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Quarterly Financial Statements

September 30, 2007 (Un-Audited)



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FFC FAUJI FERTILIZER COMPANY LIMITED 
93-Harley Street, Rawalpindi Tel: (051) 9272308-15

FFC FAUJI FERTILIZER COMPANY LIMITED 
سونا
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COMPANY INFORMATION

BOARD OF DIRECTORS

Lt Gen Syed Arif Hasan, HI(M) (Retired)
Chairman

Lt Gen Munir Hafiez, HI(M) (Retired)
Chief Executive and Managing Director

Dr Haldor Topsoe

Mr Qaiser Javed

Mr Tariq Iqbal Khan

Mr Khawar Saeed

Dr Nadeem Inayat

Mr Istaqbal Mehdi

Brig Arif Rasul Qureshi, SI(M) (Retired)

Maj Gen Muhammad Tahir, HI(M) (Retired)

Brig Rahat Khan, SI(M) (Retired)

Mr Kamal Afsar

Mr Tariq Bajwa

CHIEF FINANCIAL OFFICER

Mr Abid Maqbool

Tel: 92-51-9272336, Fax: 92-51-9272337

E-mail: gmf_cfo@ffc.com.pk

COMPANY SECRETARY (A)

Brig Sajid Hameed (Retired)

Tel: 92-51-9272327, Fax: 92-51-9272519

E-mail: ffcwp@ffc.com.pk

REGISTERED OFFICE

93-Harley Street, Rawalpindi Cantt.

Tel: 92-51-9272307-14, Fax: 92-51-9272316

E-mail: ffcwp@ffc.com.pk

Website: www.ffc.com.pk

PLANTSITES

Goth Machhi, Sadikabad

(Distt : Rahim Yar Khan)

Tel: 92-685-786420-9, Fax: 92-685-786401

Mirpur Mathelo

(Distt: Ghotki)

Tel: 92-723-651021-24, Fax: 92-723-651102

MARKETING DIVISION

Lahore Trade Centre,

11 Shahrah-e-Aiwan-e-Tijarat, Lahore

Tel: 92-42-6365736, Fax: 92-42-6366324

KARACHI OFFICE

B-35, KDA Scheme No. 1

Karachi

Tel: 92-21-4390115-16, Fax: 92-21-4390117 & 4390122

AUDITORS

M/s KPMG Taseer Hadi & Co.

Chartered Accountants

Directors' Review

For the Nine Months Ended September 30, 2007

Dear Members,

The Board is pleased to report profit after tax of Rs. 3.85 billion, the highest ever for nine months with record 'Sona' urea offtake for the third quarter.

The un-audited financial statements of the Company alongwith consolidated un-audited financial statements of the Company and its subsidiary Fauji Fertilizer Bin Qasim Limited (FFBL), depicting the results for the period under review, have been appended to this report.

Performance of our plants remained par excellence during the nine months. Total urea output by our Goth Machhi manufacturing facility was recorded at 1,225 thousand tonnes which represented an improvement of 7% over output for last year, operating at an efficiency of 123%. Our Mirpur Mathelo Plant delivered 531 thousand tonnes, in line with the production last year. The Company stands firm in its commitment towards improvement and continues to promote environmental friendly programs for the benefit of the neighbouring community.

The third quarter of 2007 witnessed a rebound in fertilizer demand with record Industry urea sales, after a depressed first half of the year. Aggregate Industry urea offtake during the nine months at 3,403 thousand tonnes, however, fell short of 3,742 thousand tonnes sold during the corresponding period last year by 9%. Industry urea output was registered at 3,492 thousand tonnes which declined by 1% compared to last year's production of 3,532 thousand tonnes mainly due to maintenance shutdown of FFBL's urea Plant. The urea Industry closed the period with an inventory of 357 thousand tonnes, 23% lower as compared to last year, despite 224% higher opening inventory of 233 thousand tonnes, primarily due to lower urea imports.

DAP market on the other hand continued to flourish with sales of 767 thousand tonnes which improved by 44% over 533 thousand tonnes offtake for the same period of last year. DAP production during the period under review at 279 thousand tonnes was lower by 14% compared to last year owing to maintenance shutdown of FFBL's DAP Plant. DAP imports were recorded at 703 thousand tonnes during the period, mainly due to enhancement in farmer subsidy to Rs. 470 per 50 kg bag. The Industry carried 334 thousand tonnes of DAP at the close of the period which was 42% lower than stock at the end of corresponding period last year. The closing inventory, supplemented with confirmed imports scheduled for October & November 2007, are anticipated to meet the demand for the Rabi season.

'Sona' urea sales by the Company were recorded at 1,635 thousand tonnes, only 1% lower than sales during the corresponding period of last year. The Company also sold almost the entire stock of imported urea during the period which was recorded at 70 thousand tonnes. The off-take was considerably lower than last year's sales owing to lower import by the Government due to declining demand during the first half of 2007. The Company additionally sold 280 thousand tonnes of 'Sona' urea granular and 16 thousand tonnes of imported urea on behalf of FFBL, achieving market share of 59% during the period.

The Company marketed 318 thousand tonnes of DAP during the period, including 251 thousand tonnes of 'Sona' DAP on behalf of FFBL, with market participation of 42%. Aggregate sales were 14% in excess of 280 thousand tonnes of DAP sold last year. In addition, the Company marketed 17 thousand tonnes of SOP during the period.

Company's after tax profit of Rs. 3.85 billion was higher by 27% compared to profit last year. Earnings from sources other than fertilizer sales amounted to Rs. 1.07 billion which included 17.5% dividend income from FFBL as compared to 10% received last year. Consequently, per share earnings of Rs. 7.80 improved compared to Rs. 6.14 per share earned last year. The Board is, therefore, pleased to announce a third interim dividend of Rs. 2.75 per share (27.50 %). Aggregate dividend to-date for 2007 thus stands at Rs. 7.50 per share.

The encouraging results for the first nine months give us confidence to end the year on a profitable note. We stand committed towards increasing returns and adding value for all our stakeholders.

On behalf of the Board,



CHAIRMAN

Lt Gen Syed Arif Hasan, HI(M), (Retired)

Rawalpindi
October 22, 2007



Condensed Interim
Financial Statements

Condensed Balance Sheet

As at September 30, 2007

	Note	Un-audited September 30, 2007	Audited December 31, 2006
		(Rupees '000)	
SHARE CAPITAL AND RESERVES			
Share capital	4	4,934,742	4,934,742
Capital reserve		160,000	160,000
Revenue reserves	5	7,488,749	7,861,801
		<u>12,583,491</u>	<u>12,956,543</u>
NON CURRENT LIABILITIES	6	2,905,000	1,193,750
DEFERRED TAXATION		2,382,417	2,396,000
CURRENT LIABILITIES			
Trade and other payables		2,651,966	4,025,926
Interest and mark - up accrued		163,626	134,039
Short term borrowings		4,733,062	4,531,090
Current portion of long term financing		945,000	887,327
Taxation - net		1,579,565	1,305,606
		<u>10,073,219</u>	<u>10,883,988</u>
		<u>27,944,127</u>	<u>27,430,281</u>
CONTINGENCIES AND COMMITMENTS	7		

The annexed notes 1 to 15 form an integral part of these financial statements.

	Note	Un-audited September 30, 2007	Audited December 31, 2006
		(Rupees '000)	
PROPERTY, PLANT AND EQUIPMENT	8	9,706,055	9,607,957
GOODWILL		1,569,234	1,569,234
LONG TERM INVESTMENTS	9	6,330,768	6,409,382
LONG TERM LOANS AND ADVANCES		139,753	76,647
LONG TERM DEPOSITS AND PREPAYMENTS		2,391	2,474
CURRENT ASSETS			
Stores, spares and loose tools		2,630,394	2,202,053
Stock in trade		2,338,659	952,905
Trade debts		2,298,551	961,427
Loans and advances		213,601	95,245
Deposits and prepayments		99,149	25,488
Other receivables		575,810	1,451,390
Short term investments	10	1,167,168	2,452,850
Cash and bank balances		872,594	1,623,229
		<u>10,195,926</u>	<u>9,764,587</u>
		<u>27,944,127</u>	<u>27,430,281</u>


 Chairman


 Chief Executive


 Director

Condensed Interim Profit and Loss Account (Un-audited)
For the period ended September 30, 2007

	Note	For the quarter ended		For the period ended	
		September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
			(Rupees '000)		
Sales		8,142,677	6,148,648	18,233,168	18,786,513
Cost of sales	11	5,329,078	4,274,034	11,052,786	12,247,157
GROSS PROFIT		2,813,599	1,874,614	7,180,382	6,539,356
Distribution cost		571,740	687,794	1,658,940	1,996,862
		2,241,859	1,186,820	5,521,442	4,542,494
Finance cost		138,647	129,068	454,944	315,236
Other expenses		191,125	170,673	542,293	515,426
		1,912,087	887,079	4,524,205	3,711,832
Other income		286,520	316,737	1,069,949	813,867
NET PROFIT BEFORE TAXATION		2,198,607	1,203,816	5,594,154	4,525,699
Provision for taxation		733,000	363,000	1,744,000	1,495,000
NET PROFIT AFTER TAXATION		1,465,607	840,816	3,850,154	3,030,699
Earnings per share - basic and diluted (Rupees) 12		2.97	1.70	7.80	6.14

The annexed notes 1 to 15 form an integral part of these financial statements.


Chairman


Chief Executive


Director

Condensed Interim Cash Flow Statement (Un-audited)

For the period ended September 30, 2007

	Note	September 30, 2007	September 30, 2006
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/ (used in) operations	13	2,666,103	(3,742,302)
Finance cost paid		(425,357)	(258,413)
Income tax paid		(1,454,577)	(1,753,096)
Payment to gratuity fund		(44,592)	(44,548)
Payment to pension fund		(35,472)	(36,438)
Payment to Workers' Profit Participation Fund		(400,000)	(386,728)
Net cash generated from/ (used in) operating activities		306,105	(6,221,525)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(709,439)	(930,447)
Proceeds from sale of property, plant and equipment		7,888	9,659
Interest received		181,424	307,049
Investment in Pakistan Maroc Phosphore S.A., Morocco		-	(338,438)
Decrease/(increase) in investments		43,108	(100,746)
Dividend received from FFBL		778,194	225,736
Net cash generated from / (used in) investing activities		301,175	(827,187)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - disbursements		2,500,000	500,000
- repayments		(731,077)	(1,231,076)
Long term murabaha - repayments		-	(41,667)
Increase in short term borrowings		201,972	4,854,659
Dividends paid		(4,740,010)	(2,780,345)
Net cash used in financing activities		(2,769,115)	1,301,571
Net decrease in cash and cash equivalents		(2,161,835)	(5,747,141)
Cash and cash equivalents at beginning of the period		3,884,668	7,176,453
Effect of exchange rate changes		(151)	88
Cash and cash equivalents at end of the period		1,722,682	1,429,400
CASH AND CASH EQUIVALENTS			
Cash and bank balances		872,594	540,430
Short term highly liquid investments		850,088	888,970
		1,722,682	1,429,400

The annexed notes 1 to 15 form an integral part of these financial statements.


Chairman


Chief Executive


Director

Condensed Interim Statement of Changes in Equity (Un-audited)

For the period ended September 30, 2007

	Share capital	Capital reserve	General reserve	Surplus on remeasurement of investments available for sale to fair value	Unappropriated profit	Total
	(Rupees '000')					
Balance at January 1, 2006						
as previously reported	4,934,742	160,000	7,290,000	-	56,166	12,440,908
Transfer to general reserve due to change in accounting policy	-	-	100,000	-	(100,000)	-
Restated balance at January 1, 2006	4,934,742	160,000	7,390,000	-	(43,834)	12,440,908
Final dividend 2005:Rs. 2.25 per share	-	-	-	-	(1,110,317)	(1,110,317)
Transfer to unappropriated profit	-	-	(100,000)	-	100,000	-
Net profit for the period ended September 30, 2006	-	-	-	-	3,030,699	3,030,699
Dividends 2006:						
First interim: Rs. 2.25 per share	-	-	-	-	(1,110,317)	(1,110,317)
Second interim: Rs. 2.00 per share	-	-	-	-	(986,948)	(986,948)
Balance at September 30, 2006	<u>4,934,742</u>	<u>160,000</u>	<u>7,290,000</u>	<u>-</u>	<u>(120,717)</u>	<u>12,264,025</u>
Balance at January 1, 2007	4,934,742	160,000	6,190,000	-	1,671,801	12,956,543
Final dividend 2006:Rs. 3.90 per share	-	-	-	-	(1,924,549)	(1,924,549)
Transfer to unappropriated profit	-	-	(250,000)	-	250,000	-
Net profit for the period ended September 30, 2007	-	-	-	-	3,850,154	3,850,154
Surplus on remeasurement to fair value – net of tax	-	-	-	45,345	-	45,345
Dividends 2007:						
First interim: Rs. 2.50 per share	-	-	-	-	(1,233,685)	(1,233,685)
Second interim: Rs. 2.25 per share	-	-	-	-	(1,110,317)	(1,110,317)
Balance at September 30, 2007	<u>4,934,742</u>	<u>160,000</u>	<u>5,940,000</u>	<u>45,345</u>	<u>1,503,404</u>	<u>12,583,491</u>

The annexed notes 1 to 15 form an integral part of these financial statements.


Chairman


Chief Executive


Director

Notes to the Condensed Interim Financial Statements

For the period ended September 30, 2007 (Un-audited)

1. Fauji Fertilizer Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The registered office of the Company is situated at 93 - Harley Street, 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 and chemical manufacturing operations.
2. These interim financial statements are unaudited and are being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. These financial statements are presented in condensed form in accordance with the requirements of International Accounting Standard 34: "Interim Financial Reporting".
3. Accounting policies, related judgments, estimates and assumptions adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of the annual financial statements of the Company for the year ended December 31, 2006 except for the following changes in accounting policy and estimate:

3.1 Change in accounting policy

Pursuant to the adoption of IFRS 3 - "Business Combinations" by the Securities & Exchange Commission of Pakistan vide S.R.O No. 1228 (I) / 2006 dated December 6, 2006, the Company has changed its accounting policy and now the amortisation of goodwill on acquisition of Pak Saudi Fertilizer Limited (PSFL) has ceased which was previously being amortised over the period of 20 years. The effect of this change in accounting policy has been made prospectively in accordance with the requirements of IFRS 3. The goodwill is now being stated at the carrying value as at December 31, 2006 and is being tested for impairment only. This change has resulted in increased net profit before tax for the period by Rs 78,462 thousand.

3.2 Change in accounting estimate

Depreciation on addition in property, plant and equipment is charged from the month of addition while no depreciation is charged in the month of disposal. Previously, full year's depreciation was being charged in the year of addition and no depreciation in the year of disposal. This change in accounting estimate has resulted in decrease in depreciation charge for the period by Rs. 30,766 thousand with corresponding effect in carrying value of property, plant and equipment and profit before taxation by the same amount.

4. SHARE CAPITAL

ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL

(Numbers)

	Un-audited September 30, 2007	Audited December 31, 2006
256,495,902 Ordinary shares of Rs 10 each, issued for consideration in cash.	2,564,959	2,564,959
236,978,328 Ordinary shares of Rs. 10 each, issued as fully paid bonus shares.	<u>2,369,783</u>	<u>2,369,783</u>
493,474,230	<u>4,934,742</u>	<u>4,934,742</u>

AUTHORISED SHARE CAPITAL

This represents 500,000,000 (2006: 500,000,000) ordinary shares of Rs 10 each.

Notes to the Condensed Interim Financial Statements

For the period ended September 30, 2007

	Note	Un-audited September 30, 2007	Audited December 31, 2006
(Rupees '000)			
5. REVENUE RESERVES			
General reserve		5,940,000	6,190,000
Surplus on remeasurement of available for sale investments to fair value - net of tax		45,345	-
Unappropriated profit		1,503,404	1,671,801
		7,488,749	7,861,801
6. NON CURRENT LIABILITIES			
Long term financing - secured	6.1	3,850,000	2,081,077
Less: Amount payable within twelve months shown as current maturity		945,000	887,327
		2,905,000	1,193,750
6.1 Movement in this account during the period/year is as follows:			
Opening balance		2,081,077	2,868,403
Disbursements during the period/year		2,500,000	1,100,000
Repayments during the period/year		(731,077)	(1,887,326)
Closing balance		3,850,000	2,081,077
7. CONTINGENCIES AND COMMITMENTS			
(a) Contingencies			
(i) Guarantees issued by banks on behalf of the Company.		17,192	18,228
(ii) Disputed demand for Income tax and levy of contribution to Workers' Welfare Fund related to former PSFL decided in favour of the Company by the Income Tax Appellate Authorities, are currently in appeal by the department. The Company is confident that there are reasonable grounds for a favourable decision.		235,590	295,590
(iii) Claims against the Company and/or potential exposure not acknowledged as debt.		73,776	73,776
(b) Commitments			
(i) Capital expenditure.		1,598,451	378,294
(ii) Purchase of fertilizer, stores, spares and other revenue items.		615,040	468,511
(iii) Company's share of commitments in Pakistan Maroc Phosphore S.A. (PMP). PMP itself is committed to incur capital expenditure of MAD 1,669,000 thousand (2006 : MAD 1,326,000 thousand) equivalent Pak Rs 12,317,000 thousand (2006 : Rs 9,600,000 thousand).		1,539,027	1,200,030
(iv) Company's share of investment in Fauji Cement Company Limited.		1,500,000	-
(v) Rentals under lease agreements:			
Premises		45,917	97,877
Vehicles		230,364	239,771

Notes to the Condensed Interim Financial Statements
For the period ended September 30, 2007

		Un-audited September 30, 2007	Audited December 31, 2006
	Note	(Rupees '000)	
8. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		9,607,957	9,184,727
Additions		709,439	1,410,487
Written down value of disposals/adjustments		(447)	(189,327)
Depreciation		(610,894)	(797,930)
Closing written down value		9,706,055	9,607,957
9. LONG TERM INVESTMENTS			
Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A., Morocco		705,925	705,925
Investment in subsidiary - at cost			
Fauji Fertilizer Bin Qasim Limited (FFBL)		4,752,330	4,752,330
Investments available for sale			
Certificates of investment		257,794	293,124
Pakistan Investment Bonds	9.1	666,763	-
Term Finance Certificates	9.1	52,979	-
		977,536	293,124
Investments held to maturity			
Pakistan Investment Bonds	9.1	-	600,000
Term Finance Certificates	9.1	-	149,930
		-	749,930
		6,435,791	6,501,309
Less: Current portion shown under short term investments	10		
Investments available for sale			
Certificates of investment		105,002	91,867
Term Finance Certificates		21	-
Investments held to maturity			
Term Finance Certificates		-	60
		105,023	91,927
		6,330,768	6,409,382

9.1 The carrying amount of "Held to maturity" investments has been reclassified as "Available for sale" in compliance with the provisions of International Accounting Standard - 39 "Financial Instruments: Recognition and Measurement".

		Un-audited September 30, 2007	Audited December 31, 2006
	Note	(Rupees '000)	
10. SHORT TERM INVESTMENTS			
Investments at fair value through profit or loss			
Meezan Balanced Fund		85,500	86,000
National Investment Trust		118,269	96,154
NAFA Cash Fund		23,110	21,447
Available for sale			
Term deposits with banks and financial institutions			
Local currency (net of provision for doubtful recovery Rs 13,000 thousand)		-	500,000
Foreign currency	9.1 & 10.1	835,266	-
Held to maturity			
Term deposits with banks and financial institutions			
Local currency		-	775,000
Foreign currency	9.1	-	882,322
Current maturity of long term investments		105,023	91,927
		1,167,168	2,452,850

Notes to the Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2007

10.1 This represents investments having 3 months maturities and are being carried at cost as management expects there would be no significant change in the rate of return on comparable investments.

	For the quarter ended		For the period ended	
	September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
	(Rupees '000)			
11. COST OF SALES				
Raw materials consumed	1,353,350	1,286,794	4,152,192	3,760,913
Fuel and power	864,310	954,988	2,571,242	2,703,356
Chemicals and supplies	45,416	41,648	122,136	115,568
Salaries, wages and benefits	315,609	269,474	967,680	888,503
Training and employees welfare	64,144	60,926	210,353	160,656
Rent, rates and taxes	3,192	6,723	12,457	15,468
Insurance	25,240	24,327	76,669	72,849
Travel and conveyance	29,185	30,985	89,628	80,180
Repairs and maintenance	197,076	223,312	460,547	546,033
Depreciation	205,059	195,471	597,177	565,075
Communication, establishment and other expenses	125,475	107,355	373,473	298,846
Provision for slow moving and surplus spares	-	-	3,950	5,471
Opening stock-work in process	27,287	19,687	23,484	18,028
Closing stock-work in process	(28,272)	(12,392)	(28,272)	(12,392)
Cost of goods manufactured	3,227,071	3,209,298	9,632,716	9,218,554
Add: Opening stock of manufactured urea	1,063,527	21,214	34,298	19,386
Less: Closing stock of manufactured urea	(699,694)	(225,117)	(699,694)	(225,117)
	363,833	(203,903)	(665,396)	(205,731)
Cost of sales of own manufactured urea	3,590,904	3,005,395	8,967,320	9,012,823
Opening stock of purchased fertilizers	1,628,171	2,068,868	839,602	487,978
Purchase of fertilizers for resale (net of subsidy of Rs.893,885 thousand)	670,542	3,559,449	1,806,403	7,106,034
	2,298,713	5,628,317	2,646,005	7,594,012
Less: Closing stock of purchased fertilizers	(560,539)	(4,359,678)	(560,539)	(4,359,678)
Cost of sales of purchased fertilizers	1,738,174	1,268,639	2,085,466	3,234,334
	5,329,078	4,274,034	11,052,786	12,247,157
12. EARNINGS PER SHARE				
Net profit after tax (Rupees '000)	1,465,607	840,816	3,850,154	3,030,699
Weighted average number of shares in issue during the period - (000)	493,474	493,474	493,474	493,474
Basic and diluted earnings per share (Rupees)	2.97	1.70	7.80	6.14

There is no dilutive effect on the basic earnings per share of the Company.

Notes to the Condensed Interim Financial Statements (Un-audited)
For the period ended September 30, 2007

	September 30, 2007	September 30, 2006
	(Rupees '000)	
13. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	5,594,154	4,525,699
Adjustments for:		
Depreciation	607,782	573,700
Provision for gratuity	33,363	31,612
Provision for pension	24,459	25,547
Provision for Workers' Profit Participation Fund	302,011	243,013
Amortization of goodwill	-	78,462
Provision for slow moving and surplus spares	3,950	5,471
Finance cost	454,944	315,236
Gain on sale of property, plant and equipment	(7,441)	(8,778)
Income on loans, deposits and investments	(161,899)	(262,696)
Exchange loss/(gain)	2,878	(5,819)
(Gain)/loss on remeasurement of investment at fair value through profit or loss	(23,278)	3,980
Dividend from FFBL	(831,658)	(475,233)
	405,111	524,495
	5,999,265	5,050,194
Changes in working capital		
(Increase)/decrease in current assets		
Stores and spares	(432,291)	(17,651)
Stock in trade	(1,385,754)	(4,097,446)
Trade debts	(1,337,124)	(628,332)
Loans and advances	(118,356)	3,637
Deposits and prepayments	(51,419)	(14,272)
Other receivables	856,021	(3,657)
Decrease in current liabilities		
Trade and other payables	(801,216)	(4,028,970)
	(3,270,139)	(8,786,691)
Changes in long term loans and advances	(63,106)	(7,113)
Changes in long term deposits and prepayments	83	1,308
	2,666,103	(3,742,302)

Notes to the Condensed Interim Financial Statements (Un-audited)
For the period ended September 30, 2007

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

There is no change in relationship with the related parties. Significant transactions and balances with the related parties are as follows:

	September 30, 2007	September 30, 2006
	(Rupees '000)	
Transactions with the subsidiary company		
Marketing of fertilizer on behalf of FFBL under sale on consignment basis	89,965	159,957
Commission on sale of FFBL products	10,951	13,489
Services and materials provided	21,262	5,530
Services and materials received	–	1,671
Dividend income	831,658	475,233
Balance payable	470,631	375,022 *
Transactions with associated undertakings/ companies due to common directorship		
Sale of fertilizer	920	520
Medical services	69	4
Office rent	2,268	2,100
Dividends paid	1,893,102	1,422,563
Purchase of gas as feed and fuel stock	6,166,636	5,955,771
Technical services received	10,964	12,086
Catalyst purchased	–	136,092
Others	2,569	–
Balance receivable	229	234 *
Balance payable	332,421	432,302 *
Transactions with joint venture company		
Balance of advance against issue of shares	705,925	705,925 *
Other related parties		
Remuneration of Chief Executive and Executives: Remuneration including benefits and perquisites of Chief Executive and other Executives. No. of persons 2007: 1 and 313 (2006:1 and 280) respectively	626,378	504,954
Payments to:		
Employees' Provident Fund Trust	106,856	92,938
Employees' Gratuity Fund Trust	44,592	44,548
Employees' Pension Fund Trust	35,472	36,438
Workers' Profit Participation Fund	400,000	386,728
Balance payable	276,885	378,761*

* Comparative receivable/payable balances were audited figures as of December 31, 2006.

Notes to the Condensed Interim Financial Statements (Un-audited)
For the period ended September 30, 2007

15. GENERAL

- 15.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 15.2** The Board of Directors in their meeting held on October 22, 2007 have proposed third interim dividend of Rs 2.75 per share.
- 15.3** These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on October 22, 2007.


Chairman


Chief Executive


Director



Condensed Interim Consolidated
Financial Statements

Condensed Consolidated Balance Sheet

As at September 30, 2007

	Note	Un-audited September 30, 2007	Audited December 31, 2006
		(Rupees '000)	
SHARE CAPITAL AND RESERVES			
Share capital	4	4,934,742	4,934,742
Capital reserve		276,184	276,184
Revenue reserves	5	6,918,209	7,336,881
		12,129,135	12,547,807
MINORITY INTEREST		4,150,052	4,194,102
		16,279,187	16,741,909
NON CURRENT LIABILITIES	6	9,991,767	9,273,744
DEFERRED TAXATION		5,827,863	5,030,339
CURRENT LIABILITIES			
Trade and other payables		5,157,937	6,337,033
Interest and mark-up accrued		251,792	238,991
Short term borrowings		9,610,209	9,062,926
Current portion of long term:			
- Financing		1,361,944	1,304,271
- Murabaha		38,679	38,679
- Loan		648,201	648,201
- Liabilities against assets subject to finance lease		3,443	2,586
Taxation - net		1,579,565	1,305,606
		18,651,770	18,938,293
		50,750,587	49,984,285
CONTINGENCIES AND COMMITMENTS	7		

The annexed notes 1 to 14 form an integral part of these consolidated financial statements.

	Note	Un-audited September 30, 2007	Audited December 31, 2006
		(Rupees '000)	
PROPERTY, PLANT AND EQUIPMENT	8	26,022,562	24,538,295
GOODWILL		1,569,234	1,569,234
LONG TERM INVESTMENTS	9	2,989,588	3,068,202
LONG TERM LOANS AND ADVANCES		139,753	76,647
LONG TERM DEPOSITS AND PREPAYMENTS		17,619	19,747
CURRENT ASSETS			
Stores, spares and loose tools		3,810,879	2,999,367
Stock in trade		3,658,796	1,753,440
Trade debts		2,529,981	1,192,699
Loans and advances		317,057	156,405
Deposits and prepayments		106,815	30,546
Other receivables		1,889,579	2,765,488
Short term investments	10	2,794,376	2,955,237
Cash and bank balances		4,904,348	8,858,978
		20,011,831	20,712,160
		50,750,587	49,984,285


 Chairman


 Chief Executive


 Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)
For the period ended September 30, 2007

	Note	For the quarter ended		For the period ended	
		September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
			(Rupees '000)		
Sales		12,032,955	8,856,172	26,069,793	27,363,650
Cost of sales	11	7,175,798	6,098,454	16,178,825	18,445,001
GROSS PROFIT		4,857,157	2,757,718	9,890,968	8,918,649
Administrative expenses and distribution cost		936,901	1,049,781	2,468,448	3,024,979
		3,920,256	1,707,937	7,422,520	5,893,670
Finance cost		282,025	224,825	908,472	610,776
Other expenses		299,958	183,442	684,729	583,632
		3,338,273	1,299,670	5,829,319	4,699,262
Other income		405,579	186,608	1,289,309	1,407,430
NET PROFIT BEFORE TAXATION		3,743,852	1,486,278	7,118,628	6,106,692
Provision for taxation		1,266,804	547,600	2,555,108	2,219,009
NET PROFIT AFTER TAXATION		2,477,048	938,678	4,563,520	3,887,683
ATTRIBUTABLE TO:					
Equity holders of Fauji Fertilizer Company Limited		1,980,228	773,875	3,804,535	3,232,555
Minority interest		496,820	164,803	758,985	655,128
		<u>2,477,048</u>	<u>938,678</u>	<u>4,563,520</u>	<u>3,887,683</u>

The annexed notes 1 to 14 form an integral part of these consolidated financial statements.


Chairman


Chief Executive


Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited)
For the period ended September 30, 2007

	Note	September 30, 2007	September 30, 2006
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(used in) operations	12	4,439,076	(4,479,138)
Finance cost paid		(895,671)	(568,731)
Income tax paid		(1,551,797)	(1,840,662)
Payment to Workers' Profit Participation Fund		(414,973)	(395,934)
Payment for gratuity fund		(44,592)	(44,548)
Payment for pension fund		(35,472)	(36,438)
Compensation received from GOP-net		51,800	51,800
Net cash generated from/(used in) operating activities		1,548,371	(7,313,651)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,884,656)	(1,910,498)
Proceeds from sale of property, plant and equipment		10,309	12,576
Interest received		584,101	719,140
Investment in Pakistan Maroc Phosphore S.A., Morocco		-	(1,015,313)
Increase in investments		(1,029,569)	(100,746)
Net cash used in investing activities		(3,319,815)	(2,294,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - disbursements		2,500,000	500,000
- repayments		(1,043,783)	(1,543,782)
Long term murabaha - repayments		(29,008)	(70,675)
Finance lease paid		(2,452)	(3,798)
Increase in short term borrowings		201,972	4,854,659
Dividends paid		(5,566,426)	(3,344,637)
Net cash (used in)/generated from financing activities		(3,939,697)	391,767
Net decrease in cash and cash equivalents		(5,711,141)	(9,216,725)
Cash and cash equivalents at beginning of the period		6,588,581	11,871,419
Effect of exchange rate changes		(151)	88
Cash and cash equivalents at end of the period		877,289	2,654,782
CASH AND CASH EQUIVALENTS			
Cash and bank balances		4,904,348	3,788,821
Short term running finances		(4,877,147)	(2,023,009)
Short term highly liquid investments		850,088	888,970
		877,289	2,654,782

The annexed notes 1 to 14 form an integral part of these consolidated financial statements.


Chairman


Chief Executive


Director

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

For the period ended September 30, 2007

	Attributable to Equity holders of Fauji Fertilizer Company Limited					Minority Interest	Total
	Share capital	Capital reserve	General reserve	Surplus on remeasurement of investments available for sale to fair value			
				Unappropriated profit/(loss)	(Rupees '000')		
Balance at January 01, 2006							
as previously reported	4,934,742	276,184	7,290,000	-	(882,556)	3,796,112	15,414,482
Transfer to general reserve due to change in accounting policy	-	-	100,000	-	(100,000)	-	-
Restated balance at January 01, 2006	4,934,742	276,184	7,390,000	-	(982,556)	3,796,112	15,414,482
FFC Final dividend 2005: Rs. 2.25 per share	-	-	-	-	(1,110,317)	-	(1,110,317)
FFBL Final dividend 2005: Re. 0.5 per share	-	-	-	-	-	(229,438)	(229,438)
Transfer to unappropriated profit/(loss)	-	-	(100,000)	-	100,000	-	-
Net profit for the period ended							
September 30, 2006	-	-	-	-	3,232,555	655,128	3,887,683
Dividend 2006							
FFC First interim : Rs 2.25 per share	-	-	-	-	(1,110,317)	-	(1,110,317)
FFC Second interim : Rs 2.00 per share	-	-	-	-	(986,948)	-	(986,948)
FFBL First interim : Re 0.50 per share	-	-	-	-	-	(229,438)	(229,438)
Balance at September 30, 2006	<u>4,934,742</u>	<u>276,184</u>	<u>7,290,000</u>	<u>-</u>	<u>(857,583)</u>	<u>3,992,364</u>	<u>15,635,707</u>
Balance at January 01, 2007	4,934,742	276,184	6,190,000	-	1,146,881	4,194,102	16,741,909
FFC final dividend 2006: Rs. 3.90 per share	-	-	-	-	(1,924,549)	-	(1,924,549)
FFBL final dividend 2006: Rs. 1.25 per share	-	-	-	-	-	(573,596)	(573,596)
Transfer to unappropriated profit/(loss)	-	-	(250,000)	-	250,000	-	-
Net profit for the period ended							
September 30, 2007	-	-	-	-	3,804,535	758,985	4,563,520
Surplus on remeasurement to fair value-net of tax	-	-	-	45,345	-	-	45,345
Dividend 2007:							
FFC first interim : Rs. 2.50 per share	-	-	-	-	(1,233,686)	-	(1,233,686)
FFC Second interim : Rs. 2.25 per share	-	-	-	-	(1,110,317)	-	(1,110,317)
FFBL first interim : Re. 0.50 per share	-	-	-	-	-	(229,439)	(229,439)
Balance at September 30, 2007	<u>4,934,742</u>	<u>276,184</u>	<u>5,940,000</u>	<u>45,345</u>	<u>932,864</u>	<u>4,150,052</u>	<u>16,279,187</u>

The annexed notes 1 to 14 form an integral part of these consolidated financial statements.


Chairman


Chief Executive


Director

Notes to the Condensed Interim Consolidated Financial Statements
For the period ended September 30, 2007 (Un-Audited)

1. Fauji Fertilizer Company Limited (FFC/ parent company) and its subsidiary, Fauji Fertilizer Bin Qasim Limited (FFBL) are incorporated in Pakistan as public limited companies and their shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The registered offices of the companies are situated in Rawalpindi, Pakistan. The principal activity of FFC and its subsidiary is manufacturing, purchasing and marketing of fertilizers and chemicals including investment in chemical manufacturing operations.
2. These interim consolidated financial statements are un-audited and are being submitted to the shareholders' in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. These consolidated financial statements are presented in condensed form in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting'.
3. Accounting policies, related judgements, estimates and assumptions adopted for preparation of these condensed interim consolidated financial statements are the same as those applied in preparation of the annual consolidated financial statements for the year ended December 31, 2006 except for the following changes in accounting policy and estimate:

3.1 Change in Accounting Policy

Pursuant to the adoption of IFRS 3 - "Business Combinations" by the Securities & Exchange Commission of Pakistan vide SRO No.1228(I)/2006 dated December 6, 2006, FFC has changed its accounting policy and now the amortisation of goodwill on acquisition of Pak Saudi Fertilizer Limited (PSFL) has ceased which was previously being amortised over the period of 20 years. The effect of this change in accounting policy has been made prospectively in accordance with the requirement of IFRS 3. The goodwill is now being stated at carrying value as at December 31, 2006 and is being tested for impairment only. This change has resulted in increased net profit before tax for the period by Rs 78,462 thousand.

3.2 Change in Accounting Estimate

Depreciation on addition in property, plant and equipment is charged from the month of addition while no depreciation is charged in the month of disposal. Previously, full year's depreciation was being charged in the year of addition and no depreciation in the year of disposal. This change in accounting estimate has resulted in decrease in depreciation charged for the period by Rs.82,472 thousand with corresponding effect in carrying value of property, plant and equipment and profit before taxation by the same amount.

4. SHARE CAPITAL

ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL

(Numbers)

	Un-audited September 30, 2007	Audited December 31, 2006
	(Rupees '000)	
256,495,902 Ordinary shares of Rs 10 each, issued for consideration in cash.	2,564,959	2,564,959
236,978,328 Ordinary shares of Rs. 10 each, issued as fully paid bonus shares.	2,369,783	2,369,783
<u>493,474,230</u>	<u>4,934,742</u>	<u>4,934,742</u>

AUTHORISED SHARE CAPITAL

This represents 500,000,000 (2006: 500,000,000) ordinary shares of Rs 10 each.

Notes to the Condensed Interim Consolidated Financial Statements
For the period ended September 30, 2007

	Note	Un-audited September 30, 2007	Audited December 31, 2006
(Rupees '000)			
5. REVENUE RESERVES			
General reserve		5,940,000	6,190,000
Surplus on remeasurement of available for sale investments to fair value - net of tax		45,345	-
Unappropriated profit		932,864	1,146,881
		6,918,209	7,336,881
6. NON CURRENT LIABILITIES			
Long term financing - secured	6.1	5,413,540	3,957,325
Long term murabaha - secured	6.2	145,044	174,052
Long term loan			
Government of Pakistan loan (Un-secured)	6.3	6,482,007	7,130,208
Liabilities against assets subject to finance lease		3,443	5,896
		12,044,034	11,267,481
Less: Amount payable within twelve months shown as current maturity		2,052,267	1,993,737
		9,991,767	9,273,744
6.1 Movement in this account during the period/ year is as follows:			
Opening balance		3,957,325	5,119,928
Disbursements during the period/year		2,500,000	1,100,000
Repayments during the period/year		(1,043,785)	(2,262,603)
Closing balance		5,413,540	3,957,325
6.2 Movement in this account during the period/ year is as follows:			
Opening balance		174,052	254,397
Repayments during the period/year		(29,008)	(80,345)
Closing balance		145,044	174,052
6.3 Movement in this account during the period/ year is as follows:			
Opening balance		7,130,208	7,778,409
Adjustment during the period/year		(648,201)	(648,201)
Closing balance		6,482,007	7,130,208

Notes to the Condensed Interim Consolidated Financial Statements
For the period ended September 30, 2007

	Un-audited September 30, 2007	Audited December 31, 2006
	(Rupees '000)	
7. CONTINGENCIES AND COMMITMENTS		
a) Contingencies		
i) Guarantees issued by banks on behalf of the Group companies.	61,517	46,697
ii) Disputed demand for income tax and levy of contribution to Workers' Welfare Fund related to former PSFL decided in favour of FFC by the Income Tax Appellate Authorities, are currently in appeal by the department. FFC is confident that there are reasonable grounds for a favourable decision.	235,590	295,590
iii) Income tax demands, not acknowledged as debt, have been challenged by FFBL and are currently in appeal; FFBL expects favourable outcome of appeal.	50,727	50,727
iv) Claims against the Group companies and/or potential exposure not acknowledged as debt.	85,974	85,974
v) Indemnity bonds and undertakings given to the custom authorities for the machinery imported by FFBL for installation at plant site.	119,650	119,650
b) Commitments		
i) Capital expenditure.	2,007,778	1,676,156
ii) Purchase of fertilizer, stores, spares and other revenue items.	1,217,076	785,459
iii) FFBL's share of investment in Foundation Power Company (Dharaki) Limited.	1,500,000	-
iv) Group's share of commitments in Pakistan Maroc Phosphore S.A. (PMP). PMP itself is committed to incur capital expenditure of MAD 1,669,000 thousand (2006 : MAD 1,326,000 thousand) equivalent Pak Rs. 12,072,000 thousand (2006: Rs. 9,600,000 thousand).	4,617,080	3,600,090
v) Group share of investment in Fauji Cement Company Limited.	1,800,000	-
vi) Rentals under lease agreements:		
Premises	45,917	97,877
Vehicles	230,364	239,771

Notes to the Condensed Interim Consolidated Financial Statements
For the period ended September 30, 2007

		Un-audited September 30, 2007	Audited December 31, 2006
	Note	(Rupees '000)	
8. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		24,538,295	23,747,830
Additions during the period/year		2,884,656	3,579,681
Written down value of disposals/ adjustments		(1,902)	(1,001,148)
Depreciation during the period/ year		(1,398,487)	(1,788,068)
Closing written down value		26,022,562	24,538,295
9. LONG TERM INVESTMENTS			
Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A., Morocco		2,117,075	2,117,075
Investment available for sale			
Certificates of investment		257,794	293,124
Pakistan Investment Bonds	9.1	666,763	-
Term Finance Certificates	9.1	52,979	-
Arabian Sea Country Club Limited (ASCCL) (300,000 shares of Rs 10 each)		3,000	3,000
Less: Impairment in value of investment		(3,000)	(3,000)
		-	-
		977,536	293,124
Investments held to maturity			
Pakistan Investment Bonds	9.1	-	600,000
Term Finance Certificates	9.1	-	149,930
		-	749,930
		3,094,611	3,160,129
Less: Current portion shown under short term investments	10		
Investment available for sale			
Certificates of investment		105,002	91,867
Term Finance Certificates		21	-
Investments held to maturity			
Term Finance Certificates		-	60
		105,023	91,927
		2,989,588	3,068,202

9.1 The carrying amount of "Held to maturity" investments has been reclassified as "Available for sale" in compliance with the provisions of International Accounting Standard - 39 "Financial Instruments: Recognition and Measurement".

Notes to the Condensed Interim Consolidated Financial Statements
For the period ended September 30, 2007

Note	Un-audited	Audited
	September 30, 2007	December 31, 2006
(Rupees '000)		
10. SHORT TERM INVESTMENTS		
Investments at fair value through profit or loss		
Meezan Balanced Fund	85,500	86,000
National Investment Trust	118,269	96,154
NAFA Cash Fund	23,110	21,447
Fixed income / money market funds	1,627,208	502,387
	1,854,087	705,988
Available for sale		
Term deposits with banks and financial institutions		
Local currency (net of provision for doubtful recovery Rs 13,000 thousand)	-	500,000
Foreign currency	9.1 & 10.1	835,266
Held to maturity		
Term deposits with banks and financial institutions		
Local currency	-	775,000
Foreign currency	9.1	882,322
Current maturity of long term investments	105,023	91,927
	2,794,376	2,955,237

10.1 This represents investments having 3 months maturities and are being carried at cost as management expects there would be no significant change in the rate of return on comparable investments.

	Un-audited		Un-audited	
	For the quarter ended September 30, 2007	September 30, 2006	For the period ended September 30, 2007	September 30, 2006
(Rupees '000)				
11. COST OF SALES				
Raw materials consumed	3,928,129	3,278,796	9,266,103	9,046,568
Fuel and power	1,180,126	1,304,133	3,343,072	3,598,186
Chemicals and supplies	67,646	61,486	183,332	166,889
Salaries, wages and benefits	404,166	390,434	1,282,640	1,200,185
Training and employees welfare	64,144	60,926	210,353	160,656
Rent, rates and taxes	8,716	12,593	29,159	31,906
Insurance	36,309	38,101	112,393	109,593
Travel and conveyance	37,309	40,190	114,837	104,007
Repairs and maintenance	236,368	268,456	943,169	778,712
Depreciation	494,474	441,722	1,381,836	1,302,933
Communication, establishment and other expenses	130,621	114,631	390,763	314,802
Provision for slow moving and surplus spares	29,686	-	33,636	5,471
Opening stock - work in process	34,627	23,938	28,285	19,532
Closing stock - work in process	(49,255)	(21,929)	(49,255)	(21,929)
Subsidy on DAP fertilizer from GOP - FFBL	(1,205,647)	-	(2,067,830)	-
Cost of goods manufactured	5,397,419	6,013,477	15,202,493	16,817,511
Add: Opening stock of manufactured fertilizers	1,297,908	1,252,823	133,620	418,109
Less: Closing stock of manufactured fertilizers	(1,382,639)	(2,553,472)	(1,382,639)	(2,553,472)
	(84,731)	(1,300,649)	(1,249,019)	(2,135,363)
Cost of sales of own manufactured fertilizers	5,312,688	4,712,828	13,953,474	14,682,148
Opening stock of purchased fertilizers	1,753,107	2,172,343	979,487	491,193
Purchase of fertilizers for resale (net of subsidy of Rs. 893,885 thousand)	670,542	3,804,093	1,806,403	7,862,470
	2,423,649	5,976,436	2,785,890	8,353,663
Less: Closing stock of purchased fertilizers	(560,539)	(4,590,810)	(560,539)	(4,590,810)
Cost of sale of purchased fertilizers	1,863,110	1,385,626	2,225,351	3,762,853
	7,175,798	6,098,454	16,178,825	18,445,001

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the period ended September 30, 2007

	September 30, 2007	September 30, 2006
	(Rupees '000)	
12. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	7,118,628	6,106,692
Adjustments for:		
Depreciation	1,395,375	1,317,026
Provision for gratuity	43,784	53,714
Provision for pension	24,459	25,547
Provision for Workers' Profit Participation Fund	396,919	316,320
Amortization of goodwill	-	78,462
Provision for slow moving and surplus spares	33,636	5,471
Finance cost	908,472	610,776
Income on loans, deposits and investments	(563,727)	(635,126)
Compensation from GOP	(600,000)	(700,000)
Gain on sale of property, plant and equipment	(8,407)	(11,121)
Exchange loss/(gain)	2,878	(5,819)
(Gain)/loss on remeasurement of investments at fair value through profit or loss	(75,422)	3,980
	<u>1,557,967</u>	<u>1,059,230</u>
	8,676,595	7,165,922
Changes in working capital		
(Increase)/decrease in current assets:		
Stores and spares	(815,462)	(127,178)
Stock in trade	(1,905,356)	(6,161,299)
Trade debts	(1,337,282)	(823,742)
Loans and advances	(212,452)	5,333
Deposits and prepayments	(52,263)	(24,526)
Other receivables	1,262,996	201,633
Decrease in current liabilities:		
Trade and other payables	(1,114,959)	(4,709,598)
	<u>(4,174,778)</u>	<u>(11,639,377)</u>
Changes in long term loans and advances	(63,106)	(7,113)
Changes in long term deposits and prepayments	365	1,430
	<u>4,439,076</u>	<u>(4,479,138)</u>

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the period ended September 30, 2007

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

There is no change in relationship with the related parties. Significant transactions and balances with the related parties are as follows:

	September 30, 2007	September 30, 2006
	(Rupees '000)	
Transactions with associated undertaking/companies due to common directorship		
Sale of fertilizer	1,402	520
Rent charged to Group Companies	2,838	2,657
Dividend paid	2,157,560	1,499,276
Repayment of principal portion of long term finance	34,286	34,286
Financial charges	12,398	15,023
Medical services	69	4
Purchase of gas as feed and fuel stock	6,166,636	5,955,771
Technical services received	10,964	12,086
Catalyst purchased	-	136,092
Others	2,569	-
Balance payable	507,808	642,645 *
Balance receivable	699	1,499 *
Transactions with joint venture company		
Balance of advance against issue of shares	2,117,075	2,117,075 *
Other related parties		
Remuneration of Chief Executive and Executives: Remuneration including benefits and perquisites of Chief Executive and Executives. No. of persons 2007: 2 and 400 (2006: 2 and 354) respectively	777,606	647,198
Payments to:		
Employees' Provident Fund Trust	116,168	101,589
Employees' Gratuity Fund Trust	55,013	53,476
Employees' Pension Fund Trust	35,472	36,438
Workers' Profit Participation Fund	414,973	395,934
Purchase of raw materials	4,229,894	4,064,930
Balances payable	1,697,722	1,520,370 *

* Comparative receivable/payable balances were audited figures as of December 31, 2006.

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the period ended September 30, 2007

14. GENERAL

- 14.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 14.2** The Board of Directors of FFC in their meeting held on October 22, 2007 proposed a third interim dividend of Rs.2.75 per share while second interim dividend of Re. 1.00 per share has been proposed by the Board of Directors of FFBL on October 18, 2007.
- 14.3** These condensed interim consolidated financial statements have been authorised for issue by the Board of Directors of FFC on October 22, 2007.


Chairman


Chief Executive


Director