



Half Yearly

Financial Statements

June 30, 2019
(Un-audited)



FAUJI FERTILIZER COMPANY LIMITED



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**Investors' Education
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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

Brig Hamad Qadir, SI(M) (Retd)

Mr Aamir Ashraf Khawaja

Syed Iqtidar Saeed

Ms Maryam Aziz

Mr Farrukh Ahmad Hamidi

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: ffcw@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 Six Month period ended June 30, 2019

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to report net earnings of Rs 8.91 billion for the period under review compared to Rs 4.72 billion for the corresponding period of last year.

The Company recorded Sona urea production of 1,215 thousand tonnes by the three manufacturing facilities during the period compared to 1,239 thousand tonnes during 2018, at an operating efficiency of 119%.

The Company achieved two new benchmarks during the period, in terms of highest ever sales revenue of Rs 46.49 billion besides earning record investment income of Rs 2.51 billion owing to improved liquidity position and efficient treasury management. Effective cost controls also continued to be implemented with savings in operating costs whereas dividend income also improved to Rs. 1.46 billion compared to last year. The earnings per share of the Company thus stood at Rs 7.00 compared to Rs 3.71 recorded last year.

In view of improved results and to maintain a regular stream of income for the shareholders, the Board is pleased to announce second interim dividend of Rs 2.85 per share, with aggregate distribution of Rs 5.35 per share during the first half of 2019.

The Finance Act 2019 has increased corporate income tax rate by 1% besides abolishing the tax credit available on the amount invested in BMR projects, negatively impacting future profitability. The prices of feed and fuel gas have also been increased significantly by the Government effective July 1, 2019.

Going forward, increasing costs of gas and other inputs, rising interest rates and continuous decline in the value of PKR in an environment of persistent pricing pressure from the Government, continue to pose challenges towards sustained profitability of the Company.

The Board however remains focused towards offering attractive returns to the shareholders through continued cost controls, efficiency enhancement and diversified business ventures of the Company.

On behalf of the Board,



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

Rawalpindi
July 29, 2019



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

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 8.91 ارب روپے کا خالص منافع کمایا جو کہ پچھلے سال اسی مدت میں 4.72 ارب روپے تھا۔

کمپنی کے تینوں مینوفیکچرنگ پلانٹس نے 119 فیصد کارکردگی کی بدولت سونا یوریا کی 1,215 ہزار ٹن کی پیداوار ریکارڈ کی جو کہ 2018 کی اسی مدت میں 1,239 ہزار ٹن تھی۔

کمپنی نے اس مدت کے دوران دو نئے معیار بھی قائم کئے ہیں۔ جن میں 46.49 ارب روپے کی بلند ترین آمدن فروخت حاصل کرنے کے ساتھ ساتھ موثر مالیاتی نظم و نسق اور بہتر Liquidity کی بدولت، 2.51 ارب روپے ریکارڈ سرمایہ کاری آمدن حاصل کی۔ اخراجات کو قابو کرنے کے اقدامات پر عمل درآمد کے تسلسل کی بدولت کاروبار چلانے کے اخراجات میں بچت کی گئی جبکہ منافع منقسمہ کی آمدن بھی پچھلے سال کی نسبت بہتر ہو کر 1.46 ارب روپے رہی۔ اس طرح کمپنی کی فی حصہ آمدن 7.00 روپے رہی جو کہ مقابلہ پچھلے سال 3.71 روپے ریکارڈ کی گئی تھی۔

بہتر نتائج کے پیش نظر اور حصص یافتگان کو باقاعدگی سے ذریعہ آمدن مہیا کرنے کے لئے بورڈ دوسرے عبوری منافع منقسمہ 2.85 روپے فی حصہ کا اعلان کرتا ہے۔ جس سے اسی مدت کی مجموعی ادائیگی 2019 کے پہلے نصف کے دوران 5.35 روپے فی حصہ رہی۔

فنانس ایکٹ 2019 کے تحت کارپوریٹ انکم ٹیکس کی شرح میں ایک فیصد اضافہ کے ساتھ ساتھ BMR منصوبوں میں سرمایہ کاری کی رقم پر دستیاب ٹیکس کریڈٹ ختم کر دیا گیا جو مستقبل کے منافع پر منفی اثرات مرتب کرے گا۔ مزید برآں گورنمنٹ کی جانب سے یکم جولائی 2019 سے لاگو فیڈ اور فیول گیس کی قیمتوں میں نمایاں اضافہ کیا گیا ہے۔

مستقبل میں قیمتوں کے تعین میں حکومتی دباؤ کے تسلسل کے ماحول میں، گیس اور دیگر خام مال کی بڑھتی ہوئی قیمتیں، بلند ہوتے ہوئے بینک ریٹ اور روپے کے قدر میں مسلسل کمی کمپنی کے مستحکم منافع کے لئے چیلنجز کا باعث بنتے رہیں گے۔

تاہم بورڈ کی توجہ اخراجات پر قابو کے تسلسل، کارکردگی میں بہتری اور کمپنی کے متنوع کاروباری منصوبوں کے ذریعے، حصص یافتگان کو پرکشش آمدن مہیا کرنے پر مرکوز ہے۔

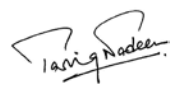
بورڈ کی جانب سے



چیف ایگزیکٹو اور مینجنگ ڈائریکٹر

لیفٹیننٹ جنرل طارق خان

ہلال امتیاز (ملٹری)، (ریٹائرڈ)



چیرمین

لیفٹیننٹ جنرل سید طارق ندیم گیلانی

ہلال امتیاز (ملٹری)، (ریٹائرڈ)

راولپنڈی

29 جولائی 2019

Independent Auditors' Review Report

To the members of Fauji Fertilizer Company Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Fauji Fertilizer Company Limited (the Company) as at June 30, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income for the three month period ended June 30, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended June 30, 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The financial statements of the Company for the year ended December 31, 2018 were audited by another auditor, KPMG Taseer Hadi & Co Chartered Accountants, whose report dated February 1, 2019 expressed an unmodified opinion thereon. Further, the condensed interim financial statements of the Company for the six month period ended June 30, 2018 were reviewed by the same auditor whose report dated July 31, 2018 expressed an unmodified conclusion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.



A.F. Ferguson & Co.
Chartered Accountants

Islamabad
July 29, 2019



Condensed Interim Financial Statements

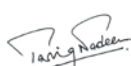
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2019

	Note	Un-audited June 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	21,284,946	20,522,513
Deficit on remeasurement of investments at fair value through other comprehensive income - net of tax		(53,428)	(21,950)
		34,113,900	33,382,945
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	5,766,250	8,583,749
Deferred liabilities		4,276,291	4,578,148
Lease liabilities		76,464	-
		10,119,005	13,161,897
CURRENT LIABILITIES			
Trade and other payables	7	66,272,230	60,599,330
Mark-up and profit accrued		538,281	300,574
Short term borrowings - secured	8	19,628,431	28,526,484
Unclaimed dividend		534,169	638,783
Current portion of long term borrowings - secured	6	6,476,839	7,237,742
Current portion of lease liabilities		39,292	-
Taxation		3,372,277	2,641,779
		96,861,519	99,944,692
TOTAL EQUITY AND LIABILITIES		141,094,424	146,489,534
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

		Un-audited June 30, 2019	Audited December 31, 2018
	Note		
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	21,057,278	21,533,696
Intangible assets		1,574,095	1,575,624
Long term investments	11	27,579,693	26,898,152
Long term loans and advances		1,182,882	1,113,854
Long term deposits and prepayments		12,378	13,604
		51,406,326	51,134,930
CURRENT ASSETS			
Stores, spares and loose tools		3,536,467	3,473,851
Stock in trade		9,946,934	12,931,714
Trade debts		4,137,466	3,678,698
Loans and advances		1,794,758	1,060,098
Deposits and prepayments		218,860	81,671
Other receivables	12	16,458,733	15,724,971
Short term investments	13	50,305,474	54,585,604
Cash and bank balances		3,289,406	3,817,997
		89,688,098	95,354,604
TOTAL ASSETS		141,094,424	146,489,534



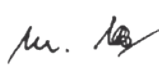
Chairman



Chief Executive



Director



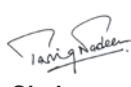
Chief Financial Officer

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

For the six month period ended June 30, 2019

	Note	Three month period ended		Six month period ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
		(Rupees '000)		(Rupees '000)	
Turnover - net	14	26,180,135	22,708,267	46,490,776	43,266,076
Cost of sales		17,335,729	17,281,600	31,683,547	33,746,527
GROSS PROFIT		8,844,406	5,426,667	14,807,229	9,519,549
Distribution cost		1,737,341	2,444,382	3,744,176	4,369,655
		7,107,065	2,982,285	11,063,053	5,149,894
Finance cost		629,232	387,554	1,097,858	764,662
Other expenses		1,321,984	455,388	1,806,557	837,519
		5,155,849	2,139,343	8,158,638	3,547,713
Other income		1,968,709	2,157,852	3,969,120	4,243,609
PROFIT BEFORE TAXATION		7,124,558	4,297,195	12,127,758	7,791,322
Provision for taxation		1,916,000	1,847,000	3,223,000	3,076,000
PROFIT AFTER TAXATION		5,208,558	2,450,195	8,904,758	4,715,322
Earnings per share - basic and diluted (Rupees)		4.09	1.93	7.00	3.71

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



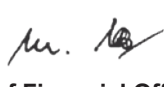
Chairman



Chief Executive



Director



Chief Financial Officer

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

	Three month period ended		Six month period ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Rupees '000)		(Rupees '000)	
PROFIT AFTER TAXATION	5,208,558	2,450,195	8,904,758	4,715,322
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	(22,026)	(62,642)	(31,478)	(145,381)
TOTAL COMPREHENSIVE INCOME	5,186,532	2,387,553	8,873,280	4,569,941

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



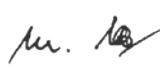
Chairman



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the six month period ended June 30, 2019

	Note	June 30, 2019	June 30, 2018
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	18,548,300	(453,539)
Finance cost paid		(860,151)	(819,415)
Income tax paid		(2,794,359)	(2,706,592)
Subsidy received on sale of fertilizer		-	2,202,383
		(3,654,510)	(1,323,624)
Net cash generated from / (used in) operating activities		14,893,790	(1,777,163)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(864,806)	(773,404)
Proceeds from sale of property, plant and equipment		439,435	3,165
Investment in Fauji Fresh n Freeze Limited		-	(800,000)
Investment in Thar Energy Limited		(1,329,318)	(1,100,400)
Decrease in other investments - net		22,436,085	178,050
Interest and profit received		913,249	755,170
Dividend received		1,528,815	443,169
Net cash generated from / (used in) investing activities		23,123,460	(1,294,250)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - Repayments		(3,578,402)	(3,190,902)
Repayment of lease liabilities		(10,023)	-
Dividend paid		(8,246,939)	(4,898,829)
Net cash used in financing activities		(11,835,364)	(8,089,731)
Net increase / (decrease) in cash and cash equivalents		26,181,886	(11,161,144)
Cash and cash equivalents at beginning of the period		3,385,872	18,963,048
Effect of exchange rate changes		377,232	155,429
Cash and cash equivalents at end of the period		29,944,990	7,957,333
CASH AND CASH EQUIVALENTS			
Cash and bank balances		3,289,406	3,539,263
Short term highly liquid investments		46,284,015	17,415,751
Short term borrowings		(19,628,431)	(12,997,681)
		29,944,990	7,957,333

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



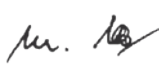
Chairman



Chief Executive



Director



Chief Financial Officer

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

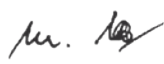
For the six month period ended June 30, 2019

	Share capital	Capital reserves	Revenue reserves		Surplus / (deficit) on remeasurement of investments at fair value through other comprehensive income	Total
			General reserves	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	-	-	-	4,715,322	-	4,715,322
Other comprehensive income / (loss) - net of tax	-	-	-	-	(145,381)	(145,381)
	-	-	-	4,715,322	(145,381)	4,569,941
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)
	-	-	-	(6,043,132)	-	(6,043,132)
Balance as at June 30, 2018	12,722,382	160,000	8,802,360	6,046,304	148,142	27,879,188
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	-	-	-	8,904,758	-	8,904,758
Other comprehensive income / (loss) - net of tax	-	-	-	-	(31,478)	(31,478)
	-	-	-	8,904,758	(31,478)	8,873,280
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)
	-	-	-	(8,142,325)	-	(8,142,325)
Balance as at June 30, 2019	12,722,382	160,000	8,802,360	12,482,586	(53,428)	34,113,900

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 six month period ended June 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 June 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 six month period ended June 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
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.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six month period ended June 30, 2019

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 June 30, 2019	Audited December 31, 2018		Un-audited June 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 six month period ended June 30, 2019

	Note	Un-audited June 30, 2019	Audited December 31, 2018
(Rupees '000)			
5. REVENUE RESERVES			
General reserves		8,802,360	8,802,360
Unappropriated profit		12,482,586	11,720,153
		21,284,946	20,522,513
6. LONG TERM BORROWINGS - SECURED			
From conventional banks	6.1	11,369,874	14,425,062
From Islamic banks	6.2	873,215	1,396,429
		12,243,089	15,821,491
Less: Current portion shown under current liabilities			
From conventional banks		5,716,125	6,191,313
From Islamic banks		760,714	1,046,429
		6,476,839	7,237,742
		5,766,250	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		(3,055,188)	(5,485,376)
Closing balance	6.1.1	11,369,874	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 June 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		(523,214)	(1,096,428)
Closing balance	6.2.1	873,215	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 and lien over Pakistan Investment Bonds (PIBs), with nil margin.			
These carry profit rates ranging between 6 month KIBOR + 0.05% 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 51,309,622 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 six month period ended June 30, 2019

	Note	Un-audited June 30, 2019	Audited December 31, 2018
8. SHORT TERM BORROWINGS - SECURED		(Rupees '000)	
From conventional banks	8.1	16,148,806	26,205,165
From Islamic banks	8.2	3,479,625	2,321,319
		19,628,431	28,526,484

- 8.1** Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 36,260,000 thousand (2018: Rs 38,960,000 thousand) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto April 30, 2020 (2018: August 31, 2019).

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 3,600,000 thousand (2018: Rs 3,500,000 thousand) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto July 30, 2019 (2018: May 31, 2019).

The facilities are secured by ranking hypothecation charges on assets of the Company. The per annum rates of profit is 3 month KIBOR + 0.08% (2018: 3 month KIBOR + 0.07% to 0.10%).

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

9. CONTINGENCIES AND COMMITMENTS

a) Contingencies:

(i) Guarantees issued by banks on behalf of the Company	181,033	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 June 30, 2019	Audited December 31, 2018
(Rupees '000)	

b) Commitments in respect of:

(i) Capital expenditure	3,159,336	1,919,124
(ii) Purchase of fertilizer, stores, spares and other operational items	1,393,648	1,528,517
(iii) Investment in Fauji Fresh n Freeze Limited	500,000	500,000
(iv) Investment in Thar Energy Limited	2,813,608	3,685,374
(v) Contracted out services	551,058	374,412

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six month period ended June 30, 2019

	Note	Un-audited June 30, 2019	Audited December 31, 2018
(Rupees '000)			
10. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	20,959,579	21,533,696
Right of use assets	10.3	97,699	-
		21,057,278	21,533,696
10.1 Operating fixed assets			
Opening written down value		21,533,696	22,312,363
Additions during the period / year	10.1.1	864,653	1,398,922
Written down value of disposals		(306,386)	(437)
Depreciation during the period / year	10.1.1 & 10.2	(1,132,384)	(2,177,152)
		20,959,579	21,533,696
10.1.1 Additions in and depreciation on property, plant and equipment during the six month period ended June 30, 2018 were Rs 772,255 thousand and Rs 1,081,351 thousand respectively.			
	Note	Un-audited June 30, 2019	Audited December 31, 2018
(Rupees '000)			
10.2 Depreciation charge has been allocated as follows:			
Cost of sales		1,092,371	2,093,326
Distribution cost		37,223	66,520
Other expenses		942	1,986
Charged to FFBL under the Company Services Agreement		1,848	15,320
		1,132,384	2,177,152
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		46,505	-
Depreciation during the period		(28,080)	-
		97,699	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six month period ended June 30, 2019

	Note	Un-audited June 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		150,112	117,615
Pakistan Investment Bonds		4,731,308	4,775,643
		4,881,420	4,893,258
		31,621,653	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		45,200	37,477
Pakistan Investment Bonds		3,996,760	4,018,544
	13	4,041,960	4,056,021
		27,579,693	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 8,335,134 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 six month period ended June 30, 2019

	Note	Un-audited June 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		17,700,000	26,250,000
Foreign currency		2,399,344	1,981,235
		20,099,344	28,231,235
Investments at fair value through profit or loss - mutual funds			
Conventional investments		23,071,438	22,107,947
Shariah compliant investments		3,092,732	190,401
		26,164,170	22,298,348
Current maturity of long term investments			
Investments measured at Fair Value through			
Other Comprehensive Income	11	4,041,960	4,056,021
		50,305,474	54,585,604

	Three month period ended		Six month period ended	
	Un-audited June 30, 2019	Un-audited June 30, 2018	Un-audited June 30, 2019	Un-audited June 30, 2018
14. TURNOVER - NET	(Rupees '000)		(Rupees '000)	
Turnover	26,791,595	23,811,115	47,510,892	45,419,580
Sales tax	(532,607)	(1,102,848)	(941,263)	(2,106,481)
Trade discount	(78,853)	-	(78,853)	(47,023)
	(611,460)	(1,102,848)	(1,020,116)	(2,153,504)
	26,180,135	22,708,267	46,490,776	43,266,076

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

For the six month period ended June 30, 2019

	June 30, 2019	June 30, 2018
	(Rupees '000)	
15. CASH GENERATED FROM OPERATIONS		
Profit before taxation	12,127,758	7,791,322
Adjustments for:		
Depreciation	1,158,616	1,074,316
Amortization	1,682	6,512
Impairment loss on investment	650,000	-
Provision for slow moving spares	12,639	25,811
Finance cost	1,097,858	746,999
Gain on disposal of property, plant and equipment	(133,049)	(3,057)
Interest and profit on loans, deposits and investments	(897,459)	(748,873)
Exchange gain - net	(377,232)	(137,766)
Gain on re-measurement of investments at fair value through profit or loss	-	(137,837)
Dividend income	(1,460,511)	(696,969)
Subsidy on sale of fertilizer	-	(2,400,358)
	52,544	(2,271,222)
	12,180,302	5,520,100
Changes in:		
Stores, spares and loose tools	(75,255)	139,373
Stock in trade	2,984,780	(12,980,593)
Trade debts	(458,768)	530,255
Loans and advances	(734,660)	(84,040)
Deposits and prepayments	(137,189)	(122,091)
Other receivables	(816,008)	(281,570)
Trade and other payables	5,672,900	6,879,362
	6,435,800	(5,919,304)
Changes in long term loans and advances	(69,028)	(54,028)
Changes in long term deposits and prepayments	1,226	(307)
	18,548,300	(453,539)

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 six month period ended June 30, 2019

	June 30, 2019	June 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	3,611,121	2,680,129
Sale of fertilizer	1,000	780
Others	223	16,209
Transactions and balances with subsidiary companies		
Equity investment	-	800,000
Guarantee against loan of subsidiary company *	377,667	566,500
Dividend receivable *	-	304,781
Balances receivable - unsecured *	1,450,743	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	414,912	484,883
Commission on sale of products	8,321	9,272
Payments under consignment account - net	19,441,503	14,977,136
Purchase of gas as feed and fuel stock	10,907,726	8,377,588
Equity investment	1,329,318	1,100,400
Services and materials provided	10,161	12,834
Services and materials received	375	3,085
Donations	97,395	41,968
Interest expense	57,342	6,961
Interest income	6,347	4,740
Dividend income	1,460,511	696,969
Dividend receivable *	380,538	144,061
Long term investments *	150,112	117,615
Short term borrowing *	8,893,943	8,999,317
Bank balances *	149,377	774,394
Balances receivable - unsecured *	369,145	368,036
Balances payable - unsecured *	55,150,918	45,756,527
Key management personnel		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2019: 1 and 364 (2018: 1 and 344) respectively.	2,123,957	1,979,363
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	227,849	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%)	12,206	9,150
Balance payable to Gratuity Fund Trust *	(415,997)	(525,210)
Balance payable to Pension Fund Trust *	(142,076)	(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 six month period ended June 30, 2019

18. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in its meeting held on July 29, 2019 proposed second interim dividend of Rs 2.85 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>
Short term highly liquid investments	Cash flows from investing activities - Other investments	1,624,968

19.3 These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on July 29, 2019.



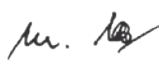
Chairman



Chief Executive



Director



Chief Financial Officer



**Condensed
Interim Consolidated
Financial Statements**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2019

	Note	Un-audited June 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		4,097,067	3,371,904
Revenue reserves	5	41,377,825	41,204,109
Deficit on remeasurement of investments at fair value through other comprehensive income		(1,186,857)	(634,072)
		57,010,417	56,664,323
Share in revaluation reserve of associates - net		960,969	753,521
NON - CURRENT LIABILITIES			
Long term borrowings - secured	6	9,271,568	12,817,467
Deferred liabilities		5,793,079	6,072,399
Lease liabilities		98,075	8,857
		15,162,722	18,898,723
CURRENT LIABILITIES			
Trade and other payables	7	66,615,129	61,097,611
Mark-up and profit accrued		583,241	332,964
Short term borrowings - secured	8	20,468,431	29,366,484
Unclaimed dividend		534,169	638,783
Current portion of long term borrowings - secured	6	7,925,491	8,623,131
Current portion of lease liabilities		51,315	2,566
Taxation		3,375,787	2,646,531
		99,553,563	102,708,070
TOTAL EQUITY AND LIABILITIES		172,687,671	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 June 30, 2019	Audited December 31, 2018
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	31,658,956	32,774,970
Intangible assets		1,939,621	1,941,784
Long term investments	11	45,292,784	45,035,025
Long term loans and advances		1,182,882	1,113,854
Long term deposits and prepayments		28,551	31,095
		80,102,794	80,896,728
CURRENT ASSETS			
Stores, spares and loose tools		3,559,326	3,489,324
Stock in trade		10,418,465	13,286,402
Trade debts		6,087,623	4,850,235
Loans and advances		769,416	541,903
Deposits and prepayments		270,201	82,733
Other receivables	12	16,132,200	15,432,981
Short term investments	13	51,115,474	55,773,304
Cash and bank balances		3,970,625	4,671,027
Assets held for sale		261,547	-
		92,584,877	98,127,909
TOTAL ASSETS		172,687,671	179,024,637



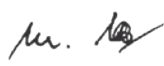
Chairman



Chief Executive



Director



Chief Financial Officer

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

For the six month period ended June 30, 2019

	Note	Three month period ended		Six month period ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
		(Rupees '000)		(Rupees '000)	
Turnover - net	14	27,579,106	23,826,342	48,547,817	45,058,336
Cost of sales		17,801,143	17,799,540	32,646,483	34,886,528
GROSS PROFIT		9,777,963	6,026,802	15,901,334	10,171,808
Administrative and distribution expenses		1,845,177	2,534,263	4,005,643	4,603,549
		7,932,786	3,492,539	11,895,691	5,568,259
Finance cost		829,397	524,788	1,494,624	1,060,702
Other expenses		686,356	455,388	1,170,929	837,519
		6,417,033	2,512,363	9,230,138	3,670,038
Other income		1,610,839	1,828,955	2,558,847	3,580,597
Share of profit of associates and joint venture		675,852	62,962	8,694	497,865
PROFIT BEFORE TAXATION		8,703,724	4,404,280	11,797,679	7,748,500
Provision for taxation		1,972,038	1,859,533	3,190,659	3,157,780
PROFIT AFTER TAXATION		6,731,686	2,544,747	8,607,020	4,590,720

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



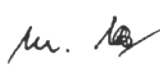
Chairman



Chief Executive



Director



Chief Financial Officer

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

	Three month period ended		Six month period ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Rupees '000)		(Rupees '000)	
PROFIT AFTER TAXATION	6,731,686	2,544,747	8,607,020	4,590,720
OTHER COMPREHENSIVE INCOME				
Items that may be subsequently reclassified to profit or loss				
Equity accounted investees - share of OCI, net of tax	-	-	(5,896)	(8,949)
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	(22,026)	(62,642)	(31,478)	(145,381)
Share of equity accounted investees - share of OCI, net of tax	185,620	(266,462)	(81,227)	(431,341)
	163,594	(329,104)	(112,705)	(576,722)
Comprehensive income taken to equity	6,895,280	2,215,643	8,488,419	4,005,049
Comprehensive income not recognised in equity				
Items that may be subsequently reclassified to profit or loss	-	-	207,448	88,793
TOTAL COMPREHENSIVE INCOME	6,895,280	2,215,643	8,695,867	4,093,842

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 six month period ended June 30, 2019

	Note	June 30, 2019	June 30, 2018
(Rupees ‘000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	16	19,278,302	(1,135,303)
Finance cost paid		(1,244,347)	(1,117,007)
Income tax paid		(2,761,956)	(2,713,652)
Subsidy received on sale of fertilizer		-	2,202,383
		(4,006,303)	(1,628,276)
Net cash generated from / (used in) operating activities		15,271,999	(2,763,579)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(907,246)	(832,381)
Proceeds from sale of property, plant and equipment		452,635	3,656
Investment in Thar Energy Limited		(1,329,318)	(1,100,400)
Decrease in other investments - net		23,623,785	818,215
Interest and profit received		1,002,997	802,123
Dividend received		1,224,034	443,169
Net cash generated from investing activities		24,066,887	134,382
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - Repayments		(4,255,721)	(4,079,355)
Repayment of lease liabilities		(16,151)	(1,074)
Dividend paid		(8,246,939)	(4,898,829)
Net cash used in financing activities		(12,518,811)	(8,979,258)
Net increase / (decrease) in cash and cash equivalents		26,820,075	(11,608,455)
Cash and cash equivalents at beginning of the period		3,398,902	19,622,635
Effect of exchange rate changes		377,232	161,017
Cash and cash equivalents at end of the period		30,596,209	8,175,197
CASH AND CASH EQUIVALENTS			
Cash and bank balances		3,970,625	4,035,980
Short term highly liquid investments		47,094,015	17,863,751
Short term borrowings - secured		(20,468,431)	(13,724,534)
		30,596,209	8,175,197

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


Chairman

Chief Executive

Director

Chief Financial Officer

For the six month period ended June 30, 2019

Balance as at January 1, 2018	
Total comprehensive income	
Profit for the period	
Other comprehensive income / (loss) - net of tax	
Transactions with owners of the Company	
Distributions:	
Final dividend 2017: Rs 3.00 per share	
First interim dividend 2018: Rs 1.75 per share	
Other changes in equity	
Transfer to statutory reserve	
Balance as at June 30, 2018	
Balance as at January 1, 2019	
Total comprehensive income	
Profit for the period	
Other comprehensive income / (loss) - net of tax	
Transactions with owners of the Company	
Distributions:	
Final dividend 2018: Rs 3.90 per share	
First interim dividend 2019: Rs 2.50 per share	
Other changes in equity	
Transfer to statutory reserve	
Balance as at June 30, 2019	

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 six month period ended June 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 June 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 six month period ended June 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.

FFCEL has applied for waiver from the requirements of IFRS 16 to the Securities and Exchange Commission of Pakistan and is confident that they would receive a waiver. It has accordingly not incorporated the impact of IFRS 16 in its condensed interim financial statements.

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 June 30, 2019	Audited December 31, 2018		Un-audited June 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	32,575,465	32,401,749
	41,377,825	41,204,109

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2019

	Note	Un-audited June 30, 2019	Audited December 31, 2018
(Rupees '000)			
6. LONG TERM BORROWINGS - SECURED			
From conventional banks			
Fauji Fertilizer Company Limited	6.1	11,369,874	14,425,062
FFC Energy Limited	6.2	4,670,720	5,194,232
Fauji Fresh n Freeze Limited	6.3	283,250	424,875
From Islamic banks			
Fauji Fertilizer Company Limited	6.4	873,215	1,396,429
		17,197,059	21,440,598
Less: Current portion shown under current liabilities			
From conventional banks		7,164,777	7,576,702
From Islamic banks		760,714	1,046,429
		7,925,491	8,623,131
		9,271,568	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		(3,055,188)	(5,485,376)
Closing balance		11,369,874	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
Less: Transaction cost			
Amortized during the period / year		12,182	27,775
Closing balance		4,670,720	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		(141,625)	(813,250)
		283,250	424,208
Less: Transaction cost			
Amortized during the period / year		-	667
Closing balance		283,250	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		(523,214)	(1,096,428)
Closing balance		873,215	1,396,429
7. TRADE AND OTHER PAYABLES			

Trade and other payables include Rs 51,309,622 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 six month period ended June 30, 2019

	Un-audited June 30, 2019	Audited December 31, 2018
	(Rupees '000)	
8. SHORT TERM BORROWINGS - secured		
From conventional banks	16,988,806	27,045,165
From Islamic banks	3,479,625	2,321,319
	20,468,431	29,366,484
9. CONTINGENCIES AND COMMITMENTS		
a) Contingencies:		
(i) Guarantees issued by banks on behalf of the Group companies	181,033	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	19,156,512	42,711,375
(iv) Group's share of contingencies in Fauji Cement Company Limited as at March 31, 2019 (2018: September 30, 2018)	100,597	100,597
(v) Group's share of contingencies in Askari Bank Limited as at March 31, 2019 (2018: September 30, 2018)	75,761,518	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 June 30, 2019	Audited December 31, 2018
	(Rupees '000)	
b) Commitments in respect of:		
(i) Capital expenditure	3,159,336	1,919,124
(ii) Purchase of fertilizer, stores, spares and other operational items	1,393,648	1,528,517
(iii) Investment in Thar Energy Limited	2,813,608	3,685,374
(iv) Group's share of commitments of PMP as at March 31, 2019 (2018: September 30, 2018)	16,907	5,992
(v) Contracted out services	551,058	374,412

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2019

	Note	Un-audited June 30, 2019	Audited December 31, 2018
		(Rupees '000)	
10. PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets	10.1	31,538,586	32,774,970
Right of use assets	10.3	120,370	-
		31,658,956	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	907,046	1,483,213
Assets classified as held for sale		(261,547)	-
Written down value of disposals / adjustments		(319,583)	(879)
Depreciation during the period / year	10.1.1 & 10.2	(1,562,300)	(3,058,974)
		31,538,586	32,774,970

10.1.1 Additions in and depreciation on property, plant and equipment during the six month period ended June 30, 2018 were Rs 831,232 thousand and Rs 1,521,063 thousand respectively.

	Un-audited June 30, 2019	Audited December 31, 2018
		(Rupees '000)
10.2 Depreciation charge has been allocated as follows;		
Cost of sales	1,518,034	2,965,975
Administrative and distribution expenses	41,476	75,693
Other expenses	942	1,986
Charged to FFBL under the Company Services Agreement	1,848	15,320
	1,562,300	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	46,505	-
Depreciation during the period	(33,748)	-
	120,370	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2019

	Note	Un-audited June 30, 2019	Audited December 31, 2018
		(Rupees '000)	
11. LONG TERM INVESTMENTS			
Equity accounted investments	11.1	44,453,324	44,197,788
Other long term investments	11.2	839,460	837,237
		45,292,784	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		(1,372,655)	781,903
Share of OCI for the period / year		119,198	178,113
Dividend received		(465,892)	(349,419)
		19,022,858	20,742,207
Askari Bank Limited			
Balance at the beginning		17,367,437	16,528,939
Share of profit for the period / year		1,139,368	2,012,040
Share of OCI for the period / year		(231,842)	(1,173,542)
Dividend received		(543,768)	-
		17,731,195	17,367,437
Fauji Cement Company Limited			
Balance at the beginning		2,120,849	2,051,242
Share of profit for the period / year		111,292	257,107
Dividend received		(70,313)	(187,500)
		2,161,828	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		9,402	(14,796)
		2,784,324	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		121,287	320,492
Gain on translation of net assets		254,202	418,566
Dividend received		(144,061)	(262,551)
		2,753,119	2,521,691
		44,453,324	44,197,788

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2019

	Note	Un-audited June 30, 2019	Audited December 31, 2018
(Rupees '000)			
11.2 Other long term investments			
Investments measured at Fair Value through Other Comprehensive Income			
Term Deposit Receipts - from conventional banks		150,112	117,615
Pakistan Investment Bonds		4,731,308	4,775,643
		4,881,420	4,893,258
Less: Current portion shown under short term investments			
Investments measured at Fair Value through Other Comprehensive Income			
Term Deposit Receipts - from conventional banks		45,200	37,477
Pakistan Investment Bonds		3,996,760	4,018,544
	13	4,041,960	4,056,021
		839,460	837,237

12. OTHER RECEIVABLES

Other receivables include Rs 6,961,878 thousand (2018: Rs 6,961,878 thousand) on account of subsidy receivable and Rs 8,544,540 thousand (2018: Rs 7,458,570 thousand) on account of sales tax receivable from the Government.

	Note	Un-audited June 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 18,510,000 27,437,700

Foreign currency 2,399,344 1,981,235

20,909,344 29,418,935

Investments at fair value through profit or loss - mutual funds

Conventional investments 23,071,438 22,107,947

Shariah compliant investments 3,092,732 190,401

26,164,170 22,298,348

Current maturity of long term investments

Investment measured at fair value through other comprehensive income

11 4,041,960 4,056,021

51,115,474 55,773,304

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2019

	Three month period ended		Six month period ended	
	Un-audited June 30, 2019	Un-audited June 30, 2018	Un-audited June 30, 2019	Un-audited June 30, 2018
14. TURNOVER - NET	(Rupees '000)		(Rupees '000)	
Fertilizers	26,180,135	22,708,267	46,490,776	43,266,076
Power	1,148,975	992,877	1,522,634	1,318,150
Food	249,996	125,198	534,407	474,110
	27,579,106	23,826,342	48,547,817	45,058,336

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)			
June 30, 2019 (Un-audited)				
Assets				
Segment assets (Total)	112,886,239	11,715,769	3,632,339	128,234,347
Equity accounted investees	44,453,324	-	-	44,453,324
Liabilities				
Segment liabilities (Total)	107,046,731	5,161,094	2,508,460	114,716,285
Capital expenditure	864,653	36,165	6,228	907,046
Depreciation	1,132,384	296,711	133,205	1,562,300
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 six month period ended June 30, 2019

	Jnue 30, 2019	Jnue 30, 2018
	(Rupees '000)	
16. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	11,797,679	7,748,500
Adjustments for:		
Depreciation	1,594,200	1,514,028
Amortization	2,363	7,065
Amortization of transaction cost	12,182	14,835
Provision for slow moving spares	8,516	25,811
Reversal of provision for stock in trade	(4,597)	2,297
Finance cost	1,508,717	1,068,289
Gain on sale of property, plant and equipment	(133,052)	(3,161)
Income on loans, deposits and investments	(939,770)	(753,194)
Share of profit of associated companies and joint venture	(8,694)	(497,865)
Exchange gain - net	(391,325)	(168,604)
Gain on remeasurement of investments at fair value through profit or loss	-	(3,002)
Subsidy on sale of fertilizer	-	(2,400,358)
	1,648,540	(1,193,859)
	13,446,219	6,554,641
Changes in:		
Stores and spares	(78,518)	144,112
Stock in trade	2,872,534	(13,156,518)
Trade debts	(1,237,388)	(383,398)
Loans and advances	(227,513)	(160,175)
Deposits and prepayments	(187,468)	(148,324)
Other receivables	(760,598)	(693,128)
Trade and other payables	5,517,518	6,762,858
	5,898,567	(7,634,573)
Changes in long term loans and advances	(69,028)	(54,028)
Changes in long term deposits and prepayments	2,544	(1,343)
	19,278,302	(1,135,303)

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Group'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 six month period ended June 30, 2019

	June 30, 2019	June 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	3,611,121	2,680,129
Sale of fertilizer	1,000	780
Others	223	16,209
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	414,912	484,883
Commission on sale of products	8,321	9,272
Payment under consignment account - net	19,441,503	14,977,136
Purchase of gas as feed and fuel stock	10,907,726	8,377,588
Equity investment	1,329,318	1,100,400
Services and materials provided	10,161	12,834
Services and materials received	375	3,085
Donation	97,395	41,968
Interest expense	84,174	6,961
Interest income	14,086	7,667
Dividend income	1,460,511	696,969
Dividend receivable *	380,538	144,061
Long term investment *	150,112	117,615
Short term borrowing *	9,289,615	8,999,317
Long term borrowing *	-	440,607
Bank balance *	219,696	1,030,945
Running finance *	-	48
Balance receivable - unsecured *	369,145	368,036
Balance payable - unsecured *	55,150,918	45,756,527
Key management personnel		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2019: 1 and 372 (2018: 1 and 355) respectively.	2,165,549	2,038,600
Contribution and balances with staff retirement funds		
Employees' Provident Fund Trust	227,849	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%)	12,206	9,150
Balance payable to Gratuity Fund Trust *	(415,997)	(525,210)
Balance payable to Pension Fund Trust *	(142,076)	(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 six month period ended June 30, 2019

19. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of FFC in its meeting held on July 29, 2019 proposed second interim dividend of Rs 2.85 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>
Short term highly liquid investments	Cash flows from investing activities - Other investments	1,624,968

20.3 These condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of FFC on July 29, 2019.



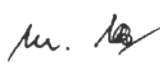
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Chief Executive



Director



Chief Financial Officer

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