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



FEROZSONS Islamabad & 111-555-333

3rd Quarterly  
**Financial Statements**  
September 30, 2006 (Un-Audited)

**FFC** FAUJI FERTILIZER COMPANY LIMITED



## **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

Syed Zaheer Ali Shah

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

### **CHIEF FINANCIAL OFFICER**

Mr Abid Maqbool

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

E-mail: gmf\_cfo@ffc.com.pk

### **COMPANY SECRETARY**

Brig Muhammad Saleem Suleman, SI(M) (Retired)

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

E-mail: secretary@ffc.com.pk

### **REGISTERED OFFICE**

93-Harley Street, Rawalpindi Cantt.

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

Website: www.ffc.com.pk

E-mail: ffcryp@ffc.com.pk

### **PLANTSITES**

#### **Goth Machhi, Sadikabad**

(Distt : Rahim Yar Khan)

Tel: 92-68-5786420-9, Fax: 92-68-5786401

#### **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, 2006

**Dear Members,**

I am pleased to present the un-audited results of the Company for the third quarter together with un-audited consolidated financial results of the Company and its subsidiary Fauji Fertilizer Bin Qasim Limited (FFBL).

Industry urea market remained oversupplied with imports of 625 thousand tonnes during the three quarters in addition to local urea production of 3,532 thousand tonnes, an improvement by 2% over production for corresponding period of last year. Urea offtake of 3,736 thousand tonnes improved by a marginal 1% over 3,696 thousand tonnes for the comparative period of last year. As a result, the closing inventory of 472 thousand tonnes was more than three times the closing inventory at the end of same period last year.

The sizeable 406 thousand tonnes of phosphatic fertilizers opening inventory carried by the Industry was supplemented by an output of 323 thousand tonnes of DAP by FFBL during the nine months. The offtake recorded at 574 thousand tonnes was 30% lower than the sales during the corresponding period of last year, mainly due to news of GOP's intention to subsidize prices.

Despite ample availability in the market, 554 thousand tonnes of phosphatic fertilizers were imported during the three quarters resulting in closing inventory of 705 thousand tonnes, almost twice the inventory at the end of the corresponding period of last year.

The GOP eventually announced Rs. 250 per bag subsidy on phosphatic fertilizers towards the close of the quarter. This was done to encourage balanced and proper use of fertilizers for maintaining the nutrition and fertility of land aimed at enhancing agricultural output. This measure has resulted in accelerating sales in October and is expected to enhance productivity as envisaged.

All three plants of the Company underwent maintenance turnaround during the nine months resulting in better energy utilization/ capacity enhancement, and delivered a total of 1,685 thousand tonnes of urea. Outputs of Plants I - Goth Machhi were recorded at 591 thousand tonnes as opposed to 607 thousand tonnes during the same period last year. Plant II Goth Machhi produced 559 thousand tonnes compared to 573 thousand tonnes last year. Plant III - Mirpur Mathelo, which also underwent long duration turnaround in 2005, delivered 535 thousand tonnes as against 510 thousand tonnes produced during the same period last year.

Company's urea offtake was registered at 1,866 thousand tonnes which grew by 1% over sales for the corresponding period of last

year and included 218 thousand tonnes of imported urea. Aggregate urea marketed by the Company stood at 2,329 thousand tonnes, representing a market share of 62% which included 401 thousand tonnes of 'Sona' urea Granular and 62 thousand tonnes of imported urea on behalf of FFBL.

Phosphatic fertilizers sales by the Company were registered at 288 thousand tonnes, including 211 thousand tonnes of FFBL's 'Sona' DAP, securing a market share of 49% for the three quarters. The Company continues its efforts to promote farmer awareness regarding the importance of balanced fertilizer usage for increased output.

Sales revenue of Rs. 18.79 billion included Rs. 3.75 billion on account of imported fertilizers which contributed marginally to the net profit. The Company earned gross and net profits of Rs. 6.49 billion and Rs. 3.03 billion respectively. Net profitability declined by 13% compared to last year due to 2% lower 'Sona' sales volume, higher cost of gas and lower dividend income from FFBL. Earnings per share (EPS) of the Company for the period was recorded at Rs. 6.14, lower by Re. 0.94 compared to restated EPS for last year.

In line with Company traditions, the Board is pleased to announce a third interim cash dividend of 18.5% (Rs 1.85 per share) for 2006. The total dividend to date including the third interim dividend aggregates to 61% (Rs 6.1 per share).

Final installment of Company's commitment of MAD 100 million towards equity participation in Pakistan Maroc Phosphore (PMP) was remitted in the third quarter. The investment now aggregates to Rs. 706 million representing 12.5% equity contribution in PMP.

We are optimistic as regards the prospects for the remainder of the year. As we turn the corner and move into the final stretch, we remain confident that the year 2006 would end on a profitable note for the Company and its stakeholders.

On behalf of the Board,



**CHAIRMAN**

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

Rawalpindi  
October 27, 2006



# Financial Statements

**Balance Sheet**

As at September 30, 2006 (Un-audited)

		September 30,	December 31,
	Note	2006	2005
(Rupees '000)			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	4	4,934,742	4,934,742
Capital reserve		160,000	160,000
Revenue reserves	5	7,169,283	7,346,166
		<u>12,264,025</u>	<u>12,440,908</u>
<b>NON CURRENT LIABILITIES</b>	6	750,000	981,078
<b>DEFERRED TAXATION</b>		2,307,000	2,401,000
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,989,480	6,737,803
Interest and mark - up accrued		141,687	81,644
Short term borrowings		7,359,622	2,504,963
Current portion of long term:			
- Financing		1,345,660	1,845,658
- Murabaha		-	41,667
Taxation		1,238,442	1,414,418
		<u>13,074,891</u>	<u>12,626,153</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
		<u>28,395,916</u>	<u>28,449,139</u>

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

		September 30,	December 31,
	Note	2006	2005
(Rupees '000)			
<b>PROPERTY, PLANT AND EQUIPMENT</b>	8	9,537,718	9,184,727
<b>GOODWILL</b>		1,595,387	1,673,849
<b>LONG TERM INVESTMENTS</b>	9	6,405,446	6,058,006
<b>LONG TERM LOANS AND ADVANCES</b>		71,658	64,545
<b>LONG TERM DEPOSITS AND PREPAYMENTS</b>		2,127	3,435
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		2,166,498	2,154,318
Stock in trade		4,657,918	560,472
Trade debts		1,288,045	659,713
Loans and advances		113,173	116,810
Deposits and prepayments		64,196	26,097
Other receivables		776,722	579,802
Short term investments	10	1,176,598	6,195,252
Cash and bank balances		540,430	1,172,113
		<u>10,783,580</u>	<u>11,464,577</u>
		<u>28,395,916</u>	<u>28,449,139</u>

  
 Chairman

  
 Chief Executive

  
 Director

## Profit and Loss Account

For the period ended September 30, 2006 (Un-Audited)

Note	For the quarter ended		For the period ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
		(Rupees '000)		
Sales	6,148,648	6,378,367	18,786,513	16,748,122
Cost of sales	11 4,314,204	4,059,402	12,293,764	10,238,166
GROSS PROFIT	1,834,444	2,318,965	6,492,749	6,509,956
Distribution cost	687,794	549,763	1,996,862	1,497,392
	1,146,650	1,769,202	4,495,887	5,012,564
Finance cost	129,068	85,189	315,236	229,096
Other expenses	130,503	196,975	468,819	508,411
	887,079	1,487,038	3,711,832	4,275,057
Other income	316,737	723,232	813,867	905,930
NET PROFIT BEFORE TAXATION	1,203,816	2,210,270	4,525,699	5,180,987
Provision for taxation	363,000	617,000	1,495,000	1,689,000
NET PROFIT AFTER TAXATION	840,816	1,593,270	3,030,699	3,491,987
Earnings per share - basic and diluted (Rupees)	12 1.70	3.23	6.14	7.08

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

  
Chairman

  
Chief Executive

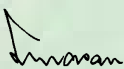
  
Director

## Cash Flow Statement

For the period ended September 30, 2006 (Un-Audited)

	Note	September 30, 2006	September 30, 2005
(Rupees'000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in)/generated from operations	13	(4,210,016)	3,862,919
Finance cost paid		(258,413)	(205,694)
Income tax paid		(1,753,096)	(1,020,065)
Net cash (used in)/generated from operating activities		(6,221,525)	2,637,160
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(930,447)	(518,339)
Proceeds from sale of property, plant and equipment		9,659	15,446
Interest received		307,049	273,276
Investment in Pakistan Maroc Phosphore S.A., Morocco		(338,438)	(188,187)
(Increase) / decrease in investments		(100,746)	1,125,968
Dividend received from Fauji Fertilizer Bin Qasim Limited (FFBL)		225,736	594,041
Net cash (used in) / generated from investing activities		(827,187)	1,302,205
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing - disbursement		500,000	-
Long term financing - repayments		(1,231,076)	(1,665,776)
Long term loans - repayments		-	(871)
Long term murabaha - repayment		(41,667)	(41,667)
Increase in short term borrowings		4,854,659	1,457,596
Dividends paid		(2,780,345)	(3,163,600)
Net cash generated from / (used in) financing activities		1,301,571	(3,414,318)
Net (decrease) / increase in cash and cash equivalents		(5,747,141)	525,047
Cash and cash equivalents at beginning of the period		7,176,453	4,108,330
Effect of exchange rate changes		88	2,007
Cash and cash equivalents at close of the period.		1,429,400	4,635,384
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		540,430	1,468,284
Short term highly liquid investments		888,970	3,167,100
		1,429,400	4,635,384

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

  
Chairman

  
Chief Executive

  
Director



## Statement of Changes in Equity

### For the period ended September 30, 2006 (Un-Audited)

	Share capital	Capital reserve	Reserve for issue of bonus shares	General reserve	Unappropriated profit/(loss)	Total
	( R u p e e s ' 0 0 0 ' )					
Balance at January 1, 2005						
as previously reported	2,949,703	160,000	442,455	7,450,000	1,292,749	12,294,907
Transfer to general reserve due to change in accounting policy (note 3.1)	-	-	(442,455)	450,000	(7,545)	-
Restated balance at January 1, 2005	2,949,703	160,000	-	7,900,000	1,285,204	12,294,907
Net profit for the period ended						
September 30, 2005	-	-	-	-	3,491,987	3,491,987
Dividends						
Final 2004:Rs. 3.00 per share	-	-	-	-	(884,911)	(884,911)
First interim 2005:Rs. 2.50 per share	-	-	-	-	(848,039)	(848,039)
Second interim 2005:Rs. 4.00 per share	-	-	-	-	(1,560,393)	(1,560,393)
Bonus shares issued	1,536,426	-	-	(450,000)	(1,086,426)	-
Restated balance at September 30, 2005	4,486,129	160,000	-	7,450,000	397,422	12,493,551
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 (note 3.1)	-	-	-	100,000	(100,000)	-
Restated balance at January 1, 2006	4,934,742	160,000	-	7,390,000	(43,834)	12,440,908
Net profit for the period ended						
September 30, 2006	-	-	-	-	3,030,699	3,030,699
Transfer to unappropriated profit	-	-	-	(100,000)	100,000	-
Dividends						
Final 2005:Rs. 2.25 per share	-	-	-	-	(1,110,317)	(1,110,317)
First interim 2006:Rs. 2.25 per share	-	-	-	-	(1,110,317)	(1,110,317)
Second interim 2006:Rs. 2.00 per share	-	-	-	-	(986,948)	(986,948)
Balance at September 30, 2006	4,934,742	160,000	-	7,290,000	(120,717)	12,264,025

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

  
Chairman

  
Chief Executive

  
Director

## Notes to the Financial Statements

### For the period ended September 30, 2006 (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 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 (IAS) 34: "Interim Financial Reporting".
3. Accounting policies, related judgements, estimates and assumptions adopted for preparation of these financial statements are the same as those applied in preparation of the annual financial statements for the year ended December 31, 2005 except for the following change in accounting policy:
  - 3.1 Declarations of bonus shares and other reserves' appropriations after the balance sheet date but before the authorisation of financial statements for issue are now recognized in the period in which these announcements or appropriations are made in compliance with the Circular No.06/2006 dated June 19, 2006 of the Institute of Chartered Accountants of Pakistan. Previously such declarations and appropriations were recognized at the balance sheet date.

Comparative figures have been restated in compliance with International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Had the policy not been changed, reserve for issue of bonus shares as at September 30, 2005 would have been higher by Rs 448,613 thousand and general reserve as at September 30, 2005 and December 31, 2005 would have been lower by Rs 60,000 thousand and Rs 100,000 thousand respectively with corresponding effect on unappropriated profit as at respective period/year end.

	September 30, 2006	December 31, 2005
	(Rupees '000)	
<b>4. SHARE CAPITAL</b>		
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
<b>(Numbers)</b>		
256,495,902 Ordinary shares of Rs 10 each fully paid 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 (2005: 500,000,000) ordinary shares of Rs 10 each amounting to Rs. 5,000,000 thousand.

	September 30, 2006	December 31, 2005 (Restated)
	(Rupees '000)	
<b>5. REVENUE RESERVES</b>		
General reserve	7,290,000	7,390,000
Unappropriated loss	(120,717)	(43,834)
	<u>7,169,283</u>	<u>7,346,166</u>

## Notes to the Financial Statements

For the period ended September 30, 2006 (Un-Audited)

	Note	September 30, 2006 (Rupees '000)	December 31, 2005
<b>6. NON CURRENT LIABILITIES</b>			
Long term financing - secured		2,095,660	2,826,736
Long term murabaha - secured		–	41,667
	6.1	2,095,660	2,868,403
Less: Amount payable within twelve months shown as current maturity		1,345,660	1,887,325
		750,000	981,078
<b>6.1 Movement in this account during the period/year is as follows:</b>			
Opening balance		2,868,403	5,137,565
Disbursement during the period		500,000	–
Repayments during the period/year		(1,272,743)	(2,269,162)
Closing balance		2,095,660	2,868,403
<b>7. CONTINGENCIES AND COMMITMENTS</b>			
<b>a) Contingencies</b>			
(i) Guarantees issued by banks on behalf of the Company.		20,483	19,620
(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.		295,590	295,590
(iii) Claims against the Company and/ or potential exposure not acknowledged as debt.		62,776	62,776
<b>b) Commitments in respect of:</b>			
(i) Capital expenditure		454,135	473,243
(ii) Purchase of fertilizer, stores, spares and other revenue items.		232,844	507,457
(iii) Commitment for equity investment in Pakistan Maroc Phosphore S.A. (PMP) Moroccan Dirhams Nil (2005: MAD 46,875 thousand), equivalent approx.		–	311,250
(iv) Rentals under lease agreements:			
Premises		120,374	99,538
Vehicles		221,328	232,577

## Notes to the Financial Statements

For the period ended September 30, 2006 (Un-Audited)

Note	September 30, 2006	December 31, 2005
	(Rupees '000)	
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening written down value	9,184,727	9,180,716
Additions during the period/year	930,447	1,250,141
Written down value of disposals/ adjustments	(881)	(476,663)
Depreciation during the period/ year	(576,575)	(769,467)
Closing written down value	9,537,718	9,184,727
<b>9. LONG TERM INVESTMENTS</b>		
Pakistan Maroc Phosphore S.A., Morocco	705,925	367,487
Investment in subsidiary - at cost Fauji Fertilizer Bin Qasim Limited (FFBL)	4,752,330	4,752,330
Investments available for sale Certificates of investment	284,607	279,998
Investments held to maturity		
Pakistan Investment Bonds	600,000	600,000
Term Finance Certificates	149,940	99,980
	749,940	699,980
	6,492,802	6,099,795
Less: Current portion shown under short term investments	10	
Investments available for sale Certificates of investment	87,296	41,749
Investments held to maturity Term Finance Certificates	60	40
	87,356	41,789
	6,405,446	6,058,006
<b>10. SHORT TERM INVESTMENTS</b>		
Term deposits with banks and financial institutions		
Foreign currency Held to maturity	875,722	905,963
Presentation currency Held to maturity	-	4,650,000
Available for sale (net of provision for doubtful recovery Rs 13,000 thousand ; 2005: Rs 13,000 thousand)	-	500,000
Investments at fair value through profit or loss		
Meezan Balanced Fund	93,000	97,500
National Investment Trust	100,000	-
Nafa Cash Fund	20,520	-
	213,520	97,500
Current portion of long term investments	87,356	41,789
	1,176,598	6,195,252

## Notes to the Financial Statements

For the period ended September 30, 2006 (Un-Audited)

	For the quarter ended		For the period ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
	(Rupees '000)			
<b>11. COST OF SALES</b>				
Raw materials consumed	1,286,794	1,217,562	3,760,913	3,373,444
Fuel and power	954,988	786,498	2,703,356	2,119,741
Chemicals and supplies	41,648	34,329	115,568	109,892
Salaries, wages and benefits	367,512	332,650	1,095,014	965,634
Rent, rates and taxes	6,723	2,264	15,468	8,962
Insurance	24,327	22,576	72,849	68,930
Travel and conveyance	32,102	21,242	80,928	68,089
Repairs and maintenance	223,312	125,067	546,033	422,795
Depreciation	195,471	184,500	565,075	531,593
Communication, establishment and other expenses	109,296	101,115	298,850	304,108
Provision for slow moving and surplus spares	–	–	5,471	–
Opening stock-work in process	19,687	14,425	18,028	10,192
Closing stock-work in process	(12,392)	(29,758)	(12,392)	(29,758)
Cost of goods manufactured	3,249,468	2,812,470	9,265,161	7,953,622
Add: Opening stock - manufactured urea	21,214	23,230	19,386	22,384
Less: Closing stock-manufactured urea	(225,117)	(51,000)	(225,117)	(51,000)
	(203,903)	(27,770)	(205,731)	(28,616)
Cost of sales - own manufactured urea	3,045,565	2,784,700	9,059,430	7,925,006
Opening stock - purchased fertilizers	2,068,868	419,119	487,978	156,696
Purchase of fertilizers for resale	3,559,449	1,639,316	7,106,034	2,940,197
	5,628,317	2,058,435	7,594,012	3,096,893
Less: Closing stock - purchased fertilizers	(4,359,678)	(783,733)	(4,359,678)	(783,733)
Cost of sales - purchased fertilizers	1,268,639	1,274,702	3,234,334	2,313,160
	<u>4,314,204</u>	<u>4,059,402</u>	<u>12,293,764</u>	<u>10,238,166</u>

## Notes to the Financial Statements

For the period ended September 30, 2006 (Un-Audited)

	For the quarter ended	For the period ended	
	September 30,	September 30,	September 30,
	2006	2005	2005
	(Rupees '000)		
<b>12. EARNINGS PER SHARE</b>			
Net profit after tax (Rupees '000)	840,816	1,593,270	3,491,987
Weighted average number of shares in issue during the period ('000')	493,474	493,474	493,474
Basic and diluted earnings per share (Rupees)	1.70	3.23	7.08

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

Number of shares in issue during the period ended September 30, 2006 have been restated for the effect of bonus shares issued subsequent to that date.

	September 30,	September 30,
	2006	2005
	(Rupees '000)	
<b>13. CASH (USED IN)/GENERATED FROM OPERATIONS</b>		
Net profit before taxation	4,525,699	5,180,987
Adjustments for:		
Depreciation	573,700	539,329
Provision for gratuity, pension and leave encashment	81,220	78,851
Amortization of goodwill	78,462	78,462
Provision for slow moving and surplus spares	5,471	-
Finance cost	315,236	229,096
Gain on sale of property, plant and equipment	(8,778)	(8,677)
Income on loans, deposits and investments	(262,696)	(277,644)
Exchange gain	(5,819)	(8,684)
Loss on remeasurement of investments at fair value through profit or loss	3,980	20,992
Dividend from FFBL	(475,233)	(594,041)
	305,543	57,684
	4,831,242	5,238,671
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	(17,651)	(202,948)
Stock in trade	(4,097,446)	(679,218)
Trade debts	(628,332)	760,713
Loans and advances	3,637	(44,827)
Deposits and prepayments	(38,099)	(38,036)
Other receivables	(3,657)	3,281
Decrease in current liabilities		
Trade and other payables	(4,253,905)	(1,179,169)
	(9,035,453)	(1,380,204)
Changes in long term loans and advances	(7,113)	5,421
Changes in long term deposits and prepayments	1,308	(969)
	(4,210,016)	3,862,919

## Notes to the Financial Statements

For the period ended September 30, 2006 (Un-Audited)

### 14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	September 30, 2006	September 30, 2005
	(Rupees '000)	
<b>Subsidiary</b>		
<b>Fauji Fertilizer Bin Qasim Limited (FFBL)</b>		
Marketing of fertilizer on behalf of FFBL under sale on consignment basis	159,957	159,682
Commission on sale of FFBL products	13,489	16,026
Services and materials provided	5,530	1,369
Services and materials received	1,671	1,752
Dividend received - net of tax	225,736	564,339
Balance payable, unsecured	205,267	267,744 *
<b>Associates</b>		
<b>Fauji Foundation</b>		
Office rent	2,100	1,800
Sale of fertilizers	520	420
Bonus shares issued	-	681,405
Dividends paid	1,422,563	1,403,057
Medical services	4	-
Balance receivable, unsecured	36	36 *
<b>Mari Gas Company Limited</b>		
Purchase of gas as feed and fuel stock	5,955,771	5,039,378
Balance payable, unsecured	378,782	348,511 *
<b>Haldor Topsoe A/s, Denmark</b>		
Technical services received	12,086	11,841
Catalysts purchased	136,092	185,708
<b>Pakistan Maroc Phosphore S.A.</b>		
Contribution towards equity	338,438	188,187
Balance of advance against issue of shares	705,925	367,487 *
<b>Other related parties</b>		
<b>Remuneration of Chief Executive and Executives</b>		
Remuneration including benefits and perquisites of chief executive and other executives. No. of persons 2006:1 and 280 (2005:1 and 229) respectively	504,954	385,290
<b>Payments to:</b>		
Employees' Provident Fund Trust	92,938	82,775
Employees' Gratuity Fund Trust	44,548	35,825
Employees' Pension Fund Trust	36,438	33,178

\* Comparative figures of receivable/payable balances are as of December 31, 2005.

## Notes to the Financial Statements

For the period ended September 30, 2006 (Un-Audited)

### 15 GENERAL

- 15.1 The Board of Directors in their meeting held on October 27, 2006 have proposed third interim dividend of Rs.1.85 per share .
- 15.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 15.3. Comparative figures have been rearranged / regrouped wherever necessary for the purpose of comparison.
- 15.4 These financial statements have been authorised for issue by the Board of Directors of the Company on October 27, 2006.

  
Chairman

  
Chief Executive

  
Director





Consolidated  
Financial Statements

## Consolidated Balance Sheet

As at September 30, 2006 (Un-audited)

		September 30,	December 31,
	Note	2006	2005
(Rupees '000)			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	4	4,934,742	4,934,742
Capital reserve		276,184	276,184
Revenue reserves	5	6,432,417	6,407,444
		11,643,343	11,618,370
<b>MINORITY INTEREST</b>		3,989,449	3,793,197
		15,632,792	15,411,567
<b>NON CURRENT LIABILITIES</b>	6	8,944,568	10,167,878
<b>DEFERRED TAXATION</b>		4,353,292	3,723,283
<b>CURRENT LIABILITIES</b>			
Trade and other payables		5,442,186	9,380,596
Interest and mark-up accrued		221,257	175,992
Short term borrowings		9,382,631	4,741,612
Current portion of long term:			
- Financing		1,762,604	2,262,603
- Murabaha		38,679	80,346
- Loans		648,201	648,201
- Liabilities against assets subject to finance lease		2,535	4,015
Taxation		1,238,442	1,414,418
		18,736,535	18,707,783
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
		47,667,187	48,010,511

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

		September 30,	December 31,
	Note	2006	2005
(Rupees '000)			
<b>PROPERTY, PLANT AND EQUIPMENT</b>	8	24,339,847	23,747,830
<b>GOODWILL</b>		1,595,387	1,673,849
<b>LONG TERM INVESTMENTS</b>	9	3,064,266	2,039,951
<b>LONG TERM LOANS AND ADVANCES</b>		71,658	64,545
<b>LONG TERM DEPOSITS AND PREPAYMENTS</b>		19,400	20,830
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		2,853,107	2,731,400
Stock in trade		7,744,728	1,583,429
Trade debts		1,598,536	774,794
Loans and advances		149,293	154,626
Deposits and prepayments		77,756	29,403
Other receivables		1,187,790	890,874
Short term investments	10	1,176,598	6,195,252
Cash and bank balances		3,788,821	8,103,728
		18,576,629	20,463,506
		47,667,187	48,010,511

  
Chairman

  
Chief Executive

  
Director

## Consolidated Profit and Loss Account

### For the period ended September 30, 2006 (Un-Audited)

Note	For the quarter ended		For the period ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
	(Rupees '000)			
Sales	8,856,172	10,917,746	27,363,650	27,235,368
Cost of sales	11 6,098,454	7,183,267	18,445,001	17,291,498
<b>GROSS PROFIT</b>	<b>2,757,718</b>	<b>3,734,479</b>	<b>8,918,649</b>	<b>9,943,870</b>
Administrative expenses and distribution cost	1,049,781	875,621	3,024,979	2,456,786
	1,707,937	2,858,858	5,893,670	7,487,084
Finance cost	224,825	144,946	610,776	394,723
Other expenses	183,442	254,201	583,632	637,601
	1,299,670	2,459,711	4,699,262	6,454,760
Other income	12 186,608	243,790	1,407,430	1,286,139
<b>NET PROFIT BEFORE TAXATION</b>	<b>1,486,278</b>	<b>2,703,501</b>	<b>6,106,692</b>	<b>7,740,899</b>
Provision for taxation	547,600	1,061,385	2,219,009	2,870,083
<b>NET PROFIT AFTER TAXATION</b>	<b>938,678</b>	<b>1,642,116</b>	<b>3,887,683</b>	<b>4,870,816</b>
<b>ATTRIBUTABLE TO:</b>				
Equity holders of Fauji Fertilizer Company Limited	773,875	1,326,330	3,232,555	3,903,661
Minority interest	164,803	315,786	655,128	967,155
	938,678	1,642,116	3,887,683	4,870,816

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

  
Chairman

  
Chief Executive

  
Director

**Consolidated Cash Flow Statement**  
**For the period ended September 30, 2006 (Un-Audited)**

	Note	September 30,	September 30,
		2006	2005
(Rupees'000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in)/ generated from operations	13	(4,956,058)	7,488,310
Finance cost paid		(568,731)	(337,651)
Income tax paid		(1,840,662)	(1,082,680)
Compensation received from GOP-net		51,800	-
Net cash (used in)/generated from operating activities		(7,313,651)	6,067,979
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(1,910,498)	(1,343,643)
Proceeds from sale of property, plant and equipment		12,576	19,668
Interest received		719,140	507,388
Investment in Pakistan Maroc Phosphore S.A., Morocco		(1,015,313)	(563,862)
Increase in investments		(100,746)	1,125,968
Net cash used in investing activities		(2,294,841)	(254,481)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing - disbursement		500,000	-
Long term financing - repayments		(1,543,782)	(1,978,484)
Long term loans - repayment		-	(871)
Long term murabaha - repayments		(70,675)	(70,676)
Finance lease paid		(3,798)	(5,326)
Increase in short term borrowings		4,854,659	1,457,596
Dividends paid		(3,344,637)	(3,871,494)
Net cash generated from / (used in) financing activities		391,767	(4,469,255)
Net (decrease)/increase in cash and cash equivalents		(9,216,725)	1,344,243
Cash and cash equivalents at beginning of the period		11,871,419	8,010,318
Effect of exchange rate changes		88	2,007
Cash and cash equivalents at close of the period		2,654,782	9,356,568
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		3,788,821	7,473,520
Short term running finances		(2,023,009)	(1,284,052)
Short term highly liquid investments		888,970	3,167,100
		2,654,782	9,356,568

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

  
**Chairman**

  
**Chief Executive**

  
**Director**

## Consolidated Statement of Changes in Equity

### For the period ended September 30, 2006 (Un-Audited)

	ATTRIBUTABLE TO EQUITY HOLDERS OF FFC					Minority Interest	Total Equity
	Share capital	Capital reserve	Reserve for issue of bonus shares	General reserve	Unappropriated profit/(loss)		
	(Rupees '000')						
Balance at January 01, 2005							
as previously reported	2,949,703	276,184	442,455	7,450,000	58,753	3,508,218	14,685,313
Transfer to general reserve							
due to change in accounting policy (note 3.1)	-	-	(442,455)	450,000	(7,545)	-	-
Restated balance at January 01, 2005	2,949,703	276,184	-	7,900,000	51,208	3,508,218	14,685,313
Net profit for the period							
ended September 30, 2005	-	-	-	-	3,903,661	967,155	4,870,816
Dividends							
Final 2004: Rs. 3.00 per share	-	-	-	-	(884,911)	-	(884,911)
First interim 2005: Rs. 2.50 per share	-	-	-	-	(848,039)	-	(848,039)
Second interim 2005: Rs. 4.00 per share	-	-	-	-	(1,560,393)	-	(1,560,393)
FFBL Dividend							
First interim 2005: Rs. 1.25 per share	-	-	-	-	-	(573,597)	(573,597)
Bonus shares issued	1,536,426	-	-	(450,000)	(1,086,426)	-	-
Restated balance at September 30, 2005	<u>4,486,129</u>	<u>276,184</u>	<u>-</u>	<u>7,450,000</u>	<u>(424,900)</u>	<u>3,901,776</u>	<u>15,689,189</u>
Balance at January 01, 2006							
as previously reported	4,934,742	276,184	-	7,290,000	(882,556)	3,793,197	15,411,567
Transfer to general reserve							
due to change in accounting policy (note 3.1)	-	-	-	100,000	(100,000)	-	-
Restated balance at January 01, 2006	4,934,742	276,184	-	7,390,000	(982,556)	3,793,197	15,411,567
Net profit for the period							
ended September 30, 2006	-	-	-	-	3,232,555	655,128	3,887,683
Transfer to unappropriated profit	-	-	-	(100,000)	100,000	-	-
Dividends:							
Final 2005: Rs. 2.25 per share	-	-	-	-	(1,110,317)	-	(1,110,317)
First interim 2006: Rs. 2.25 per share	-	-	-	-	(1,110,317)	-	(1,110,317)
Second interim 2006: Rs. 2.00 per share	-	-	-	-	(986,948)	-	(986,948)
FFBL Dividend							
Final 2005: Re 0.50 per share	-	-	-	-	-	(229,438)	(229,438)
First interim 2006: Re 0.50 per share	-	-	-	-	-	(229,438)	(229,438)
Balance at September 30, 2006	<u>4,934,742</u>	<u>276,184</u>	<u>-</u>	<u>7,290,000</u>	<u>(857,583)</u>	<u>3,989,449</u>	<u>15,632,792</u>

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

  
Chairman

  
Chief Executive

  
Director

## Notes to the Consolidated Financial Statements

For the period ended September 30, 2006 (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 consolidated financial statements are un-audited and are presented in condensed form in accordance with the requirements of International Accounting Standard IAS 34 'Interim Financial Reporting'.
3. Accounting policies, related judgements, estimates and assumptions adopted for preparation of these consolidated financial statements are the same as those applied in preparation of the annual consolidated financial statements for the year ended December 31, 2005 except for the following change in accounting policy:
  - 3.1 Declarations of bonus shares and other reserves' appropriations after the balance sheet date but before the authorisation of financial statements for issue are now recognized in the period in which these announcements or appropriations are made in compliance with the Circular No.06/2006 dated June 19, 2006 of the Institute of Chartered Accountants of Pakistan. Previously such declarations and appropriations were recognized at the balance sheet date.

Comparative figures have been restated in compliance with International Accounting Standard 8 " Accounting policies, Changes in Accounting Estimates and Errors". Had the policy not been changed, reserve for issue of bonus shares as at September 30, 2005 would have been higher by Rs 448,613 thousand and general reserve as at September 30, 2005 and December 31, 2005 would have been lower by Rs 60,000 thousand and Rs 100,000 thousand respectively with corresponding effect on un-appropriated profit as at respective period/year end.

	September 30, 2006	December 31, 2005
	(Rupees '000)	
<b>4. SHARE CAPITAL</b>		
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
<b>(Numbers)</b>		
256,495,902 Ordinary shares of Rs 10 each fully paid 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 (2005: 500,000,000) ordinary shares of Rs 10 each amounting to Rs. 5,000,000 thousand.

	September 30, 2006	December 31, 2005 (Restated)
	(Rupees '000)	
<b>5. REVENUE RESERVES</b>		
General reserve	7,290,000	7,390,000
Unappropriated loss	(857,583)	(982,556)
	<u>6,432,417</u>	<u>6,407,444</u>

## Notes to the Consolidated Financial Statements

For the period ended September 30, 2006 (Un-Audited)

	Note	September 30, 2006	December 31, 2005
		(Rupees '000)	
<b>6. NON CURRENT LIABILITIES</b>			
Long term financing - secured	6.1	4,076,146	5,119,928
Long term murabaha - secured	6.2	183,722	254,397
Long term loan - Government of Pakistan loan FFBL (Un-secured)	6.3	7,130,208	7,778,409
Liabilities against assets subject to finance lease		3,976	10,309
		<u>11,394,052</u>	<u>13,163,043</u>
Less: Amount payable within twelve months shown as current maturity		<u>(2,449,484)</u>	<u>(2,995,165)</u>
		<u>8,944,568</u>	<u>10,167,878</u>
<b>6.1 Movement in this account during the period/ year is as follows:</b>			
Opening balance		5,119,928	7,720,960
Disbursements during the period/year		500,000	-
Repayments during the period/year		(1,543,782)	(2,601,032)
Closing balance		<u>4,076,146</u>	<u>5,119,928</u>
<b>6.2 Movement in this account during the period/ year is as follows:</b>			
Opening balance		254,397	334,741
Repayments during the period/year		(70,675)	(80,344)
Closing balance		<u>183,722</u>	<u>254,397</u>
<b>6.3 Movement in this account during the period/ year is as follows:</b>			
Opening balance		7,778,409	8,426,610
Adjustment during the period/year		(648,201)	(648,201)
Closing balance		<u>7,130,208</u>	<u>7,778,409</u>
<b>7. CONTINGENCIES AND COMMITMENTS</b>			
<b>a) Contingencies</b>			
i) Guarantees issued by banks on behalf of the Group companies.		44,263	41,176
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.		295,590	295,590
iii) Income tax demands raised on income on local currency bank deposits/ unrealized exchange gain, which have been challenged and are currently in appeal; FFBL expects favourable outcome in appeal.		50,727	57,147
iv) Claims against the Group companies and/or potential exposure not acknowledged as debt.		74,772	74,772
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

**Notes to the Consolidated Financial Statements**  
**For the period ended September 30, 2006 (Un-Audited)**

	Note	September 30,	December 31,
		2006	2005
		(Rupees '000)	
<b>b) Commitments in respect of:</b>			
i) Capital expenditure.		3,103,245	2,814,386
ii) Purchase of fertilizer, stores, spares and other revenue items.		695,994	1,151,064
iii) Commitment for equity investment in Pakistan Maroc Phosphore S.A. Moroccan Dirhams Nil (2005: MAD 140,625 thousand), equivalent approx.		–	933,750
iv) Rentals under lease agreements:			
Premises		120,374	99,538
Vehicles		221,328	232,577
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Opening written down value		23,747,830	23,720,065
Additions during the period/year		1,910,498	2,216,140
Written down value of disposals/ adjustments		(1,455)	(479,471)
Depreciation during the period/ year		(1,317,026)	(1,708,904)
Closing written down value		<u>24,339,847</u>	<u>23,747,830</u>
<b>9. LONG TERM INVESTMENTS</b>			
Pakistan Maroc Phosphore S.A., Morocco		2,117,075	1,101,762
Investment available for sale			
Certificates of investment		284,607	279,998
Investments held to maturity			
Pakistan Investment Bonds		600,000	600,000
Term Finance Certificates		149,940	99,980
		<u>749,940</u>	<u>699,980</u>
		3,151,622	2,081,740
Less: Current portion shown under short term investments	10		
Investment available for sale			
Certificates of investment		87,296	41,749
Investment held to maturity			
Term Finance Certificates		60	40
		<u>87,356</u>	<u>41,789</u>
		<u>3,064,266</u>	<u>2,039,951</u>



## Notes to the Consolidated Financial Statements

### For the period ended September 30, 2006 (Un-Audited)

	September 30, 2006	December 31, 2005
	(Rupees '000)	
<b>10. SHORT TERM INVESTMENTS</b>		
Term deposits with banks and financial institutions		
Foreign currency		
Held to maturity	875,722	905,963
Presentation currency		
Held to maturity	-	4,650,000
Available for sale (net of provision for doubtful recovery Rs 13,000 thousand ; 2005: Rs 13,000 thousand)	-	500,000
Investments at fair value through profit or loss		
Meezan Balanced Fund	93,000	97,500
National Investment Trust	100,000	-
Nafa cash Fund	20,520	-
	213,520	97,500
Current portion of long term investments	87,356	41,789
	<u>1,176,598</u>	<u>6,195,252</u>

	For the quarter ended September 30, 2006	For the quarter ended September 30, 2005	For the period ended September 30, 2006	For the period ended September 30, 2005
	(Rupees '000)			
<b>11. COST OF SALES</b>				
Raw materials consumed	3,278,796	2,954,640	9,046,568	8,467,204
Fuel and power	1,304,133	1,037,769	3,598,186	2,844,136
Chemicals and supplies	61,486	54,621	166,889	158,481
Salaries, wages and benefits	451,360	411,350	1,360,841	1,193,368
Rent, rates and taxes	12,593	7,491	31,906	24,277
Insurance	38,101	33,841	109,593	102,097
Travel and conveyance	40,190	26,685	104,007	86,231
Repairs and maintenance	268,456	178,823	778,712	551,379
Depreciation	441,722	416,716	1,302,933	1,225,247
Communication, establishment and other expenses	114,631	102,659	314,802	318,426
Provision for slow moving and surplus spares	-	-	5,471	4,297
Opening stock - work in process	23,938	16,369	19,532	14,674
Closing stock - work in process	(21,929)	(31,677)	(21,929)	(31,677)
Cost of goods manufactured	6,013,477	5,209,287	16,817,511	14,958,140
Add: Opening stock - manufactured fertilizers	1,252,823	864,738	418,109	61,787
Less: Closing stock - manufactured fertilizers	(2,553,472)	(368,467)	(2,553,472)	(368,467)
	(1,300,649)	496,271	(2,135,363)	(306,680)
Cost of sales - own manufactured fertilizers	4,712,828	5,705,558	14,682,148	14,651,460
Opening stock - purchased fertilizers	2,172,343	419,119	491,193	161,447
Purchase of fertilizers for resale	3,804,093	1,843,690	7,862,470	3,263,691
	5,976,436	2,262,809	8,353,663	3,425,138
Less: Closing stock - purchased fertilizers	(4,590,810)	(785,100)	(4,590,810)	(785,100)
Cost of sale - purchased fertilizers	1,385,626	1,477,709	3,762,853	2,640,038
	<u>6,098,454</u>	<u>7,183,267</u>	<u>18,445,001</u>	<u>17,291,498</u>
<b>12. OTHER INCOME</b>				
Others	186,608	243,790	707,430	586,139
Compensation from Government of Pakistan-FFBL	-	-	700,000	700,000
	<u>186,608</u>	<u>243,790</u>	<u>1,407,430</u>	<u>1,286,139</u>

**Notes to the Consolidated Financial Statements**  
**For the period ended September 30, 2006 (Un-Audited)**

	September 30, 2006	September 30, 2005
	(Rupees '000)	
<b>13. CASH (USED IN)/ GENERATED FROM OPERATIONS</b>		
Net profit before taxation	6,106,692	7,740,899
Adjustments for:		
Depreciation	1,317,026	1,242,247
Provision for gratuity, pension and leave encashment	103,322	31,204
Amortization of goodwill	78,462	78,462
Provision for slow moving and surplus spares	5,471	-
Finance cost	610,776	394,723
Income on loans, deposits and investments	(635,126)	(543,556)
Compensation from GOP	(700,000)	(700,000)
Gain on sale of property, plant and equipment	(11,121)	(10,777)
Exchange gain	(5,819)	(8,684)
Loss on remeasurement of investments at fair value through profit or loss	3,980	20,992
	<u>766,971</u>	<u>504,611</u>
	6,873,663	8,245,510
Changes in working capital		
(Increase)/decrease in current assets:		
Stores and spares	(127,178)	(235,115)
Stock in trade	(6,161,299)	(1,233,461)
Trade debts	(823,742)	1,049,914
Loans and advances	5,333	88,369
Deposits and prepayments	(48,353)	(39,403)
Other receivables	201,633	217,842
(Decrease)/ increase in current liabilities:		
Trade and other payables	(4,870,432)	(610,342)
	<u>(11,824,038)</u>	<u>(762,196)</u>
Changes in long term loans and advances	(7,113)	5,965
Changes in long term deposits and prepayments	1,430	(969)
	<u>(4,956,058)</u>	<u>7,488,310</u>

## Notes to the Consolidated Financial Statements

### For the period ended September 30, 2006 (Un-Audited)

#### 14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	September 30, 2006	September 30, 2005
	(Rupees '000)	
<b>Associates</b>		
<b>Fauji Foundation</b>		
Office rent	2,657	2,318
Bonus shares issued	–	681,405
Dividends paid	1,499,276	1,460,598
Sale of fertilizer	520	420
Medical services	4	–
Goods sold to the project	–	664
Balance receivable, unsecured	903	702 *
<b>Mari Gas Company Limited</b>		
Purchase of gas as feed and fuel stock	5,955,771	5,039,378
Balance payable, unsecured	378,782	348,511 *
<b>Haldor Topsoe A/s, Denmark</b>		
Technical services received	12,086	11,841
Catalysts purchased	136,092	185,708
<b>Pak Kuwait Investment Company (Pvt) Limited</b>		
Financial charges on loan	15,023	12,831
Principal repayment	34,286	22,858
Loan and financial charges payable	221,954	257,000
Dividends paid	1,915	–
<b>Moroc Phosphore S.A., Morocco</b>		
Raw material purchased	4,064,930	3,929,675
Balance payable, unsecured	1,135,890	1,077,141 *
<b>Pakistan Maroc Phosphore S.A., Morocco</b>		
Contribution towards equity	1,015,313	563,862
Balance of advance against issue of shares	2,117,075	1,101,762 *
<b>Other related parties</b>		
<b>Remuneration to chief executive and other executives</b>		
Remuneration including benefits and perquisites of Chief Executive and other executives. No of persons 2006: 2 and 354. (2005: 2 and 276) respectively.	647,198	470,632
<b>Payment to:</b>		
Employees' Provident Fund Trust	101,589	90,081
Employees' Gratuity Fund Trust	53,476	35,825
Employees' Pension Fund Trust	36,438	33,178

\* Comparative figures of receivable/payable balances are as of December 31, 2005.

## Notes to the Consolidated Financial Statements

For the period ended September 30, 2006 (Un-Audited)

### 15. GENERAL

- 15.1 The Board of Directors of FFC in their meeting held on October 27, 2006 proposed a third interim dividend of Rs. 1.85 per share while a dividend of Re. 0.75 per share has been proposed by the Board of Directors of FFBL on October 19, 2006.
- 15.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 15.3 Comparative figures have been rearranged / regrouped wherever necessary for the purpose of comparison.
- 15.4 These consolidated financial statements have been authorised for issue by the Board of Directors of FFC on October 27, 2006.



Chairman



Chief Executive



Director