bearing		144,303	134,246
	Non-interest bearing		201,907	201,338
		16	346,210	335,584
			979,115	934,150
14.	LONG TERM DEPOSITS AND PREPAYMENTS			
	Non-interest bearing deposits		28,806	27,886
	Prepayments		988	1,597
			29,794	29,483
15.	STOCK IN TRADE			
	Raw materials		148,805	95,250
	Work in process		81,725	108,269
	Finished goods			0.740.005
	Manufactured product		7,246,531	3,740,835
	Purchased product		3,976,755 11,223,286	372,893 4,113,728
	Stock in transit		215,799	4,113,720
	Stock in transit		11,669,615	4,317,247
16.	LOANS AND ADVANCES		,,	
	Current portion of long term loans and advances	13	346,210	335,584
	Loans and advances to employees - unsecured - considered good		,	
	non-interest bearing		142,456	54,497
	Advances to suppliers - considered good		225,000	209,529
4-	DEDOCITO AND DEFENAMENTS		713,666	599,610
1/.	DEPOSITS AND PREPAYMENTS		244	044
	Non-interest bearing deposits		944 133,343	944 57 170
	Prepayments		134,287	57,172 58,116
18	OTHER RECEIVABLES		134,201	
	Accrued income on investments and bank deposits			
	From conventional banks		153,872	398,301
	From Islamic banks		-	508
	Sales tax receivable - net		5,657,344	1,178,253
	Sales tax receivable related to Pak Saudi Fertilizers Limited		42,486	42,486
	Advance tax		361,226	358,293
	Receivable from Workers' Profit Participation Fund - unsecured		-	108,194
	Receivable from Fauji Fertilizer Bin Qasim Limited - unsecured		40,338	39,203
	Due from Gratuity Fund Due from Pension Fund		109,954 309,099	80,450 286,778
	Subsidy receivable from Government agencies		7,124,812	5,072,534
	Cabbia, 100014abic from Covernment agencies		1,124,012	0,012,004
	Other receivables			
	Considered good		275,523	145,953
	Considered doubtful		2,232	2,232
	Provision for doubtful receivables		(2,232)	(2,232)
			275,523	145,953
			14,074,654	7,710,953

		Note	Un-audited September 30, 2017	Audited December 31, 2016
			(Rupe	es '000)
19.	SHORT TERM INVESTMENTS			
	Loans and receivables - Conventional investments			
	Term deposits with banks and financial institutions			
	Local currency		6,980,000	12,405,762
	Foreign currency		1,452,102	1,420,224
	Investments at fair value through profit or loss			
	Conventional investments		1,027,840	702,344
	Shariah compliant investments		209,558	428,413
	Current maturity of long term investments			
	Investments available for sale	12.2	2 140 106	E41 006
	investinents available for sale	12.2	2,140,106	541,906 15,498,649
20.	CASH AND BANK BALANCES		11,000,000	=======================================
	At banks			
	Local Currency			
	Current Account - Conventional banking		378,301	125,720
	Current Account - Islamic banking		770,812	-
	Deposit Account - Conventional banking	20.2	996,952	391,022
	Deposit Account - Islamic banking	20.3	3,987	28,816
			2,150,052	545,558
	Foreign Currency			
	Deposit Account		282	1,198
	Cash in transit	20.4	5,440,484	2,150,877
	Cash in hand		3,528	1,595
			7,594,346	2,699,228
			, , , , , ,	

- 20.1 Balances with banks include Rs 130,027 thousand (2016: Rs 110,147 thousand) in respect of security deposits received.
- 20.2 Balances with conventional banks carry mark-up ranging from 3.50% to 5.85% (2016: 3.50% to 5.25%) per annum
- 20.3 Balances with Islamic banks carry profit ranging from 1.65% to 4.75% (2016: 1.65% to 4.00%) per annum.
- 20.4 These represent demand drafts in transit at the period / year end.

		For the quarter ended		For the period ended	
		September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
		(Rupe	es '000)	(Rupees '000)	
21.	SALES		.=		
	Fertilizers	27,588,722	17,603,944	57,750,026	45,925,856
	Power	949,683	949,025	2,253,942	2,227,336
	Food	214,899	47,060	347,622	57,060
		28,753,304	18,600,029	60,351,590	48,210,252
22.	COST OF SALES				
	Raw materials consumed	6,511,440	6,317,009	19,351,640	19,897,839
	Fuel and power	2,491,259	2,329,558	7,169,172	6,787,329
	Chemicals and supplies	89,726	95,576	288,041	273,654
	Salaries, wages and benefits	1,700,884	1,595,681	5,089,859	4,733,608
	Training and employees welfare	245,200	205,811	615,741	576,670
	Rent, rates and taxes	11,339	9,404	20,611	17,103
	Insurance	56,115	66,088	172,132	199,656
	Travel and conveyance	112,929	85,447	296,998	268,686
	Repairs and maintenance	470,058	440,811	1,011,860	1,476,219
	Depreciation and amortization	742,093	741,604	2,214,670	2,155,928
	Communication and other expenses	392,113	240,997	946,575	1,060,032
	Provision for slow moving spares	-		34,029	8,301
		12,823,156	12,127,986	37,211,328	37,455,025
	Opening stock - work in process	81,067	74,396	96,785	106,097
	Closing stock - work in process	(60,735)	(77,290)	(60,735)	(77,290)
		20,332	(2,894)	36,050	28,807
	Cost of goods manufactured	12,843,488	12,125,092	37,247,378	37,483,832
	Opening stock - manufactured	7,100,916	8,431,375	3,740,503	2,200,017
	Closing stock - manufactured	(7,250,560)	(7,418,521)	(7,250,560)	(7,418,521)
		(149,644)	1,012,854	(3,510,057)	(5,218,504)
	Cost of sales - manufactured	12,693,844	13,137,946	33,737,321	32,265,328
	Opening stock - purchased	6,336,543	2,158,006	375,050	2,756,037
	Purchase of products for resale	7,744,110	-	17,363,506	1,000,787
		14,080,653	2,158,006	17,738,556	3,756,824
	Closing stock - purchased	(3,976,709)	(1,402,947)	(3,976,709)	(1,402,947)
	Cost of sales - purchased	10,103,944	755,059	13,761,847	2,353,877
		22,797,788	13,893,005	47,499,168	34,619,205

		For the qua	rter ended	For the period ended	
		September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
		(Rupee	s '000)	(Rupee	s '000)
23.	OTHER EXPENSES				
	Research and development	129,565	132,533	378,603	388,746
	Workers' Profit Participation Fund	178,230	203,210	492,413	607,603
	Workers' Welfare Fund	60,965	77,219	167,320	230,889
		368,760	412,962	1,038,336	1,227,238
24.	OTHER INCOME				
	Income from sales under Government subsidy	1,116,741	2,137,631	4,977,308	3,517,187
	Income from financial assets	235,430	285,434	871,839	900,591
	Income from non-financial assets	11,884	10,563	17,742	24,906
	Other income	19,056	16,347	84,141	83,164
		1,383,111	2,449,975	5,951,030	4,525,848
25.	EARNINGS PER SHARE				
	Net profit after tax (Rupees '000)	3,224,378	3,736,579	6,807,951	7,300,635
	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)	2.53	2.94	5.35	5.74

26. SEGMENT INFORMATION

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

		Reportable s	segments	
	Fertilizers	Power	Food	Total
		(Rupees	'000)	
September 30, 2017 (Un-audited)				
Assets				
Segment assets (Total)	87,617,949	12,921,001	3,824,184	104,363,134
Equity accounted investees	41,022,457	-	-	41,022,457
Liabilities				
Segment liabilities (Total)	84,112,522	7,297,694	3,081,001	94,491,217
Capital expenditure	1,888,895	26,490	50,377	1,965,762
Depreciation	1,625,859	446,218	207,443	2,279,520
December 31, 2016 (Audited)				
Assets				
Segment assets (Total)	67,979,320	12,266,626	3,599,404	83,845,350
Equity accounted investees	40,808,123	-	-	40,808,123
Liabilities				
Segment liabilities (Total)	63,689,119	7,251,292	2,347,231	73,287,642
Capital expenditure	1,985,368	11,265	78,243	2,074,876
Depreciation	2,126,767	608,682	264,678	3,000,127

	September 30, 2017	September 30, 2016
	(Rupee	s '000)
27. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	10,385,187	11,371,935
Adjustments for:		
Depreciation	2,268,921	2,211,842
Amortization	7,574	3,750
Provision for slow moving spares	34,029	8,301
Finance cost	2,546,123	2,517,077
Income on loans, deposits and investments	(837,673)	(862,163)
Share of profit of associate and joint venture	(2,067,235)	(2,033,540)
Gain on sale of property, plant and equipment	(2,357)	(12,530)
Exchange gain - net	(8,859)	(3,844)
Loss / (gain) on remeasurement of investments at fair value through profit or loss	27,673	(22,756)
Government subsidy on sale of fertilizer	(4,977,308)	(3,517,187)
	(3,009,112)	(1,711,050)
	7,376,075	9,660,885
Changes in working capital		
(Increase) / decrease in current assets:		
Stores and spares	(262,289)	3,427
Stock in trade	(7,352,368)	(3,872,626)
Trade debts	(8,010,850)	(3,895,757)
Loans and advances	(114,056)	(137,546)
Deposits and prepayments	(76,171)	(85,049)
Other receivables	(4,545,761)	(639,159)
(Decrease) / increase in current liabilities:		
Trade and other payables	18,751,768	(594,533)
	(1,609,727)	(9,221,243)
Changes in long term loans and advances	(44,965)	(130,757)
Changes in long term deposits and prepayments	(311)	(2,960)
Change in liability under finance lease	1,924	1,924
	5,722,996	307,849

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.

		Carrying Amount	Amount				Fair Value	alue	
				Other					
		Available	Fair value	financial					
	Loans and	for sale	through	assets /					
	receivables	investments	profit or loss	liabilities	Total	Level 1	Level 2	Level 3	Total
					(Rupees '000)				
September 30, 2017 (Un-audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	•	4,979,133	•	•	4,979,133	•	4,979,133	•	4,979,133
Long term loans and advances	979,115	•	•	•	979,115	•	•	•	•
Long term deposits	28,806	•	•	•	28,806	•	•	•	•
,									
Cullelli assets									
Trade debts - net of provision	13,082,866	•	•	•	13,082,866	•	•	•	•
Loans and advances	488,666	•	•	•	488,666	•	•	•	•
Deposits	944	•	•	•	944	•	•	•	•
Other receivables	8,013,598	•	•	•	8,013,598	•	•		•
Short term investments	8,432,102	2,140,106	1,237,398	•	11,809,606	1,237,398	2,140,106	•	3,377,504
Cash and bank balances	7,594,346	•	•	•	7,594,346	•	•	•	•
	38,620,443	7,119,239	1,237,398		46,977,080	1,237,398	7,119,239].	8,356,637
Financial liabilities not measured at fair value Non - current liabilities									
Long term borrowing	•	•	•	23,059,756	23,059,756		•		•
Current lishilities									
Cullent national				0000	000				
Irade and other payables	•	•	•	28,073,002	28,073,002	•	•	•	•
Mark-up and profit accrued	•	•	•	778,722	778,722	•	•	•	•
Short term borrowings	•			23,366,599	23,366,599	•	•	•	•
Current portion of long term borrowings	•	•	•	8,607,006	8,607,006	•	•	•	•
	•	•	•	83.885.085	83.885.085		•	•	•

		Carrying	Carrying Amount				Fair Value	alue	
	Loans and receivables	Available for sale investments	Fair value through profit or loss	Other financial assets /	Total	Level 1	Level 2	Level 3	Total
					(Rupees '000)				
December 31, 2016 (Audited)									
Financial assets not measured at fair value									
Non - current assets									
Long term investments	1	7,255,768	1	1	7,255,768	1	7,255,768		7,255,768
Long term loans and advances	934,150	•	,	,	934,150	•	,	•	•
Long term deposits	27,886	•	1	1	27,886	1	1		•
Current assets									
Trade debts - net of provision	5,072,016	•	1	1	5,072,016	•	1	•	•
Loans and advances	390,081	•	1	1	390,081	1	1	1	•
Deposits	944	•	•	,	944	•	,	•	•
Other receivables	6,131,921	•	•	,	6,131,921	•	•	,	•
Short term investments	13,825,986	541,906	1,130,757	1	15,498,649	1,130,757	541,906	•	1,672,663
Cash and bank balances	2,699,228	1	•	1	2,699,228	1	1	•	1
	29,082,212	7,797,674	1,130,757		38,010,643	1,130,757	7,797,674		8,928,431
Financial liabilities not measured at fair value	0								
Non - current liabilities									
Long term borrowings	•	'	•	24,012,599	24,012,599	1	•	•	•
Current liabilities									
Trade and other payables	1	1	1	9,761,242	9,761,242	1	1	1	ı
Mark-up and profit accrued	,	1	,	351,075	351,075	1	1	•	•
Short term borrowings	•	'	•	22,382,525	22,382,525	•	•	•	'
Current portion of long term borrowings	•	•	•	7,964,843	7,964,843	•			•
				64,472,284	64,472,284		'		

September 30,	September 30,
2017	2016
(Runes	es (000)

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Associated undertakings / companies due to common directorship		
Expenses charged on account of marketing of fertilizer on behalf of	603,053	694,855
associated company Commission on sale of products	15,385	12,376
Payment under consignment account	28,147,460	21,812,096
Purchase of gas as feed and fuel stock	14,979,552	30,744,574
Sale of fertilizers	641	1,732
Donation	65,095	84,619
Others	•	235
	16,882	
Dividend income	1,235,281	2,264,743
Dividends paid	2,962,247	3,738,743
Dividend receivable *	84,375	144,661
Short term investment *	-	1,654,820
Long term investment *	114,939	96,138
Short term borrowing *	972,771	730,698
Long term borrowing *	-	670,929
Bank balance *	114,069	151,737
Running finance *	57,864	50,417
Balance receivable *	48,799	47,171
Balance payable *	22,823,730	5,565,853
Key management personnel		
Remuneration including benefits and perquisites of Chief Executives and		
Executives, No. of persons 2017: 1 and 1,048 (2016: 1 and 965) respectively	4,755,103	4,404,421
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	312,379	292,952
Employees' Gratuity Fund Trust	118,014	278,084
Employees' Pension Fund Trust	89,283	97,701
Employees' Funds as Dividend on equity holding of 0.12% (2016: 0.24%)	5,451	20,969
Balance receivable from Gratuity Fund Trust *	109,954	80,450
•	•	· ·
Balance receivable from Pension Fund Trust *	309,099	286,778

^{*} Comparative figures of receivable / payable balances are as of December 31, 2016.

30. POST BALANCE SHEET EVENT

The Board of Directors of FFC in its meeting held on October 20, 2017 declared third interim dividend of Rs 1.50 per share.

31. **GENERAL**

- Figures have been rounded off to the nearest thousand of rupees unless otherwise stated. 31.1
- 31.2 This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of FFC on October 20, 2017.



Chairman



per. las

Director

Chief Financial Officer

INVESTORS' EDUCATION











