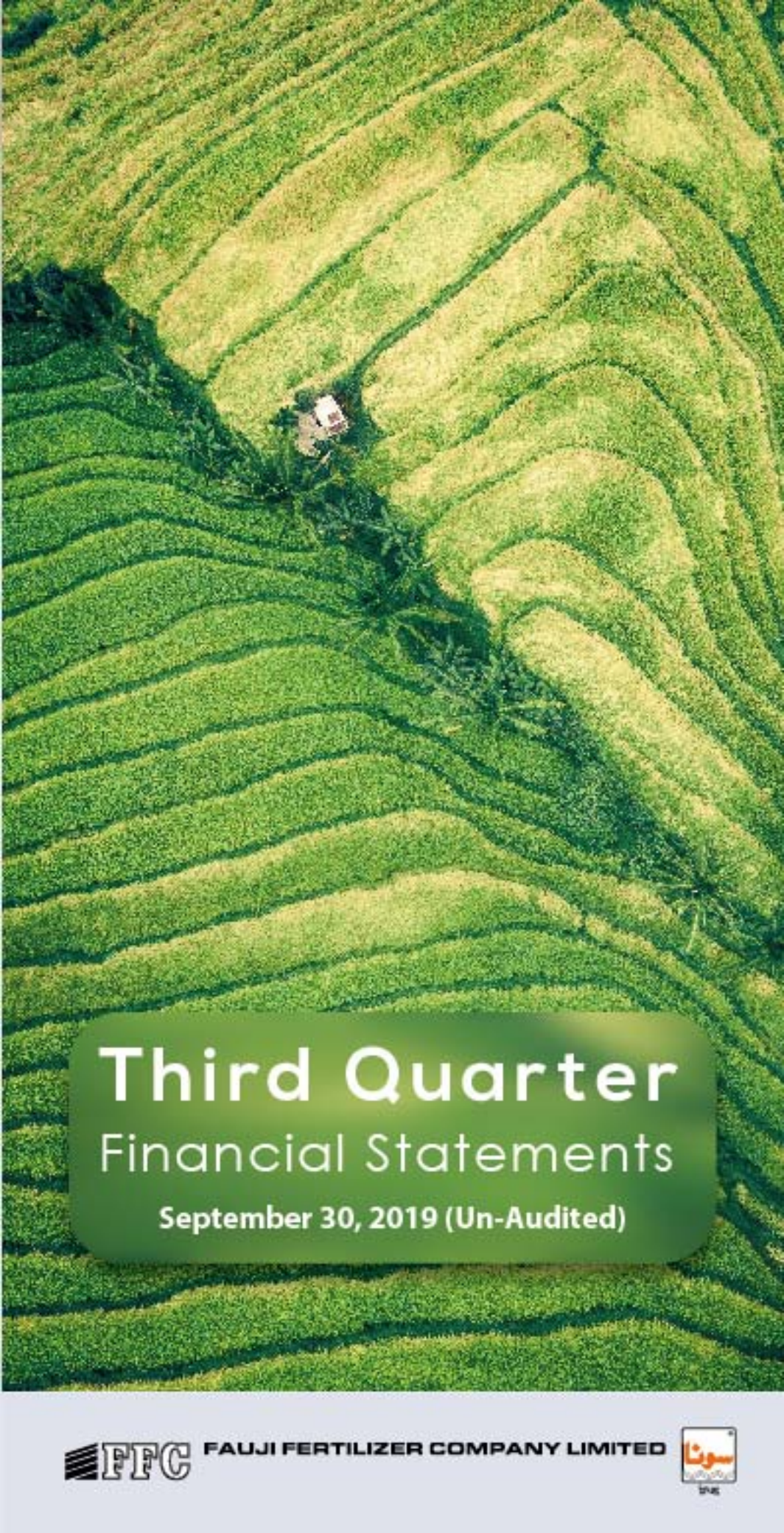




Third Quarter Financial Statements

September 30, 2019 (Un-Audited)



FAUJI FERTILIZER COMPANY LIMITED



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SAY NO TO CORRUPTION

Company Information

BOARD OF DIRECTORS

Lt Gen Syed Tariq Nadeem Gilani, HI(M) (Retd)

Chairman

Lt Gen Tariq Khan, HI(M) (Retd)

Chief Executive & Managing Director

Dr Nadeem Inayat

Mr Farhad Shaikh Mohammad

Mr Per Kristian Bakkerud

Maj Gen Javaid Iqbal Nasar, HI(M) (Retd)

Mr Saad Amanullah Khan

Mr Rehan Laiq

Mr Aamir Ashraf Khawaja

Syed Iqtidar Saeed

Ms Maryam Aziz

Mr Farrukh Ahmad Hamidi

Maj Gen Naseer Ali Khan, HI(M) (Retd)

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, 8450001

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



PLANTSITES

Goth Machhi, Sadiqabad

(Distt: Rahim Yar Khan), Pakistan

Tel No. +92-68-5954550-64, Fax No. +92-68-5954510-11

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

A.F. Ferguson & Co

Chartered Accountants

PIA Building, 3rd Floor, 49 Blue Area, P.O.Box 3021, Islamabad

Tel No. +92-51-2273457-60, 2604934-37, Fax No. +92-51-2277924, 2206473

SHARES REGISTRAR

CDC Share Registrar Services Limited

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

Directors' Review

For the Nine Months ended September 30, 2019

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to report net earnings of Rs 12.47 billion for the period under review compared to Rs 8.53 billion for the corresponding period of last year.

Sona urea production during the period stood at 1,861 thousand tonnes, which was lower by only 1% compared to last year, due to slightly longer maintenance shutdown. Sona urea offtake was recorded at 1,773 thousand tonnes, compared to 1,855 thousand tonnes during the same period of 2018.

The feed and fuel gas prices were increased significantly by around Rs 210 per bag of urea effective July 01, 2019. The fertilizer sector was requested by the Government not to pass on this increase in return to a commitment by the Government for a corresponding decrease in the rate of GIDC. This commitment however could not materialize, negatively impacting Company's profitability as the impact was absorbed during most part of third quarter of 2019. DAP market also remained depressed during the nine months due to low demand compared to last year.

Aggregate all products revenue stood at Rs 73.02 billion in line with last year. The Company set a new benchmark of highest investment income of Rs 3.37 billion due to effective fund management which more than compensated for the increase in finance cost which was primarily caused by increase in borrowing rates. Dividend income of Rs 1.52 billion also improved substantially compared to Rs 799 million last year and as a result the earning per share stood at Rs 9.80 compared to Rs 6.70 last year.

In view of encouraging results, the Board is pleased to announce third interim dividend of Rs 2.20 per share, with cumulative distribution of Rs 7.55 per share for the nine months.

Going forward, the implementation of axle load regulations shall increase the transportation cost of the Company. The uncertainty caused in the fertilizer market by negative media reporting, as well as any unfavorable outcome of the subjudice GIDC case may negatively impact urea offtake which may also be detrimental for the farming community and food security in the Country.

On behalf of the Board



Lt Gen Syed Tariq Nadeem Gilani
HI (M), (Retired)
Chairman



Lt Gen Tariq Khan
HI (M), (Retired)
Chief Executive & Managing Director

Rawalpindi
 October 28, 2019

ڈائریکٹرز کا تجزیہ

بورڈ آف ڈائریکٹرز کی جانب سے ہمیں یہ اعلان کرتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی نے زیر جائزہ مدت کے دوران 12.47 ارب روپے کا خالص منافع کمایا جو کہ پچھلے سال اسی مدت میں 8.53 ارب روپے تھا۔

رواں سال کے دوران سونا یوریا کی پیداوار 1,861 ہزار ٹن رہی۔ یہ پیداوار پلانٹ کی مرمت و بحالی کے نتیجے میں گزشتہ سال کی اسی مدت سے ایک فیصد کم رہی۔ سونا یوریا کی فروخت 1,773 ہزار ٹن ریکارڈ کی گئی جو کہ سال 2018 کی اسی مدت میں 1,855 ہزار ٹن تھی۔

فیڈ اور فیول گیس کی قیمتوں میں یکم جولائی 2019 سے 210 روپے فی بوری کا خاطر خواہ اضافہ نافذ العمل ہوا۔ حکومت کی جانب سے کھاد کی قیمتوں میں اضافہ نہ کرنے کی درخواست کی گئی اور اس کے بدلے کھاد کی صنعت کو GIDC کے نرخوں میں مناسب کمی کی یقین دہانی کرائی گئی تاہم اس یقین دہانی کو عملی جامہ نہ پہنایا جاسکا جسکی وجہ سے کمپنی کے منافع پر منفی اثرات مرتب ہوئے کیونکہ کمپنی کو سال 2019 کی تیسری سہ ماہی کے زیادہ تر حصے میں اس لاگت کو خود برداشت کرنا پڑا۔ DAP مارکیٹ میں بھی رواں سال پچھلے سال کی نسبت کمی واقع ہوئی۔

کمپنی کی کل مصنوعات کی مجموعی فروخت آمدن 73.02 ارب روپے رہی جو کہ پچھلے سال سے مطابقت رکھتی ہے۔ فنڈز کے موثر مالیاتی نظم و نسق کی وجہ سے کمپنی نے 3.37 ارب روپے کی ریکارڈ سرمایہ کاری آمدن کا نیا معیار قائم کیا جس نے بڑھتی مالیاتی لاگت جو شرح سود کے اضافہ کے سبب واقع ہوئی کا خاطر خواہ ازالہ کیا۔ منافع منقسمہ سے آمدن 1.52 ارب روپے پر ریکارڈ ہوئی جو کہ پچھلے سال 799 ملین روپے تھی۔ اس طرح کمپنی کی فی حصہ آمدن 9.80 روپے رہی جو پچھلے سال 6.70 روپے تھی۔

حوصلہ افزا نتائج کے پیش نظر بورڈ تیسرے عبوری منافع منقسمہ 22 فیصد (فی حصص 2.20 روپے) کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے۔ جس کے ساتھ نو ماہ کی مجموعی ادائیگی 75.50 فیصد (فی حصص 7.55 روپے) ہو گئی۔

مستقبل میں، Axle Load قوانین کے نفاذ سے کمپنی کی نقل و حمل کی لاگت میں اضافہ ہوگا۔ میڈیا کے منفی خبروں کے باعث یوریا مارکیٹ میں غیر یقینی صورت حال اور اس کے ساتھ ساتھ GIDC کیس میں جاری عدالتی کارروائی میں ممکنہ تازہ سازگار فیصلہ کی وجہ سے یوریا کی فروخت پر منفی اثرات ہو سکتے ہیں جو کہ کاشتکار برادری اور ملک میں غذا کے تحفظ کے لئے غیر مناسب اثرات رونما کر سکتے ہیں۔

بورڈ کی جانب سے

چیف ایگزیکٹو اور مینیجنگ ڈائریکٹر

لیفٹیننٹ جنرل طارق خان

ہلال امتیاز (ملٹری)، (ریٹائرڈ)

چیئر مین

لیفٹیننٹ جنرل سید طارق ندیم گیلانی

ہلال امتیاز (ملٹری)، (ریٹائرڈ)

راولپنڈی

28 اکتوبر 2019



Condensed Interim Financial Statements

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2019

	Note	Un-audited September 30, 2019	Audited December 31, 2018
		(Rupees '000)	
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Share capital	4	12,722,382	12,722,382
Capital reserves		160,000	160,000
Revenue reserves	5	21,222,264	20,522,513
Deficit on remeasurement of investments at fair value through other comprehensive income - net of tax		(75,151)	(21,950)
		34,029,495	33,382,945
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	5,060,000	8,583,749
Deferred liabilities		4,252,418	4,578,148
Lease liabilities		74,834	-
		9,387,252	13,161,897
CURRENT LIABILITIES			
Trade and other payables	7	71,731,622	60,599,330
Mark-up and profit accrued		531,489	300,574
Short term borrowings - secured	8	12,291,015	28,526,484
Unclaimed dividend		536,778	638,783
Current portion of long term borrowings - secured	6	5,816,125	7,237,742
Current portion of lease liabilities		34,137	-
Taxation		3,004,989	2,641,779
		93,946,155	99,944,692
TOTAL EQUITY AND LIABILITIES		137,362,902	146,489,534
CONTINGENCIES AND COMMITMENTS	9		

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

	Note	Un-audited September 30, 2019	Audited December 31, 2018
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	20,739,403	21,533,696
Intangible assets		1,573,610	1,575,624
Long term investments	11	28,256,150	26,898,152
Long term loans and advances		1,195,242	1,113,854
Long term deposits and prepayments		12,378	13,604
		51,776,783	51,134,930
CURRENT ASSETS			
Stores, spares and loose tools		3,733,640	3,473,851
Stock in trade		7,330,989	12,931,714
Trade debts		5,728,456	3,678,698
Loans and advances		1,936,942	1,060,098
Deposits and prepayments		164,346	81,671
Other receivables	12	17,457,102	15,724,971
Short term investments	13	48,392,162	54,585,604
Cash and bank balances		842,482	3,817,997
		85,586,119	95,354,604
TOTAL ASSETS		137,362,902	146,489,534



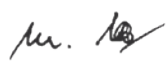
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the nine month period ended September 30, 2019

	Note	Three month period ended		Nine month period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		(Rupees '000)		(Rupees '000)	
Turnover - net	14	26,531,709	27,411,252	73,022,485	70,677,328
Cost of sales		19,706,243	18,818,471	51,389,790	52,564,998
GROSS PROFIT		6,825,466	8,592,781	21,632,695	18,112,330
Distribution cost		2,091,512	2,341,578	5,835,688	6,711,233
		4,733,954	6,251,203	15,797,007	11,401,097
Finance cost		556,736	418,665	1,654,594	1,183,327
Other expenses		524,610	570,726	2,331,167	1,408,245
		3,652,608	5,261,812	11,811,246	8,809,525
Other income		1,551,589	665,023	5,520,709	4,908,632
PROFIT BEFORE TAXATION		5,204,197	5,926,835	17,331,955	13,718,157
Provision for taxation		1,641,000	2,117,000	4,864,000	5,193,000
PROFIT AFTER TAXATION		3,563,197	3,809,835	12,467,955	8,525,157
Earnings per share - basic and diluted (Rupees)		2.80	2.99	9.80	6.70

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



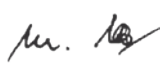
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
For the nine month period ended September 30, 2019

	Three month period ended		Nine month period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Rupees '000)		(Rupees '000)	
PROFIT AFTER TAXATION	3,563,197	3,809,835	12,467,955	8,525,157
OTHER COMPREHENSIVE INCOME				
Items that may be subsequently reclassified to profit or loss				
Deficit on re-measurement of investments at fair value through other comprehensive income - net of tax	(21,723)	(80,130)	(53,201)	(225,511)
TOTAL COMPREHENSIVE INCOME	3,541,474	3,729,705	12,414,754	8,299,646

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine month period ended September 30, 2019

	Note	September 30, 2019	September 30, 2018
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	29,126,623	9,231,020
Finance cost paid		(1,423,679)	(984,127)
Income taxes paid		(4,826,520)	(3,487,617)
Subsidy received on sale of fertilizer		-	1,844,383
		(6,250,199)	(2,627,361)
Net cash generated from operating activities		22,876,424	6,603,659
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,117,330)	(984,564)
Proceeds from sale of property, plant and equipment		441,063	8,925
Investment in Fauji Fresh n Freeze Limited		-	(1,640,000)
Investment in Thar Energy Limited		(1,329,318)	(1,250,400)
Decrease in other investments		3,428,661	2,058,231
Interest and profit received		1,603,936	1,068,848
Dividend received		1,900,453	705,720
Net cash generated from / (used in) investing activities		4,927,465	(33,240)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - Repayments		(4,945,366)	(3,709,652)
Repayment of lease liabilities		(16,844)	-
Dividend paid		(11,870,209)	(6,041,725)
Net cash used in financing activities		(16,832,419)	(9,751,377)
Net increase / (decrease) in cash and cash equivalents		10,971,470	(3,180,958)
Cash and cash equivalents at beginning of the period		25,671,431	18,943,709
Effect of exchange rate changes		255,584	195,829
Cash and cash equivalents at end of the period		36,898,485	15,958,580
CASH AND CASH EQUIVALENTS			
Cash and bank balances		842,482	2,788,349
Short term highly liquid investments		48,347,018	18,729,183
Short term borrowings		(12,291,015)	(5,558,952)
		36,898,485	15,958,580

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



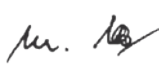
Chairman



Chief Executive



Director



Chief Financial Officer

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

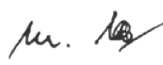
For the nine month period ended September 30, 2019

	Share capital	Capital reserves	General reserves	Revenue reserves		Surplus / (deficit) on remeasurement of investments at fair value through other comprehensive income	Total
				Unappropriated profit			
				(Rupees '000)			
Balance as at January 1, 2018	12,722,382	160,000	8,802,360	7,374,114		293,523	29,352,379
Total comprehensive income							
Profit for the period	-	-	-	8,525,157		-	8,525,157
Other comprehensive income / (loss) - net of tax	-	-	-	-		(225,511)	(225,511)
	-	-	-	8,525,157		(225,511)	8,299,646
Transactions with owners of the Company							
Distributions:							
Final dividend 2017: Rs 3.00 per share	-	-	-	(3,816,715)		-	(3,816,715)
First interim dividend 2018: Rs 1.75 per share	-	-	-	(2,226,417)		-	(2,226,417)
Second interim dividend 2018: Rs 1.40 per share	-	-	-	(1,781,134)		-	(1,781,134)
	-	-	-	(7,824,266)		-	(7,824,266)
Balance as at September 30, 2018	12,722,382	160,000	8,802,360	8,075,005		68,012	29,827,759
Balance as at January 1, 2019	12,722,382	160,000	8,802,360	11,720,153		(21,950)	33,382,945
Total comprehensive income							
Profit for the period	-	-	-	12,467,955		-	12,467,955
Other comprehensive income / (loss) - net of tax	-	-	-	-		(53,201)	(53,201)
	-	-	-	12,467,955		(53,201)	12,414,754
Transactions with owners of the Company							
Distributions:							
Final dividend 2018: Rs 3.90 per share	-	-	-	(4,961,729)		-	(4,961,729)
First interim dividend 2019: Rs 2.50 per share	-	-	-	(3,180,596)		-	(3,180,596)
Second interim dividend 2019: Rs 2.85 per share	-	-	-	(3,625,879)		-	(3,625,879)
	-	-	-	(11,768,204)		-	(11,768,204)
Balance as at September 30, 2019	12,722,382	160,000	8,802,360	12,419,904		(75,151)	34,029,495

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.


Chairman

Chief Executive

Director

Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

1. THE COMPANY AND ITS OPERATIONS

- 1.1 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, cement, energy generation, food processing and banking operations.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 The disclosures in these condensed interim financial statements 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, 2018. Comparative condensed interim statement of financial position is extracted from annual financial statements as at December 31, 2018 whereas comparative condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from un-audited condensed interim financial information of the Company for the period ended September 30, 2018 except for changes in policies as described in note 3.

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

2.4 Significant accounting policies

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim financial statements 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, 2018 except for the changes in policies as described in note 3.

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS

Standards, interpretations and amendments to published approved accounting standards that are effective and relevant comprise of:

- IFRS 9 - 'Financial Instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the related guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss (FVTPL). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. There is now a new expected credit losses model that replaces the incurred loss impairment model of IAS 39. For financial liabilities there are no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value through profit or loss.

As a result of application of requirements of IFRS 9, long term investments and short term investments of the Company previously classified as "Available for sale" as at December 31, 2018 amounting to Rs 4,893,258 thousand have been reclassified to "Fair value through other comprehensive income". There are no changes in measurement on adoption of above standard due to the change in reclassification.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The management of the Company has assessed that the changes laid down by aforesaid standard do not have any material impact on these financial statements of the Company.

- IFRS 16 "Leases" replaced IAS 17 "Leases", the former lease accounting standard and became effective on January 1, 2019. Under the new lease standard, assets leased by the Company are being recognized on the statement of financial position of the Company with a corresponding liability. As a rule, lease expenses are no longer recorded in the statement of profit or loss from January 1, 2019. Instead, depreciation and interest expenses are recorded stemming from the newly recognized lease assets and lease liabilities. In addition, leasing expenses are no longer presented as operating cash outflows in the statement of cash flows, but instead are included as part of the financing cash outflow. Interest expenses from the newly recognized lease liability are presented in the cash flow from operating activities. The Company has adopted IFRS 16 using the modified retrospective approach. The impact of adoption of IFRS 16 is as follows:

	December 31, 2018	Impact of IFRS 16	January 1, 2019
	(Rupees '000)		
ASSETS			
NON-CURRENT ASSETS			
Right to use assets	-	79,274	79,274
		79,274	79,274
NON-CURRENT LIABILITIES			
Lease liabilities	-	50,628	50,628
CURRENT LIABILITIES			
Current portion of lease liabilities	-	28,646	28,646
	-	79,274	79,274

The Company, as a lessee, recognizes a right of use asset and a lease liability on the lease commencement date.

Upon initial recognition, the right of use asset is measured as the amount equal to initially measured lease liability adjusted for lease prepayments, initial direct cost, lease incentives and the discounted estimated asset retirement obligation. Subsequently, the right of use asset is measured at cost net of any accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the shorter of estimated useful lives of the right of use assets or the lease term.

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

TRANSITION

The Company adopted IFRS 16 on the date the standard became effective, January 1, 2019. The Company adopted the standard using the modified retrospective approach. This means that the cumulative impact of the adoption was recognized in equity as of January 1, 2019 and that comparatives were not restated. The management has assessed that cumulative impact of adoption of IFRS 16 on January 1, 2019 is immaterial.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

The weighted-average incremental rate applied to lease liabilities recognized on January 1, 2019 was 7.40% per annum.

SIGNIFICANT JUDGEMENTS UPON ADOPTION OF IFRS 16

IFRS 16 requires the Company to assess the lease term as the non-cancelable lease term in line with the lease contract together with the period for which the Company has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is reasonably certain not to exercise those termination options.

A portion of the lease contracts included within Company's lease portfolio includes lease contracts which are extendable through mutual agreement between the Company and the lessor or cancelable by both parties immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Company concluded that such contracts are short-term in nature and payments made in respect of these leases are accordingly expensed in the statement of profit or loss.

Lease liabilities and Right of use assets recognized are as follows:

	(Rupees '000)
Lease liabilities	
Operating lease commitments disclosed as at December 31, 2018	88,226
Discounting effect using incremental borrowing rate	(8,952)
Lease liabilities recognized on statement of financial position as at January 1, 2019	<u>79,274</u>
Lease liabilities presented as:	
Non-current financial liabilities	50,628
Current portion of non-current liabilities	<u>28,646</u>
	<u>79,274</u>
Right of use assets	
Present value of lease liability	<u>79,274</u>
Right of use assets recognized on statement of financial position as at January 1, 2019	<u>79,274</u>
Right of use assets presented as:	
Property, plant and equipment	<u>79,274</u>

4. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2018: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2018: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited September 30, 2019	Audited December 31, 2018		Un-audited September 30, 2019	Audited December 31, 2018
(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>

4.1 Fauji Foundation held 44.35% (2018: 44.35%) ordinary shares of the Company at the period end.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

	Note	Un-audited September 30, 2019	Audited December 31, 2018
(Rupees '000)			
5. REVENUE RESERVES			
General reserves		8,802,360	8,802,360
Unappropriated profit		12,419,904	11,720,153
		21,222,264	20,522,513
6. LONG TERM BORROWINGS - SECURED			
From conventional banks	6.1	10,288,625	14,425,062
From Islamic banks	6.2	587,500	1,396,429
		10,876,125	15,821,491
Less: Current portion shown under current liabilities			
From conventional banks		5,341,125	6,191,313
From Islamic banks		475,000	1,046,429
		5,816,125	7,237,742
		5,060,000	8,583,749
6.1 Movement during the period / year is as follows:			
Opening balance		14,425,062	19,910,438
Repayments during the period / year		(4,136,437)	(5,485,376)
Closing balance	6.1.1	10,288,625	14,425,062
6.1.1 The borrowings are secured by way of hypothecation of Company's 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 0.40% per annum and 3 month KIBOR + 0.15% to 0.40% per annum (2018: 6 month KIBOR + 0.10% to 0.40% per annum and 3 month KIBOR + 0.15% to 0.40% per annum) and are repayable up to December 2022 (2018: December 2022).			
	Note	Un-audited September 30, 2019	Audited December 31, 2018
(Rupees '000)			
6.2 Movement during the period / year is as follows:			
Opening balance		1,396,429	2,492,857
Repayments during the period / year		(808,929)	(1,096,428)
Closing balance	6.2.1	587,500	1,396,429
6.2.1 The borrowings are secured by way of hypothecation of Company's assets including plant, machinery, tools & spares ranking pari passu with each other with 25% margin.			
These carry profit rates ranging between 6 month KIBOR + 0.15% to 0.40% per annum (2018: 6 month KIBOR + 0.05% to 0.40% per annum) and are repayable up to December 2020 (2018: December 2020).			
7. TRADE AND OTHER PAYABLES			
Trade and other payables include Rs 56,190,531 thousand (2018: Rs 42,083,302 thousand) on account of Gas Infrastructure Development Cess (GIDC) payable.			

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

	Note	Un-audited September 30, 2019	Audited December 31, 2018
8. SHORT TERM BORROWINGS - SECURED		(Rupees '000)	
From conventional banks	8.1	12,291,015	26,205,165
From Islamic banks	8.2	-	2,321,319
		12,291,015	28,526,484

- 8.1** Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 45.26 billion (2018: Rs 38.96 billion) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto July 31, 2020.

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 + 0.10% to 0.35% and 3 month KIBOR + 0.05% to 0.35% (2018: 1 week KIBOR + 0.03%, 1 month KIBOR + 0.10% to 0.35% and 3 month KIBOR + 0.05% to 0.35%).

- 8.2** Shariah compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to Rs 2.00 billion (2018: Rs 3.50 billion) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto May 31, 2020.

The facilities are secured by ranking hypothecation charges on assets of the Company. The per annum rates of profit is 3 month KIBOR + 0.12% (2018: 3 month KIBOR + 0.07% to 0.10%).

	Un-audited September 30, 2019	Audited December 31, 2018
	(Rupees '000)	

9. CONTINGENCIES AND COMMITMENTS

a) Contingencies:

(i) Guarantees issued by banks on behalf of the Company	172,494	154,806
(ii) Claims against the Company and / or potential exposure not acknowledged as debt	50,696	50,696
(iii) Penalty of Rs 5,500,000 thousand imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices, had been set aside by the Competition Appellate Tribunal with directions to the CCP to decide the case under guidelines provided by the Tribunal. No petition was filed by the CCP for review of the decision within the stipulated time, and this option has thus become time barred for the CCP. However, the CCP can file fresh case under the guidelines provided by the Tribunal, but the Company remains confident of successfully defending these unreasonable claims in future as well.		

	Un-audited September 30, 2019	Audited December 31, 2018
	(Rupees '000)	

b) Commitments in respect of:

(i) Capital expenditure	1,338,097	1,919,124
(ii) Purchase of fertilizer, stores, spares and other operational items	3,992,531	1,528,517
(iii) Investment in Thar Energy Limited	2,671,645	3,685,374
(iv) Contracted out services	391,308	374,412

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

	Note	Un-audited September 30, 2019	Audited December 31, 2018
(Rupees '000)			
10. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	20,653,393	21,533,696
Right of use assets	10.3	86,010	-
		<u>20,739,403</u>	<u>21,533,696</u>
10.1 Operating fixed assets			
Opening written down value		21,533,696	22,312,363
Additions during the period / year	10.1.1	1,116,808	1,398,922
Written down value of disposals		(306,386)	(437)
Depreciation during the period / year	10.1.1 & 10.2	(1,690,725)	(2,177,152)
		<u>20,653,393</u>	<u>21,533,696</u>
10.1.1 Additions in and depreciation on property, plant and equipment during the nine month period ended September 30, 2018 were Rs 983,414 thousand and Rs 1,619,437 thousand respectively.			
	Note	Un-audited September 30, 2019	Audited December 31, 2018
(Rupees '000)			
10.2 Depreciation charge has been allocated as follows:			
Cost of sales		1,633,200	2,093,326
Distribution cost		52,626	66,520
Other expenses		1,473	1,986
Charged to FFBL under the Company Services Agreement		3,426	15,320
		<u>1,690,725</u>	<u>2,177,152</u>
10.3 Right of use assets			
Right of use asset recognized on adoption of IFRS 16 at January 1, 2019	3	79,274	-
Additions during the period		46,541	-
Depreciation during the period		(39,805)	-
		<u>86,010</u>	<u>-</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

	Note	Un-audited September 30, 2019	Audited December 31, 2018
(Rupees '000)			
11. LONG TERM INVESTMENTS			
Investment in subsidiary companies (Unquoted) - at cost			
FFC Energy Limited		2,438,250	2,438,250
Fauji Fresh n Freeze Limited			
Investment at cost		4,835,500	4,835,500
Less: Impairment loss		(650,000)	-
		4,185,500	4,835,500
		6,623,750	7,273,750
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 associated company (Unquoted) - at cost			
Thar Energy Limited		2,789,718	1,460,400
Investment in joint venture (Unquoted) - at cost			
Pakistan Maroc Phosphore S.A., Morocco		705,925	705,925
Investments measured at Fair Value through Other Comprehensive Income			
Term Deposit Receipts - from conventional banks		147,088	117,615
Pakistan Investment Bonds		1,413,973	4,775,643
		1,561,061	4,893,258
		28,301,294	30,954,173
Less: Current portion shown under short term investments			
Investments measured at Fair Value through Other Comprehensive Income			
Term Deposit Receipts - from conventional banks		45,144	37,477
Pakistan Investment Bonds		-	4,018,544
	13	45,144	4,056,021
		28,256,150	26,898,152

12. OTHER RECEIVABLES

Other receivables include Rs 6,961,878 thousand (2018: Rs 6,961,878 thousand) on account of subsidy receivable and Rs 8,953,069 thousand (2018: Rs 7,458,570 thousand) on account of sales tax receivable from the Government.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

	Note	Un-audited September 30, 2019	Audited December 31, 2018
		(Rupees '000)	
13. SHORT TERM INVESTMENTS			
Loans and receivables - Conventional investments			
Term deposits with banks and financial institutions			
Local currency		13,100,000	26,250,000
Foreign currency		2,303,170	1,981,235
		15,403,170	28,231,235
Investments at fair value through profit or loss - mutual funds			
Conventional investments		32,766,532	22,107,947
Shariah compliant investments		177,316	190,401
		32,943,848	22,298,348
Current maturity of long term investments			
Investments measured at Fair Value through			
Other Comprehensive Income	11	45,144	4,056,021
		48,392,162	54,585,604

	Three month period ended		Nine month period ended	
	Un-audited September 30, 2019	Un-audited September 30, 2018	Un-audited September 30, 2019	Un-audited September 30, 2018
14. TURNOVER - NET	(Rupees '000)		(Rupees '000)	
Turnover	27,092,102	27,971,262	74,602,994	73,390,842
Sales tax	(560,393)	(560,010)	(1,501,656)	(2,666,491)
Trade discount	-	-	(78,853)	(47,023)
	(560,393)	(560,010)	(1,580,509)	(2,713,514)
	26,531,709	27,411,252	73,022,485	70,677,328

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

For the nine month period ended September 30, 2019

	September 30, 2019	September 30, 2018
	(Rupees '000)	
15. CASH GENERATED FROM OPERATIONS		
Profit before taxation	17,331,955	13,718,157
Adjustments for:		
Depreciation	1,727,104	1,608,330
Amortization	2,536	9,649
Impairment loss on investment	650,000	-
Provision for slow moving spares	12,639	25,811
Finance cost	1,654,594	1,183,327
Gain on disposal of property, plant and equipment	(134,677)	(8,772)
Interest and profit on loans, deposits and investments	(1,392,834)	(1,056,455)
Exchange gain - net	(255,584)	(195,829)
Gain on re-measurement of investments at fair value through profit or loss	-	(281,577)
Dividend income	(1,521,923)	(799,470)
Subsidy on sale of fertilizer	-	(2,400,358)
	741,855	(1,915,344)
	18,073,810	11,802,813
Changes in:		
Stores, spares and loose tools	(272,428)	(73,865)
Stock in trade	5,600,725	(15,619,840)
Trade debts	(2,049,758)	292,322
Loans and advances	(876,844)	393,771
Deposits and prepayments	(82,675)	(66,053)
Other receivables	(2,318,337)	(782,490)
Trade and other payables	11,132,292	13,418,335
	11,132,975	(2,437,820)
Changes in long term loans and advances	(81,388)	(133,122)
Changes in long term deposits and prepayments	1,226	(851)
	29,126,623	9,231,020

16. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2018. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended December 31, 2018.

The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

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

For the nine month period ended September 30, 2019

	September 30, 2019	September 30, 2018
	(Rupees '000)	
17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Significant transactions and balances with the related parties are as follows:		
Transactions with holding company		
Dividend paid	5,219,198	2,680,129
Sale of fertilizer	1,869	1,500
Others	254	16,232
Transactions and balances with subsidiary companies		
Equity investment	-	1,640,000
Sale of fertilizer	11	-
Guarantee against loan of subsidiary company *	188,833	566,500
Dividend receivable *	-	304,781
Balances receivable - unsecured *	1,641,830	876,844
Transactions and balances with associated undertakings / joint ventures / companies due to common ownership		
Expenses charged on account of marketing of fertilizer on behalf of associated company	765,565	819,109
Commission on sale of products	15,627	16,607
Payments under consignment account - net	42,025,636	32,735,380
Purchase of gas as feed and fuel stock	18,934,167	12,482,686
Equity investment	1,329,318	1,250,400
Services and materials provided	10,161	12,848
Services and materials received	1,980	3,201
Donations	95,800	61,404
Interest expense	163,922	48,852
Interest income	8,050	8,389
Dividend income	1,521,923	799,470
Dividend receivable *	70,312	144,061
Long term investments *	147,088	117,615
Short term borrowing *	6,834,747	8,999,317
Bank balances *	-	774,394
Running finance *	11,482	-
Balances receivable - unsecured *	370,134	368,036
Balances payable - unsecured *	62,118,810	45,756,527
Key management personnel		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2019: 1 and 367 (2018: 1 and 341) respectively.	3,205,785	2,961,910
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	344,227	323,333
Employees' Gratuity Fund Trust	218,426	168,507
Employees' Pension Fund Trust	124,559	154,914
Employees' Funds as Dividend on equity holding of 0.16% (2018: 0.15%)	17,999	9,150
Balance payable to Gratuity Fund Trust *	(470,603)	(525,210)
Balance payable to Pension Fund Trust *	(173,215)	(204,355)

* Comparative figures of receivable / payable balances are as at December 31, 2018.

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

For the nine month period ended September 30, 2019

18. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in its meeting held on October 28, 2019 proposed third interim dividend of Rs 2.20 per share.

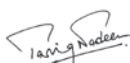
19. GENERAL

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

19.2 The corresponding figures have been rearranged to conform to current year presentation as follows:

<u>Reclassified from Statement of cash flows</u>	<u>Reclassified to</u>	<u>Rupees ('000)</u>
Cash flows from investing activities - Other investments	Short term highly liquid investments	10,864,956

19.3 These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on October 28, 2019.



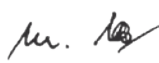
Chairman



Chief Executive



Director



Chief Financial Officer



**Condensed
Interim Consolidated
Financial Statements**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2019

	Note	Un-audited September 30, 2019	Audited December 31, 2018
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Share capital	4	12,722,382	12,722,382
Capital reserves		5,129,513	3,371,904
Revenue reserves	5	42,306,538	41,204,109
Deficit on remeasurement of investments at fair value through other comprehensive income		(1,537,481)	(634,072)
		58,620,952	56,664,323
Share in revaluation reserve of associates - net		911,074	753,521
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	8,570,795	12,817,467
Deferred liabilities		5,890,533	6,072,399
Lease liabilities		90,322	8,857
		14,551,650	18,898,723
CURRENT LIABILITIES			
Trade and other payables	7	72,072,434	61,097,611
Mark-up and profit accrued		734,158	332,964
Short term borrowings - secured	8	13,131,015	29,366,484
Unclaimed dividend		536,778	638,783
Current portion of long term borrowings - secured	6	7,123,152	8,623,131
Current portion of lease liabilities		47,614	2,566
Taxation		3,007,144	2,646,531
		96,652,295	102,708,070
TOTAL EQUITY AND LIABILITIES		170,735,971	179,024,637
CONTINGENCIES AND COMMITMENTS	9		

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

	Note	Un-audited September 30, 2019	Audited December 31, 2018
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	31,156,166	32,774,970
Intangible assets		1,938,781	1,941,784
Long term investments	11	46,406,447	45,035,025
Long term loans and advances		1,195,242	1,113,854
Long term deposits and prepayments		28,627	31,095
		80,725,263	80,896,728
CURRENT ASSETS			
Stores, spares and loose tools		3,775,368	3,489,324
Stock in trade		7,749,779	13,286,402
Trade debts		8,818,278	4,850,235
Loans and advances		784,479	541,903
Deposits and prepayments		199,953	82,733
Other receivables	12	17,352,779	15,432,981
Short term investments	13	49,714,162	55,773,304
Cash and bank balances		1,354,363	4,671,027
Assets held for sale		261,547	-
		90,010,708	98,127,909
TOTAL ASSETS		170,735,971	179,024,637



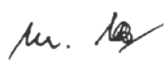
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
For the nine month period ended September 30, 2019

	Note	Three month period ended		Nine month period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		(Rupees '000)		(Rupees '000)	
Turnover - net	14	27,980,837	28,668,221	76,528,654	73,726,557
Cost of sales		20,172,206	19,408,405	52,818,689	54,294,933
GROSS PROFIT		7,808,631	9,259,816	23,709,965	19,431,624
Administrative and distribution expenses		2,159,535	2,582,461	6,165,178	7,186,010
		5,649,096	6,677,355	17,544,787	12,245,614
Finance cost		767,933	596,009	2,262,557	1,656,711
Other expenses		527,080	570,726	1,698,009	1,408,245
		4,354,083	5,510,620	13,584,221	9,180,658
Other income		1,487,608	569,408	4,046,455	4,150,005
Share of profit of associates and joint venture		109,083	1,417,252	117,777	1,915,117
PROFIT BEFORE TAXATION		5,950,774	7,497,280	17,748,453	15,245,780
Provision for taxation		1,337,328	2,059,552	4,527,987	5,217,332
PROFIT AFTER TAXATION		4,613,446	5,437,728	13,220,466	10,028,448

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



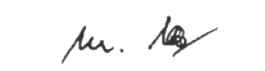
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
For the nine month period ended September 30, 2019

	Three month period ended		Nine month period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Rupees '000)		(Rupees '000)	
PROFIT AFTER TAXATION	4,613,446	5,437,728	13,220,466	10,028,448
OTHER COMPREHENSIVE INCOME				
Items that will not be subsequently reclassified to profit or loss				
Equity accounted investees - share of OCI, net of tax	79,783	6,489	73,887	(2,460)
Items that may be subsequently reclassified to profit or loss				
Deficit on re-measurement of investments at fair value through other comprehensive income - net of tax	(21,723)	(80,130)	(53,201)	(225,511)
Share of equity accounted investees - share of OCI, net of tax	750,528	(100,577)	483,681	(531,918)
	728,805	(180,707)	430,480	(757,429)
Comprehensive income taken to equity	5,422,034	5,263,510	13,724,833	9,268,559
Comprehensive income not recognised in equity				
Items that may be subsequently reclassified to profit or loss	(49,895)	-	157,553	88,793
TOTAL COMPREHENSIVE INCOME	5,372,139	5,263,510	13,882,386	9,357,352

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



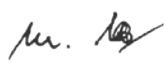
Chairman



Chief Executive



Director



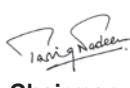
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine month period ended September 30, 2019

	Note	September 30, 2019	September 30, 2018
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	16	30,058,327	7,796,874
Finance cost paid		(1,861,363)	(1,337,191)
Income tax paid		(4,475,438)	(3,224,872)
Subsidy received on sale of fertilizer		-	1,844,383
		(6,336,801)	(2,717,680)
Net cash generated from operating activities		23,721,526	5,079,194
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,184,723)	(1,048,827)
Proceeds from sale of property, plant and equipment		454,294	14,685
Investment in Thar Energy Limited		(1,329,318)	(1,250,400)
Decrease in other investments - net		4,616,361	2,833,231
Interest and profit received		1,740,669	1,353,218
Dividend received		1,595,672	705,720
Net cash generated from investing activities		5,892,955	2,607,627
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - Repayments		(5,764,310)	(4,739,730)
Repayment of lease liabilities		(27,641)	(329)
Dividend paid		(11,870,209)	(6,041,725)
Net cash used in financing activities		(17,662,160)	(10,781,784)
Net increase / (decrease) in cash and cash equivalents		11,952,321	(3,094,963)
Cash and cash equivalents at beginning of the period		25,684,461	19,603,296
Effect of exchange rate changes		255,584	195,829
Cash and cash equivalents at end of the period		37,892,366	16,704,162
CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,354,363	3,040,931
Short term highly liquid investments		49,669,018	20,062,183
Short term borrowings - secured		(13,131,015)	(6,398,952)
		37,892,366	16,704,162

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



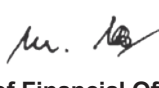
Chairman



Chief Executive



Director



Chief Financial Officer

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

For the nine month period ended September 30, 2019

	Capital reserves				Revenue reserves		Surplus / (deficit) on remeasurement of investments at fair value through other comprehensive income	Total
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Statutory reserve	General reserve	Unappropriated profit	
					(Rupees '000)			
Balance as at January 1, 2018	12,722,382	40,000	120,000	372,893	1,568,291	8,802,360	26,557,645	51,118,304
Total comprehensive income	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	504,292	-	-	10,028,448	10,028,448
Other comprehensive income / (loss) - net of tax	-	-	-	504,292	-	-	(2,460)	(759,889)
Transactions with owners of the Company	-	-	-	504,292	-	-	10,025,988	9,268,559
Distributions:	-	-	-	-	-	-	-	-
Final dividend 2017: Rs 3.00 per share	-	-	-	-	-	-	(3,816,715)	(3,816,715)
First interim dividend 2018: Rs 1.75 per share	-	-	-	-	-	-	(2,226,417)	(2,226,417)
Second interim dividend 2018: Rs 1.40 per share	-	-	-	-	-	-	(1,781,134)	(1,781,134)
Other changes in equity	-	-	-	-	-	-	(7,824,266)	(7,824,266)
Transfer to statutory reserve	-	-	-	-	405,498	-	(405,498)	-
Balance as at September 30, 2018	12,722,382	40,000	120,000	877,185	1,973,789	8,802,360	28,353,869	52,562,597
Balance as at January 1, 2019	12,722,382	40,000	120,000	1,139,654	2,072,250	8,802,360	32,401,749	56,664,323
Total comprehensive income	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	1,333,889	-	-	13,220,466	13,220,466
Other comprehensive income / (loss) - net of tax	-	-	-	1,333,889	-	-	73,887	504,367
Transactions with owners of the Company	-	-	-	1,333,889	-	-	13,294,353	13,724,833
Distributions:	-	-	-	-	-	-	-	-
Final dividend 2018: Rs 3.00 per share	-	-	-	-	-	-	(4,961,729)	(4,961,729)
First interim dividend 2019: Rs 2.50 per share	-	-	-	-	-	-	(3,180,596)	(3,180,596)
Second interim dividend 2018: Rs 2.85 per share	-	-	-	-	-	-	(3,625,879)	(3,625,879)
Other changes in equity	-	-	-	-	-	-	(11,768,204)	(11,768,204)
Transfer to statutory reserve	-	-	-	-	423,720	-	(423,720)	-
Balance as at September 30, 2019	12,722,382	40,000	120,000	2,473,543	2,495,970	8,802,360	33,504,178	58,620,952

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


Chairman


Chief Executive


Director


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

1. THE COMPANY AND ITS OPERATIONS

- 1.1** 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 Limited (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, cement and banking operations. FFCEL has setup a 49.5 MW wind energy power project. FFF is principally engaged in the business of processing fresh, frozen fruit, vegetables, fresh meat, frozen cooked and semi cooked food.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The applicable framework for banks also includes the Banking Companies Ordinance 1962 and the provisions of and directives issued by the State Bank of Pakistan.

- 2.2** The disclosures in these condensed interim consolidated financial statements do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2018. Comparative figures of condensed interim statement of financial position is extracted from audited consolidated financial statements as at December 31, 2018 whereas comparative figures of condensed interim statement of profit or loss account, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from un-audited condensed interim consolidated financial information of the Group for the period ended September 30, 2018, except for the changes in policies as described in note 3 to these condensed interim consolidated financial statements.
- 2.3** These condensed interim consolidated financial statements are un-audited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

2.4 Significant accounting policies

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim consolidated financial statements 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, 2018 except for the changes in policies as described in note 3 to these condensed interim consolidated financial statements.

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS

Standards, interpretations and amendments to published approved accounting standards that are effective and relevant comprise of:

- IFRS 9 - 'Financial Instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the related guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss (FVTPL). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. There is now a new expected credit losses model that replaces the incurred loss impairment model of IAS 39. For financial liabilities there are no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value through profit or loss.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

As a result of application of requirements of IFRS 9, long term investments and short term investments of the Group previously classified as "Available for sale" as at December 31, 2018 amounting to Rs 4,893,258 thousand have been reclassified to "Fair value through other comprehensive income". There are no changes in measurement on adoption of above standard due to the change in reclassification.

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The management of the Group has assessed that the changes laid down by aforesaid standard do not have any material impact on these condensed interim consolidated financial statements of the Group.

- IFRS 16 "Leases" replaced IAS 17 "Leases", the former lease accounting standard and became effective on January 1, 2019. Under the new lease standard, assets leased by the Group are being recognized on the statement of financial position of the Group with a corresponding liability. As a rule, lease expenses are no longer recorded in the statement of profit or loss from January 1, 2019. Instead, depreciation and interest expenses are recorded stemming from the newly recognized lease assets and lease liabilities. In addition, leasing expenses are no longer presented as operating cash outflows in the statement of cash flows, but instead are included as part of the financing cash outflow. Interest expenses from the newly recognized lease liability are presented in the cash flow from operating activities.

The Group adopted IFRS 16 on the date the standard became effective, January 1, 2019. The Group adopted the standard using the modified retrospective approach. This means that the cumulative impact of the adoption was recognized in equity as of January 1, 2019 and that comparatives were not restated. The management has assessed that cumulative impact of adoption of IFRS 16 on January 1, 2019 is immaterial.

4. SHARE CAPITAL**AUTHORISED SHARE CAPITAL**

This represents 1,500,000,000 (2018: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2018: Rs 15,000,000 thousand).

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited September 30, 2019	Audited December 31, 2018		Un-audited September 30, 2019	Audited December 31, 2018
(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		12,722,382	12,722,382

5. REVENUE RESERVES

General reserves	8,802,360	8,802,360
Unappropriated profit	33,504,178	32,401,749
	42,306,538	41,204,109

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

	Note	Un-audited September 30, 2019	Audited December 31, 2018
		(Rupees '000)	
6. LONG TERM BORROWINGS - SECURED			
From conventional banks			
Fauji Fertilizer Company Limited	6.1	10,288,625	14,425,062
FFC Energy Limited	6.2	4,676,197	5,194,232
Fauji Fresh n Freeze Limited	6.3	141,625	424,875
From Islamic banks			
Fauji Fertilizer Company Limited	6.4	587,500	1,396,429
		15,693,947	21,440,598
Less: Current portion shown under current liabilities			
From conventional banks		6,648,152	7,576,702
From Islamic banks		475,000	1,046,429
		7,123,152	8,623,131
		8,570,795	12,817,467
6.1 Movement during the period / year is as follows:			
Opening balance		14,425,062	19,910,438
Repayments during the period / year		(4,136,437)	(5,485,376)
Closing balance		10,288,625	14,425,062
6.2 Movement during the period / year is as follows:			
Opening balance		5,194,232	6,154,901
Repayments during the period / year		(535,694)	(988,444)
		4,658,538	5,166,457
Transaction cost			
Amortized during the period / year		17,659	27,775
Closing balance		4,676,197	5,194,232
6.3 Movement during the period / year is as follows:			
Opening balance		424,875	1,237,458
Repayments during the period / year		(283,250)	(813,250)
		141,625	424,208
Transaction cost			
Amortized during the period / year		-	667
Closing balance		141,625	424,875
6.4 Movement during the period / year is as follows:			
Opening balance		1,396,429	2,492,857
Repayments during the period / year		(808,929)	(1,096,428)
Closing balance		587,500	1,396,429
7. TRADE AND OTHER PAYABLES			

Trade and other payables include Rs 56,190,531 thousand (2018: Rs 42,083,302 thousand) on account of Gas Infrastructure Development Cess (GIDC) payable.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

	Un-audited September 30, 2019	Audited December 31, 2018
	(Rupees '000)	
8. SHORT TERM BORROWINGS - secured		
From conventional banks	13,131,015	27,045,165
From Islamic banks	-	2,321,319
	13,131,015	29,366,484
9. CONTINGENCIES AND COMMITMENTS		
a) Contingencies:		
(i) Guarantees issued by banks on behalf of the Group companies	172,494	154,806
(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	20,961,334	42,711,375
(iv) Group's share of contingencies in Fauji Cement Company Limited as at June 30, 2019 (2018: September 30, 2018)	121,108	100,597
(v) Group's share of contingencies in Askari Bank Limited as at June 30, 2019 (2018: September 30, 2018)	82,956,504	98,986,681
(vi) Penalty of Rs 5,500,000 thousand imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices, had been set aside by the Competition Appellate Tribunal with directions to the CCP to decide the case under guidelines provided by the Tribunal. No petition was filed by the CCP for review of the decision within the stipulated time, and this option has thus become time barred for the CCP. However, the CCP can file fresh case under the guidelines provided by the Tribunal, but FFC remains confident of successfully defending these unreasonable claims in future as well.		
	Un-audited September 30, 2019	Audited December 31, 2018
	(Rupees '000)	
b) Commitments in respect of:		
(i) Capital expenditure	1,338,097	1,919,124
(ii) Purchase of fertilizer, stores, spares and other operational items	3,992,531	1,528,517
(iii) Investment in Thar Energy Limited	2,671,645	3,685,374
(iv) Group's share of commitments of PMP as at June 30, 2019 (2018: September 30, 2018)	20,843	5,992
(v) Contracted out services	391,308	374,412

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

	Note	Un-audited September 30, 2019	Audited December 31, 2018
		(Rupees '000)	
10. PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets	10.1	31,050,318	32,774,970
Right of use assets	10.3	105,848	-
		31,156,166	32,774,970
10.1 OPERATING FIXED ASSETS			
Opening written down value		32,774,970	34,351,610
Additions during the period / year	10.1.1	1,184,154	1,483,213
Assets classified as held for sale		(261,547)	-
Written down value of disposals / adjustments		(319,582)	(879)
Depreciation during the period / year	10.1.1 & 10.2	(2,327,677)	(3,058,974)
		31,050,318	32,774,970

10.1.1 Additions in and depreciation on property, plant and equipment during the nine month period ended September 30, 2018 were Rs 1,047,678 thousand and Rs 2,280,323 thousand respectively.

	Un-audited September 30, 2019	Audited December 31, 2018
		(Rupees '000)
10.2 Depreciation charge has been allocated as follows:		
Cost of sales	2,256,100	2,965,975
Administrative and distribution expenses	66,678	75,693
Other expenses	1,473	1,986
Charged to FFBL under the Company Services Agreement	3,426	15,320
	2,327,677	3,058,974
10.3 Right of use assets		
Right of use asset recognized on adoption of IFRS 16 at January 1, 2019	107,613	-
Additions during the period	46,541	-
Depreciation during the period	(48,306)	-
	105,848	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

	Note	Un-audited September 30, 2019	Audited December 31, 2018
		(Rupees '000)	
11. LONG TERM INVESTMENTS			
Equity accounted investments	11.1	44,890,530	44,197,788
Other long term investments	11.2	1,515,917	837,237
		46,406,447	45,035,025
11.1 Equity accounted investments			
Investment in associated companies - under equity method			
Fauji Fertilizer Bin Qasim Limited			
Balance at the beginning		20,742,207	20,131,610
Share of (loss) / profit for the period / year		(2,029,659)	781,903
Share of OCI for the period / year		504,400	178,113
Dividend received		(465,892)	(349,419)
		18,751,056	20,742,207
Askari Bank Limited			
Balance at the beginning		17,367,437	16,528,939
Share of profit for the period / year		1,701,474	2,012,040
Share of OCI for the period / year		(403,361)	(1,173,542)
Dividend received		(543,768)	-
		18,121,782	17,367,437
Fauji Cement Company Limited			
Balance at the beginning		2,120,849	2,051,242
Share of profit for the period / year		137,368	257,107
Dividend received		(70,313)	(187,500)
		2,187,904	2,120,849
Thar Energy Limited			
Balance at the beginning		1,445,604	-
Investment during the period		1,329,318	1,460,400
Share of profit / (loss) for the period / year		31,814	(14,796)
		2,806,736	1,445,604
Investment in joint venture - under equity method			
Pakistan Maroc Phosphore S.A., Morocco			
Balance at the beginning		2,521,691	2,045,184
Share of profit for the period / year		276,780	320,492
Gain on translation of net assets		740,280	418,566
Dividend received		(515,699)	(262,551)
		3,023,052	2,521,691
		44,890,530	44,197,788

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

	Note	Un-audited September 30, 2019	Audited December 31, 2018
		(Rupees '000)	
11.2 Other long term investments			
Investment available for sale			
Term Deposit Receipts - from conventional banks		147,088	117,615
Pakistan Investment Bonds		1,413,973	4,775,643
		1,561,061	4,893,258
Less: Current portion shown under short term investments available for sale			
Term Deposit Receipts - from conventional banks		45,144	37,477
Pakistan Investment Bonds		-	4,018,544
	13	45,144	4,056,021
		1,515,917	837,237

12. OTHER RECEIVABLES

Other receivables include Rs 6,961,878 thousand (2018: Rs 7,319,878 thousand) on account of subsidy receivable and Rs 9,099,331 thousand (2018: Rs 8,210,225 thousand) on account of sales tax receivable from the Government.

	Note	Un-audited September 30, 2019	Audited December 31, 2018
		(Rupees '000)	
13. SHORT TERM INVESTMENTS			
Loans & receivables - conventional investments			
Term deposits with banks and financial institutions			
Local currency		14,422,000	27,437,700
Foreign currency		2,303,170	1,981,235
		16,725,170	29,418,935
Investments at fair value through profit or loss - mutual fund			
Conventional investments		32,766,532	22,107,947
Shariah compliant investments		177,316	190,401
		32,943,848	22,298,348
Current maturity of long term investments			
Investments measured at fair value through other comprehensive income	11	45,144	4,056,021
		49,714,162	55,773,304

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019

	Three month period ended		Nine month period ended	
	Un-audited September 30, 2019	Un-audited September 30, 2018	Un-audited September 30, 2019	Un-audited September 30, 2018
14. TURNOVER - NET	(Rupees '000)		(Rupees '000)	
Fertilizers	26,531,709	27,411,252	73,022,485	70,677,328
Power	1,221,522	1,006,860	2,744,156	2,325,010
Food	227,606	250,109	762,013	724,219
	27,980,837	28,668,221	76,528,654	73,726,557

15. 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, 2019 (Un-audited)				
Assets				
Segment assets (Total)	109,273,854	12,702,289	3,869,298	125,845,441
Equity accounted investees	44,890,530	-	-	44,890,530
Liabilities				
Segment liabilities (Total)	103,329,852	5,319,049	2,555,044	111,203,945
Capital expenditure	1,116,808	50,689	16,657	1,184,154
Depreciation	1,690,725	445,439	191,513	2,327,677
December 31, 2018 (Audited)				
Assets				
Segment assets (Total)	119,466,259	11,637,464	3,723,126	134,826,849
Equity accounted investees	44,197,788	-	-	44,197,788
Liabilities				
Segment liabilities (Total)	113,419,374	5,932,197	2,255,222	121,606,793
Capital expenditure	1,398,922	50,745	33,546	1,483,213
Depreciation	2,177,152	593,686	288,136	3,058,974

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
For the nine month period ended September 30, 2019

	September 30, 2019	September 30, 2018
	(Rupees '000)	
16. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	17,748,453	15,245,780
Adjustments for:		
Depreciation	2,372,557	2,269,216
Amortization	3,572	10,477
Amortization of transaction cost	17,659	21,705
Provision for slow moving spares	8,516	25,811
Reversal of provision for stock in trade	(4,597)	(1,809)
Finance cost	2,270,888	1,656,711
Gain on sale of property, plant and equipment	(134,712)	(8,876)
Income on loans, deposits and investments	(1,428,799)	(1,066,436)
Share of profit of associated companies and joint venture	(117,777)	(1,915,117)
Exchange gain - net	(263,915)	(195,829)
Gain on remeasurement of investments at fair value through profit or loss	-	(281,577)
Subsidy on sale of fertilizer	-	(2,400,358)
	2,723,392	(1,886,082)
	20,471,845	13,359,698
Changes in:		
Stores and spares	(294,560)	(70,458)
Stock in trade	5,541,220	(15,792,123)
Trade debts	(3,968,043)	(985,617)
Loans and advances	(242,576)	(189,750)
Deposits and prepayments	(117,220)	(80,778)
Other receivables	(2,228,242)	(1,658,671)
Trade and other payables	10,974,823	13,348,690
	9,665,402	(5,428,707)
Changes in long term loans and advances	(81,388)	(133,122)
Changes in long term deposits and prepayments	2,468	(995)
	30,058,327	7,796,874

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Groups's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended December 31, 2018. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Company for the year ended December 31, 2018.

The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

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

For the nine month period ended September 30, 2019

	September 30, 2019	September 30, 2018
	(Rupees '000)	
18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Significant transactions and balances with the related parties are as follows:		
Transactions with holding company		
Dividend paid	5,219,198	2,680,129
Sale of fertilizer	1,869	1,500
Others	254	16,232
Transactions and balances with associated undertakings / joint ventures / companies due to common directorship		
Expenses charged on account of marketing of fertilizer on behalf of associated company	765,565	819,109
Commission on sale of products	15,627	16,607
Payment under consignment account - net	42,025,636	32,735,380
Purchase of gas as feed and fuel stock	18,934,167	12,482,686
Equity investment	1,329,318	1,250,400
Services and materials provided	10,161	12,848
Services and materials received	1,980	3,201
Donation	95,800	61,404
Interest expense	205,325	57,216
Interest income	17,911	13,295
Dividend income	1,521,923	799,470
Dividend receivable *	70,312	144,061
Long term investment *	147,088	117,615
Short term borrowing *	7,230,419	8,999,317
Long term borrowing *	-	440,607
Bank balance *	35,882	1,030,945
Running finance *	11,482	48
Balance receivable - unsecured *	370,134	368,036
Balance payable - unsecured *	62,118,810	45,756,527
Key management personnel		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2019: 1 and 377 (2018: 1 and 350) respectively.	3,270,377	3,022,017
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	344,227	215,345
Employees' Gratuity Fund Trust	218,426	168,507
Employees' Pension Fund Trust	124,559	154,914
Employees' Funds as Dividend on equity holding of 0.15% (2018: 0.15%)	17,999	9,150
Balance payable to Gratuity Fund Trust *	(471,701)	(525,210)
Balance payable to Pension Fund Trust *	(173,215)	(204,355)

* Comparative figures of receivable / payable balances are as of December 31, 2018.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
For the nine month period ended September 30, 2019

19. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of FFC in its meeting held on October 28, 2019 proposed third interim dividend of Rs 2.20 per share.

20. GENERAL

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

20.2 The corresponding figures have been rearranged to conform to current year presentation as follows:

<u>Reclassified from Statement of cash flows</u>	<u>Reclassified to</u>	<u>Rupees ('000)</u>
Cash flows from investing activities - Other investments	Short term highly liquid investments	12,197,956

20.3 These condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of FFC on October 28, 2019.



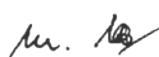
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