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Quarterly
FINANCIAL STATEMENTS
September 30, 2009 (Un-Audited)



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



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FFC FAUJI FERTILIZER COMPANY LIMITED



Company Information

BOARD OF DIRECTORS

Lt Gen Hamid Rab Nawaz, HI(M) (Retired)
Chairman

Lt Gen Malik Arif Hayat, HI(M) (Retired)
Chief Executive and Managing Director

Mr Jorgen Madsen
Mr Qaiser Javed
Mr Tariq Iqbal Khan
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 Shahid Aziz Siddiqi
Mr Shahid Anwar Khan
Mr Khizar Hayat Khan

CHIEF FINANCIAL OFFICER

Syed Shahid Hussain
Tel: +92-51-9272339, Fax: +92-51-9272337
E-mail: shahid_hussain@ffc.com.pk

COMPANY SECRETARY

Brig Khalid Kibriya (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
Website: www.ffc.com.pk
E-mail: ffcwp@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: +92-42-36369137-40, Fax: +92-42-36366324

KARACHI OFFICE

B-35, KDA Scheme No. 1, Karachi.
Tel: +92-21-34390115-16, Fax: +92-21-34390117 & 34390122

AUDITORS

M/s KPMG Taseer Hadi & Co.
Chartered Accountants

SHARES REGISTRAR

THK Associates (Pvt) Limited
Ground Floor, State Life Building – 3,
Dr. Ziauddin Ahmed Road,
Karachi – 75530
Tel: +92-21-111-000-322, Fax: +92-21-35655595

Directors' Review

For the Nine Months Ended September 30, 2009

Dear Shareholders,

I am very pleased to report that continued emphasis on higher productivity, efficiency improvement and cost reduction by the Company has contributed towards achieving the commendable performance during the nine months period ended September 30, 2009.

Many new benchmarks have been established in terms of production, marketing and dispatches and your Company scaled new heights by achieving the highest profit after tax of Rs. 6.64 billion, translating into earning per share of Rs. 9.78, compared to Rs.7.85 earned in the same period of 2008.

All three plants of the Company operated at an aggregate average capacity of 122%. 'Sona' urea production for the period at 1,869 thousand tonnes was up by 5% while sales increased to 1,859 thousand tonnes against 1,798 thousand tonnes sold in the same period of 2008. In addition, the Company sold 441 thousand tonnes granular urea and 537 thousand tonnes 'Sona' DAP on behalf of FFBL, and the combined market shares in urea and DAP sales were 50% and 47% respectively.

Earnings from sources other than fertilizer sales amounted to Rs. 2,075 million which include dividend income of Rs. 1,350 million from associated companies and earnings on investments at Rs. 725 million, up by 77% compared to same period last year.

In order to ensure that the shareholders of the Company get sustained and stable return on their investment, the Board, in view of better operating performance, is pleased to approve third interim dividend @ Rs. 3.00 per share, making a total payout of Rs. 9.90 per share to-date, which represents a payout ratio of 101% on the enhanced capital.

We have elaborated plans for transformation of the entire IT architecture of the Company by implementing ERP systems which will simplify our internal procedures thereby reducing the transactional cost and standardization of business processes resulting in improved productivity, cost savings, and a much better bottom line.

Although Pakistan is responsible for only 0.4 percent of annual global emission of greenhouse gases, it ranks 12th in the list of those most affected by climate change and there is an urgent need to develop high-yield, drought/ salinity resistant varieties of crops, especially wheat and rice, to protect our agriculture from the disastrous impacts of global warming.

Fertilizer use in Pakistan has tripled in case of nitrogenous fertilizer during past two decades while the use of phosphatic fertilizer has increased nine times during this period without corresponding

increase in the productivity of major crops. In order to promote awareness on the balanced use of fertilizers, the Company's Mobile Farm Extension Services Units provide extension support to farmers contributing significantly to better crop quality and increase in yields. Your Company will continue its efforts to ensure that awareness on balanced use of fertilizers gradually increases amongst the farming community with an aim to increase agricultural productivity at the national level and, consequently, the returns to the farmer.

Urea demand is expected to remain strong in the backdrop of short supply situation which is expected to persist in the near term. It is extremely important that the Government expedites import of sufficient quantity of urea to ensure adequate supplies for the Rabi season to avert any shortage.

With the additional urea capacity coming online by mid next year, it is expected that product availability will outstrip the local demand in the short term. While we hope that urea manufacturers would be allowed to export surplus production at local retention prices, with the Government retaining the excess revenues, any regulatory delays in the approvals could lead to supply glut in the Country leading to risks of lower capacity utilization, depressed off-takes and poor margins.

On behalf of the Board,



Chairman

Lt Gen Hamid Rab Nawaz
HI(M), (Retired)

Goth Machhi
October 24, 2009



**Condensed Interim
Financial Statements**

Condensed Interim Balance Sheet

As at September 30, 2009

		Un-audited September 30, 2009 (Rupees '000)	Audited December 31, 2008
	Note		
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	6,785,271	4,934,742
Capital reserve		160,000	160,000
Revenue reserves	5	5,981,517	7,190,471
		12,926,788	12,285,213
NON-CURRENT LIABILITIES			
Long term borrowings	6	3,803,809	5,378,214
Deferred taxation		2,643,900	2,431,895
		6,447,709	7,810,109
CURRENT LIABILITIES			
Trade and other payables		5,347,578	5,993,674
Interest and mark - up accrued		196,661	194,570
Short term borrowings		1,003,568	3,114,000
Current portion of long term borrowings		1,739,405	743,036
Taxation		2,769,499	1,778,361
		11,056,711	11,823,641
		30,431,208	31,918,963

CONTINGENCIES AND COMMITMENTS 7

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

ASSETS

NON-CURRENT ASSETS

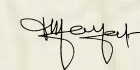
	Note	Un-audited September 30, 2009 (Rupees '000)	Audited December 31, 2008
Property, plant and equipment	8	13,527,936	12,730,813
Goodwill		1,569,234	1,569,234
Long term investments	9	7,907,970	7,744,779
Long term loans and advances		261,349	163,102
Long term deposits and prepayments		6,450	1,524
		23,272,939	22,209,452

CURRENT ASSETS

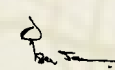
Stores, spares and loose tools		3,247,013	3,034,268
Stock in trade		211,609	258,094
Trade debts		249,944	495,929
Loans and advances		216,720	136,944
Deposits and prepayments		103,714	107,369
Other receivables		608,366	1,233,479
Short term investments	10	1,777,650	3,511,563
Cash and bank balances		743,253	931,865
		7,158,269	9,709,511
		30,431,208	31,918,963



Chairman



Chief Executive



Director

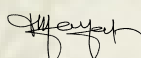
Condensed Interim Profit and Loss Account (Un-Audited)

For the period ended September 30, 2009

		For the quarter ended		For the period ended	
	Note	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
		(Rupees '000)		(Rupees '000)	
Sales		8,836,790	9,354,100	25,733,642	23,379,351
Cost of sales	11	4,925,925	5,518,956	14,207,282	13,425,928
GROSS PROFIT		3,910,865	3,835,144	11,526,360	9,953,423
Distribution cost		809,239	665,132	2,317,330	1,922,714
		3,101,626	3,170,012	9,209,030	8,030,709
Finance cost		306,409	161,852	826,268	392,070
Other expenses		275,194	281,244	895,476	691,618
		2,520,023	2,726,916	7,487,286	6,947,021
Other income		510,788	493,520	2,075,514	1,171,729
NET PROFIT BEFORE TAXATION		3,030,811	3,220,436	9,562,800	8,118,750
Provision for taxation		940,000	1,183,000	2,924,000	2,795,000
NET PROFIT AFTER TAXATION		2,090,811	2,037,436	6,638,800	5,323,750
			Restated		Restated
Earnings per share - basic and diluted (Rupees)	12	3.08	3.00	9.78	7.85

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


Chairman


Chief Executive


Director

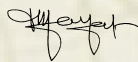
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the period ended September 30, 2009

	For the quarter ended		For the period ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
	(Rupees '000)		(Rupees '000)	
Net profit after taxation	2,090,811	2,037,436	6,638,800	5,323,750
Other comprehensive income for the period				
Surplus / (deficit) on remeasurement of investments available for sale to fair value	(6,600)	(16,679)	35,167	(69,503)
Income tax relating to component of other comprehensive income	2,307	5,575	(12,006)	24,064
Other comprehensive income for the period - net of tax	(4,293)	(11,104)	23,161	(45,439)
Total comprehensive income for the period	<u>2,086,518</u>	<u>2,026,332</u>	<u>6,661,961</u>	<u>5,278,311</u>

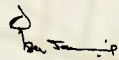
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive



Director

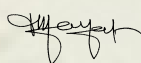
Condensed Interim Cash Flow Statement (Un-Audited)

For the period ended September 30, 2009

		September 30,	September 30,
	Note	2009	2008
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	9,214,515	11,005,351
Finance cost paid		(824,177)	(417,645)
Income tax paid		(1,732,863)	(1,522,936)
Payment to gratuity fund		(74,715)	(50,327)
Payment to pension fund		(78,963)	(44,530)
Payment to workers' welfare fund		(200,821)	(151,813)
Receipt from / (payments to) workers' profit participation fund		81,671	(470,000)
Net cash generated from operating activities		6,384,647	8,348,100
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,594,636)	(2,292,007)
Proceeds from sale of property, plant and equipment		11,634	10,104
Interest received		401,393	233,401
Investment in Fauji Cement Company Limited		–	(1,500,000)
Decrease / (increase) in investments		603,601	(778,118)
Dividend received		1,306,891	760,373
Net cash generated from / (used in) investing activities		728,883	(3,566,247)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term borrowings - disbursements		–	3,450,000
- repayments		(578,036)	(813,750)
Decrease in short term borrowings		–	(2,931,081)
Dividends paid		(6,394,313)	(4,000,866)
Net cash used in financing activities		(6,972,349)	(4,295,697)
Net increase in cash and cash equivalents		141,181	486,156
Cash and cash equivalents at beginning of the period		739,929	3,344,262
Effect of exchange rate changes		693	2,325
Cash and cash equivalents at end of the period		881,803	3,832,743
CASH AND CASH EQUIVALENTS			
Cash and bank balances		743,253	3,354,766
Short term highly liquid investments		1,142,118	841,471
Short term running finance		(1,003,568)	(363,494)
		881,803	3,832,743

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


Chairman


Chief Executive


Director

Condensed Interim Statement of Changes in Equity (Un-Audited)
For the period ended September 30, 2009

	Revenue reserves					
	(Deficit)/surplus on remeasurement of investments available for sale to fair value					
	Share capital	Capital reserve	General reserve	Unappropriated profit	Total	
	(Rupees' 000')					
Balance at January 1, 2008	4,934,742	160,000	38,154	5,940,000	1,657,149	12,730,045
Transfer from general reserve	-	-	-	(100,000)	100,000	-
Total comprehensive income for the period						
Profit for the period after taxation	-	-	-	-	5,323,750	5,323,750
Other comprehensive income						
Deficit on remeasurement of investments available for sale to fair value	-	-	(69,503)	-	-	(69,503)
Income tax relating to component of other comprehensive income	-	-	24,064	-	-	24,064
Total other comprehensive income for the period-net of tax	-	-	(45,439)	-	-	(45,439)
Total comprehensive income for the period	-	-	(45,439)	-	5,323,750	5,278,311
Distribution to owners						
Final dividend 2007: Rs 3.50 per share	-	-	-	-	(1,727,160)	(1,727,160)
First interim dividend 2008: Rs 3.50 per share	-	-	-	-	(1,727,160)	(1,727,160)
Second interim dividend 2008: Rs 3.00 per share	-	-	-	-	(1,480,423)	(1,480,423)
Total transactions with owners	-	-	-	-	(4,934,743)	(4,934,743)
Balance as at September 30, 2008	<u>4,934,742</u>	<u>160,000</u>	<u>(7,285)</u>	<u>5,840,000</u>	<u>2,146,156</u>	<u>13,073,613</u>
Balance at January 1, 2009	4,934,742	160,000	(23,121)	5,840,000	1,373,592	12,285,213
Transfer from general reserve	-	-	-	(250,000)	250,000	-
Total comprehensive income for the period						
Profit for the period after taxation	-	-	-	-	6,638,800	6,638,800
Other comprehensive income						
Surplus on remeasurement of investments available for sale to fair value	-	-	35,167	-	-	35,167
Income tax relating to component of other comprehensive income	-	-	(12,006)	-	-	(12,006)
Total other comprehensive income for the period-net of tax	-	-	23,161	-	-	23,161
Total comprehensive income for the period	-	-	23,161	-	6,638,800	6,661,961
Distribution to owners						
Bonus shares issued	1,850,529	-	-	(1,850,529)	-	-
Final dividend 2008: Rs 3.25 per share	-	-	-	-	(1,603,791)	(1,603,791)
First interim dividend 2009: Rs 4.30 per share	-	-	-	-	(2,652,424)	(2,652,424)
Second interim dividend 2009: Rs 2.60 per share	-	-	-	-	(1,764,171)	(1,764,171)
Total transactions with owners	1,850,529	-	-	(1,850,529)	(6,020,386)	(6,020,386)
Balance as at September 30, 2009	<u>6,785,271</u>	<u>160,000</u>	<u>40</u>	<u>3,739,471</u>	<u>2,242,006</u>	<u>12,926,788</u>

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

Chairman

Chief Executive

Director

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

For the period ended September 30, 2009

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, chemical and other manufacturing operations.
2. These interim 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 interim financial statements are presented in condensed form in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended December 31, 2008. Comparative figures of the balance sheet are extracted from the audited annual financial statements for the year ended December 31, 2008 whereas comparative profit and loss account, statement of changes in equity and statement of cash flows are stated from un-audited condensed interim financial statements for the period ended September 30, 2008.
3. Except as described below, the accounting policies and estimates adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of audited financial statements for the preceding year ended December 31, 2008.

3.1 Presentation of financial statements

The Company applies revised IAS 1 "Presentation of Financial Statements", which became effective from January 01, 2009. The company has accordingly presented all changes in owners equity in the statement of changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. This presentation has been applied as of and for the period ended on September 30, 2009.

Comparative information has been presented in conformity with the revised standard. The change in accounting policy impacts presentation only without any impact on earnings per share.

4. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

(Numbers)			Un-audited September 30, 2009	Audited December 31, 2008
September 30, 2009	December 31, 2008		(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs 10 each issued for consideration in cash.	2,564,959	2,564,959
422,031,163	236,978,328	Ordinary shares of Rs 10 each issued as fully paid bonus shares.	4,220,312	2,369,783
678,527,065	493,474,230		6,785,271	4,934,742

AUTHORISED SHARE CAPITAL

This represents 1,000,000,000 (2008: 500,000,000) ordinary shares of Rs 10 each amounting to Rs 10,000,000 thousand (2008: Rs 5,000,000 thousand).

Notes to the Condensed Interim Financial Statements
For the period ended September 30, 2009

	Note	Un-audited September 30, 2009 (Rupees '000)	Audited December 31, 2008
5. REVENUE RESERVES			
General reserve		3,739,471	5,840,000
Surplus / (deficit) on remeasurement of available for sale investments to fair value - net of tax		40	(23,121)
Unappropriated profit		2,242,006	1,373,592
		<u>5,981,517</u>	<u>7,190,471</u>
6. LONG TERM BORROWINGS			
Long term borrowings - secured	6.1	5,543,214	6,121,250
Less: Amount payable within twelve months shown as current maturity		1,739,405	743,036
		<u>3,803,809</u>	<u>5,378,214</u>
6.1 Movement in this account during the period / year is as follows:			
Opening balance		6,121,250	3,693,750
Disbursements during the period / year		—	3,450,000
Repayments during the period / year		(578,036)	(1,022,500)
Closing balance		<u>5,543,214</u>	<u>6,121,250</u>
7. CONTINGENCIES AND COMMITMENTS			
(a) Contingencies			
(i) Guarantees issued by banks on behalf of the Company.		17,192	17,100
(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.		178,590	178,590
(iii) Claims against the Company and/ or potential exposure not acknowledged as debt.		50,696	50,696
(iv) Company's share of contingent liabilities of Fauji Cement Company Limited as at June 30, 2009/ September 30, 2008.		185,290	156,165
(b) Commitments in respect of:			
(i) Capital expenditure.		2,358,760	3,122,914
(ii) Purchase of fertilizer, stores, spares and other revenue items.		132,664	201,521
(iii) Rentals under lease agreements:			
Premises		68,771	78,078
Vehicles		262,621	248,455

Notes to the Condensed Interim Financial Statements

For the period ended September 30, 2009

	Un-audited	Audited
	September 30,	December 31,
Note	2009	2008
	(Rupees '000)	
8. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	12,730,813	10,390,490
Additions	1,594,636	4,590,988
Written down value of disposals / adjustments	(4,198)	(1,359,151)
Depreciation	(793,315)	(891,514)
Closing written down value	13,527,936	12,730,813
9. LONG TERM INVESTMENTS		
Investment in associate - at cost		
Fauji Cement Company Limited	1,500,000	1,500,000
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	241,032	232,647
Pakistan Investment Bonds	602,573	568,271
Term Finance Certificates	138,307	47,453
	981,912	848,371
	7,940,167	7,806,626
Less: Current portion shown under short term investments	10	
Investments available for sale		
Certificates of investment	32,177	61,828
Term Finance Certificates	20	19
	32,197	61,847
	7,907,970	7,744,779
10. SHORT TERM INVESTMENTS		
Available for sale		
Term deposits with banks and financial institutions		
Local currency	60,000	1,875,000
Foreign currency	1,075,812	1,033,936
Investments at fair value through profit or loss - held for trading	609,641	540,780
Current maturity of long term investments	9	
	32,197	61,847
	1,777,650	3,511,563

Notes to the Condensed Interim Financial Statements (Un-Audited)
For the period ended September 30, 2009

	For the quarter ended		For the period ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
	(Rupees '000)		(Rupees '000)	
11. COST OF SALES				
Raw materials consumed	1,982,749	1,768,617	5,618,705	4,741,910
Fuel and power	1,309,514	1,317,537	3,923,923	3,055,876
Chemicals and supplies	56,363	53,821	166,583	149,112
Salaries, wages and benefits	827,135	392,772	2,130,261	1,154,566
Training and employees welfare	87,738	87,913	269,266	225,518
Rent, rates and taxes	4,194	2,602	20,636	12,774
Insurance	32,960	25,138	102,990	75,364
Travel and conveyance	64,538	36,572	154,868	100,948
Repairs and maintenance	169,938	128,118	515,715	482,509
Depreciation	259,986	216,978	777,026	639,500
Communication and other expenses	160,483	144,270	537,304	395,543
Provision for slow moving and surplus spares	—	—	8,670	5,698
Opening stock-work in process	44,819	28,662	44,699	16,319
Closing stock-work in process	(21,218)	(18,331)	(21,218)	(18,331)
Cost of goods manufactured	4,979,199	4,184,669	14,249,428	11,037,306
Add: Opening stock of manufactured urea	81,937	120,015	66,842	164,714
Less: Closing stock of manufactured urea	(149,581)	(86,276)	(149,581)	(86,276)
	(67,644)	33,739	(82,739)	78,438
Cost of sales of own manufactured urea	4,911,555	4,218,408	14,166,689	11,115,744
Opening stock of purchased fertilizers	15,628	1,278,008	33,683	395,453
Purchase of fertilizers for resale (2008: net of subsidy of Rs. 419,804 thousand)	2,224	149,158	10,392	2,041,349
	17,852	1,427,166	44,075	2,436,802
Less: Closing stock of purchased fertilizers	(3,482)	(126,618)	(3,482)	(126,618)
Cost of sales of purchased fertilizers	14,370	1,300,548	40,593	2,310,184
	4,925,925	5,518,956	14,207,282	13,425,928
12. EARNINGS PER SHARE		Restated		Restated
Net profit after tax (Rupees '000)	2,090,811	2,037,436	6,638,800	5,323,750
Weighted average number of shares in issue during the period - (Number '000)	678,527	678,527	678,527	678,527
Basic and diluted earnings per share (Rupees)	3.08	3.00	9.78	7.85

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, 2008 have been restated for the effect of bonus shares issued subsequent to that date.

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

For the period ended September 30, 2009

	September 30, 2009	September 30, 2008
	(Rupees '000)	
13. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	9,562,800	8,118,750
Adjustments for:		
Depreciation	788,270	652,041
Provision for gratuity	95,204	39,213
Provision for pension	71,660	31,341
Provision for Workers' Profit Participation Fund	513,371	435,849
Provision for Workers' Welfare Fund	191,256	162,375
Provision for slow moving and surplus spares	8,670	5,698
Finance cost	826,268	392,070
Gain on sale of property, plant and equipment	(7,436)	(7,870)
Income on loans, deposits and investments	(382,892)	(220,030)
Exchange gain	(54,480)	(224,782)
Gain on remeasurement of investment at fair value through profit or loss	(185,282)	48,476
Dividend income	(1,306,891)	(760,373)
	557,718	554,008
	10,120,518	8,672,758
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(221,415)	(533,653)
Stock in trade	46,485	301,471
Trade debts	245,985	1,113,376
Loans and advances	(79,776)	(103,667)
Deposits and prepayments	3,655	(44,641)
Other receivables	(66,626)	910,383
(Decrease) / Increase in current liabilities		
Trade and other payables	(731,138)	685,808
	(802,830)	2,329,077
Changes in long term loans and advances	(98,247)	2,902
Changes in long term deposits and prepayments	(4,926)	614
	9,214,515	11,005,351

Notes to the Condensed Interim Financial Statements (Un-Audited)
For the period ended September 30, 2009
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, 2009	September 30, 2008
	(Rupees '000)	
Transactions with the subsidiary company		
Marketing of fertilizer on behalf of subsidiary company under sale on consignment basis	349,200	146,277
Commission on sale of subsidiary company's products	19,556	11,646
Services and materials provided	7,625	36,154
Services and materials received	2,262	1,461
Dividend income	1,306,891	760,373
Balance payable - unsecured	353,853	413,529 *
Transactions with associated undertakings / companies due to common directorship		
Long term investment	—	1,500,000
Sale of fertilizer	1,224	2,764
Medical services	30	7
Office rent	2,645	2,450
Dividend paid	2,670,041	1,969,703
Purchase of gas as feed and fuel stock	8,751,894	7,006,471
Technical services received	22,457	19,101
Donation paid	—	1,000
Others	3,260	3,324
Balance receivable - unsecured	29	29 *
Balance payable - unsecured	495,494	474,808 *
Other related parties		
Remuneration of Chief Executive and Executives: Remuneration including benefits and perquisites of chief executive and other executives. No of persons 2009: 1 and 376 (2008: 1 and 318) respectively	1,144,627	719,361
Payments to:		
Employees' Provident Fund Trust	147,731	122,161
Employees' Gratuity Fund Trust	74,715	50,327
Employees' Pension Fund Trust	78,963	44,530
Others:		
Transactions with Workers' Profit Participation Fund (WPPF)	620,260	470,000
Balance payable / (receivable) - unsecured	347,220	(663,074) *

* Comparative figures of receivable / payable balances are as of December 31, 2008.

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

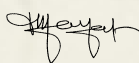
For the period ended September 30, 2009

15. GENERAL

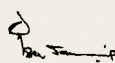
- 15.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 15.2 The Board of Directors in their meeting held on October 24, 2009 have proposed third interim dividend of Rs 3.00 per share.
- 15.3 These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on October 24, 2009.



Chairman



Chief Executive



Director



**Condensed Interim
Consolidated
Financial Statements**

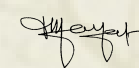
Condensed Interim Consolidated Balance Sheet**As at September 30, 2009**

	Note	Un-audited September 30, 2009 (Rupees '000)	Audited December 31, 2008
EQUITY AND LIABILITIES			
ATTRIBUTABLE TO EQUITY HOLDERS OF FAUJI FERTILIZER COMPANY LIMITED			
Share capital	4	6,785,271	4,934,742
Capital reserves		885,378	853,594
Revenue reserves	5	5,605,129	7,470,754
		13,275,778	13,259,090
NON-CONTROLLING INTERESTS		4,791,700	5,151,378
TOTAL EQUITY		18,067,478	18,410,468
NON - CURRENT LIABILITIES			
Long term borrowings	6	8,682,929	11,247,252
Deferred liabilities		6,727,824	6,640,243
		15,410,753	17,887,495
CURRENT LIABILITIES			
Trade and other payables		12,140,002	11,825,359
Interest and mark-up accrued		282,914	788,156
Short term borrowings		3,364,714	21,371,082
Current portion of long term:			
- Borrowings		2,156,349	1,159,980
- Murabaha		38,679	38,679
- Loans		648,201	648,201
Taxation - net		3,524,141	1,778,671
		22,155,000	37,610,128
		55,633,231	73,908,091

CONTINGENCIES AND COMMITMENTS 7

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

	Note	Un-audited September 30, 2009 (Rupees '000)	Audited December 31, 2008
ASSETS			
NON - CURRENT ASSETS			
Property, plant & equipment	8	28,659,739	28,577,917
Goodwill		1,569,234	1,569,234
Equity accounted investments	9	4,105,842	5,024,447
Other long term investments	10	949,715	786,525
Long term loans and advances		261,349	163,102
Long term deposits and prepayments		21,678	16,752
		35,567,557	36,137,977
CURRENT ASSETS			
Stores, spares and loose tools		5,081,978	4,456,835
Stock in trade		1,994,956	5,934,833
Trade debts		543,134	781,383
Loans and advances		292,566	201,581
Deposits and prepayments		129,815	112,245
Other receivables		936,270	13,898,285
Short term investments	11	4,923,708	3,511,563
Cash and bank balances		6,163,247	8,873,389
		20,065,674	37,770,114
		55,633,231	73,908,091


Chairman

Chief Executive

Director

Condensed Interim Consolidated Profit and Loss Account (Un-Audited)

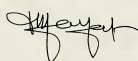
For the period ended September 30, 2009

	Note	For the quarter ended		For the period ended	
		September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
		(Rupees '000)		(Rupees '000)	
Sales		20,870,837	12,761,981	52,777,183	32,469,501
Cost of sales	12	13,516,483	7,595,563	34,846,751	19,655,305
GROSS PROFIT		7,354,354	5,166,418	17,930,432	12,814,196
Administrative expenses and distribution cost		1,590,017	1,095,201	4,175,976	3,155,470
		5,764,337	4,071,217	13,754,456	9,658,726
Finance cost		496,820	1,486,074	2,014,311	2,296,811
Other expenses		448,150	261,046	1,145,834	717,197
		4,819,367	2,324,097	10,594,311	6,644,718
Other income		702,491	363,555	1,317,953	1,559,301
Share of loss of joint venture, net of profit of associate		392,955	–	818,375	–
NET PROFIT BEFORE TAXATION		5,128,903	2,687,652	11,093,889	8,204,019
Provision for taxation		1,840,525	1,080,693	4,225,006	3,020,299
NET PROFIT AFTER TAXATION		3,288,378	1,606,959	6,868,883	5,183,720
ATTRIBUTABLE TO:					
Equity holders of Fauji Fertilizer Company Limited		2,646,218	1,692,355	5,982,129	4,916,333
Non-controlling interests		642,160	(85,396)	886,754	267,387
		<u>3,288,378</u>	<u>1,606,959</u>	<u>6,868,883</u>	<u>5,183,720</u>

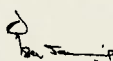
The annexed notes 1 to 15 form an integral part of these condensed interim consolidated financial statements.



Chairman



Chief Executive



Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)
For the period ended September 30, 2009

	For the quarter ended		For the period ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
	(Rupees '000)		(Rupees '000)	
Net profit after taxation	3,288,378	1,606,959	6,868,883	5,183,720
Other comprehensive income for the period				
Exchange difference on translating foreign investment	188,018	368,414	47,262	887,799
Surplus/ (deficit) on remeasurement to fair value of investments available for sale	(6,600)	(16,679)	35,167	(69,503)
	181,418	351,735	82,429	818,296
Income tax relating to component of other comprehensive income	2,307	(123,370)	(12,006)	(286,666)
Other comprehensive income for the period - net of tax	183,725	228,365	70,423	531,630
Total comprehensive income for the period	<u>3,472,103</u>	<u>1,835,324</u>	<u>6,939,306</u>	<u>5,715,350</u>
ATTRIBUTABLE TO:				
Equity holders of Fauji Fertilizer Company Limited	2,768,432	1,483,766	6,037,074	5,173,621
Non-controlling interests	703,671	351,558	902,232	541,729
	<u>3,472,103</u>	<u>1,835,324</u>	<u>6,939,306</u>	<u>5,715,350</u>

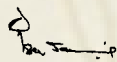
The annexed notes 1 to 15 form an integral part of these condensed interim consolidated financial statements.



Chairman



Chief Executive



Director

Condensed Interim Consolidated Statement of Changes in Equity (Un-Audited)
For the period ended September 30, 2009

	Attributable to equity holders of Fauji Fertilizer Company Limited						Non-controlling interests	Total
	Capital reserves			Revenue reserves				
	Share capital	Capital reserve	Translation reserve	(Deficit)/surplus on				
				remeasurement of available for sale investments to fair value	General reserve	Unappropriated profit		
Balance at January 01, 2008	4,934,742	276,184	-	38,154	5,940,000	1,117,591	4,179,969	16,486,640
Transfer from general reserve	-	-	-	-	(100,000)	100,000	-	-
Total comprehensive income for the period								
Profit for the period after taxation	-	-	-	-	-	4,916,333	267,387	5,183,720
Other comprehensive income								
Exchange differences on translating foreign investment	-	-	597,074	-	-	-	290,725	887,799
Deficit on remeasurement to fair value	-	-	-	(69,503)	-	-	-	(69,503)
Income tax relating to component of other comprehensive income	-	-	(208,976)	24,064	-	-	(101,754)	(286,666)
Total other comprehensive income for the period	-	-	388,098	(45,439)	-	-	188,971	531,630
Total comprehensive income for the period	-	-	388,098	(45,439)	-	4,916,333	456,358	5,715,350
Distribution to owners								
FFC dividends:								
FFC Final dividend 2007: Rs 3.50 per share	-	-	-	-	-	(1,727,160)	-	(1,727,160)
First interim dividend 2008: Rs. 3.50 per share	-	-	-	-	-	(1,727,160)	-	(1,727,160)
Second interim dividend 2008: Rs. 3.00 per share	-	-	-	-	-	(1,480,423)	-	(1,480,423)
Dividend to FFBL non-controlling interest holders	-	-	-	-	-	-	(458,877)	(458,877)
First interim dividend 2008: Re. 0.60 per share	-	-	-	-	-	-	(275,326)	(275,326)
Total transactions with owners	-	-	-	-	-	(4,934,743)	(734,203)	(5,668,946)
Balance as at September 30, 2008	<u>4,934,742</u>	<u>276,184</u>	<u>388,098</u>	<u>(7,285)</u>	<u>5,840,000</u>	<u>1,199,181</u>	<u>3,902,124</u>	<u>16,533,044</u>
Balance at January 01, 2009	4,934,742	276,184	577,410	(23,121)	5,840,000	1,653,875	5,151,378	18,410,468
Transfer from general reserve	-	-	-	-	(250,000)	250,000	-	-
Profit for the period after taxation	-	-	-	-	-	5,982,129	886,754	6,868,883
Other comprehensive income								
Exchange differences on translating foreign investment	-	-	31,784	-	-	-	15,478	47,262
Surplus on remeasurement to fair value	-	-	-	35,167	-	-	-	35,167
Income tax relating to component of other comprehensive income	-	-	-	(12,006)	-	-	-	(12,006)
Total other comprehensive income for the period	-	-	31,784	23,161	-	-	15,478	70,423
Total comprehensive income for the period	-	-	31,784	23,161	-	5,982,129	902,232	6,939,306
Distribution to owners								
FFC dividends:								
Final dividend 2008: Rs 3.25 per share	-	-	-	-	-	(1,603,791)	-	(1,603,791)
First interim dividend 2009: Rs. 4.30 per share	-	-	-	-	-	(2,652,424)	-	(2,652,424)
Second interim dividend 2009: Rs 2.60 per share	-	-	-	-	-	(1,764,171)	-	(1,764,171)
Bonus shares issued	1,850,529	-	-	-	(1,850,529)	-	-	-
Dividend to FFBL non-controlling interest holders	-	-	-	-	-	-	(1,032,472)	(1,032,472)
Final dividend 2008: Rs 2.25 per share	-	-	-	-	-	-	(229,438)	(229,438)
First interim dividend 2009: Re 0.50 per share	-	-	-	-	-	-	-	-
Total transactions with owners	1,850,529	-	-	-	(1,850,529)	(6,020,386)	(1,261,910)	(7,282,296)
Balance as at September 30, 2009	<u>6,785,271</u>	<u>276,184</u>	<u>609,194</u>	<u>40</u>	<u>3,739,471</u>	<u>1,865,618</u>	<u>4,791,700</u>	<u>18,067,478</u>

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

Chairman

Chief Executive

Director

Notes to the Condensed Interim Consolidated Financial Statements (Un-Audited)

For the period ended September 30, 2009

1. Fauji Fertilizer Company Limited (FFC/ parent company) and its subsidiary, Fauji Fertilizer Bin Qasim Limited (the group) 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 group are situated in Rawalpindi, Pakistan. The principal activities of the group is manufacturing, purchasing and marketing of fertilizers and chemicals including investment in chemical and other manufacturing operations.
2. These interim 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 interim financial statements are presented in condensed form in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended December 31, 2008. Comparative figures of the balance sheet are extracted from the audited annual consolidated financial statements for the year ended December 31, 2008 whereas comparative profit and loss account, statement of changes in equity and statement of cash flows are stated from un-audited condensed interim consolidated financial statements for the period ended September 30, 2008.
3. Except as described below, the accounting policies and estimates adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in preparation of consolidated financial statements for the preceding year ended December 31, 2008.

3.1 Presentation of financial statements

The group applies revised IAS 1 "Presentation of Financial Statements", which became effective from January 01, 2009. The group has accordingly presented all changes in owners equity in the statement of changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. This presentation has been applied as of and for the period ended on September 30, 2009.

Comparative information has been presented in conformity with the revised standard. The change in accounting policy impacts presentation only without any impact on earnings per share.

4. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

(Numbers)			Un-audited September 30, 2009	Audited December 31, 2008
September 30, 2009	December 31, 2008		(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs 10 each issued for consideration in cash.	2,564,959	2,564,959
422,031,163	236,978,328	Ordinary shares of Rs 10 each issued as fully paid bonus shares.	4,220,312	2,369,783
<u>678,527,065</u>	<u>493,474,230</u>		<u>6,785,271</u>	<u>4,934,742</u>

AUTHORISED SHARE CAPITAL

This represents 1,000,000,000 (2008: 500,000,000) ordinary shares of Rs 10 each amounting to Rs 10,000,000 thousand (2008: Rs 5,000,000 thousand).

Notes to the Condensed Interim Consolidated Financial Statements
For the period ended September 30, 2009

	Note	Un-audited September 30, 2009 (Rupees '000)	Audited December 31, 2008
5. REVENUE RESERVES			
Surplus/ (deficit) on remeasurement of available for sale investments to fair value - net of tax		40	(23,121)
General reserve		3,739,471	5,840,000
Unappropriated profit		1,865,618	1,653,875
		<u>5,605,129</u>	<u>7,470,754</u>
6. LONG TERM BORROWINGS			
Long term borrowing - secured	6.1	6,272,866	7,163,610
Long term murabaha - secured	6.2	67,687	96,696
Long term loan - Government of Pakistan			
Loan - FFBL (Un-secured)	6.3	5,185,605	5,833,806
		<u>11,526,158</u>	<u>13,094,112</u>
Less: Amount payable within twelve months shown as current maturity		2,843,229	1,846,860
		<u>8,682,929</u>	<u>11,247,252</u>
6.1 Movement in this account during the period/ year is as follows:			
Opening balance		7,163,610	5,153,054
Disbursements during the period/ year		—	3,450,000
Repayments during the period/ year		(890,744)	(1,439,444)
Closing balance		<u>6,272,866</u>	<u>7,163,610</u>
6.2 Movement in this account during the period/ year is as follows:			
Opening balance		96,696	135,373
Repayments during the period/ year		(29,009)	(38,677)
Closing balance		<u>67,687</u>	<u>96,696</u>
6.3 Movement in this account during the period/ year is as follows:			
Opening balance		5,833,806	6,482,007
Adjustment during the period/ year		(648,201)	(648,201)
Closing balance		<u>5,185,605</u>	<u>5,833,806</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2009

	Un-audited September 30, 2009	Audited December 31, 2008
	(Rupees '000)	
7. CONTINGENCIES AND COMMITMENTS		
a) Contingencies		
i) Guarantees issued by banks on behalf of the Group companies.	43,793	42,198
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.	178,590	178,590
iii) Income tax demands, not acknowledged as debt, have been challenged by FFBL and are currently in appeal; FFBL expects favourable outcome of appeal.	34,781	41,306
iv) Claims against FFC and/or potential exposure not acknowledged as debt.	50,696	66,520
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
vi) Group's share of contingencies in Fauji Cement Company Limited as at June 30, 2009/ September 30, 2008.	204,145	172,056
b) Commitments		
i) Capital expenditure.	2,434,035	3,141,478
ii) Purchase of fertilizer, stores, spares and other revenue items.	1,279,215	768,402
iii) Rentals under lease agreements:		
Premises	68,771	78,078
Vehicles	262,621	248,455
8. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	28,577,917	26,848,753
Additions during the period/ year	1,782,649	5,430,679
Written down value of disposals/ adjustments	(4,599)	(1,619,929)
Depreciation during the period/ year	(1,696,228)	(2,081,586)
Closing written down value	<u>28,659,739</u>	<u>28,577,917</u>

Notes to the Condensed Interim Consolidated Financial Statements
For the period ended September 30, 2009

	Un-audited September 30, 2009	Audited December 31, 2008
Note		
	(Rupees '000)	
9. EQUITY ACCOUNTED INVESTMENTS		
Investment in associated company		
Fauji Cement Company Limited		
Cost of investment	1,800,000	1,800,000
Post acquisition profits brought forward	65,256	—
Share of post acquisition profits	108,006	65,256
Balance as at September 30, 2009	1,973,262	1,865,256
Investment in joint venture		
Pakistan Maroc Phosphore S.A.Morocco		
Cost of investments	2,117,075	2,117,075
Post acquisition profits brought forward	183,517	—
Share of (loss)/ profit for the period	(926,380)	183,518
Dividend declared	(147,493)	—
Gain on translation of net assets	905,861	858,598
Balance as at September 30, 2009	2,132,580	3,159,191
	4,105,842	5,024,447
10. OTHER LONG TERM INVESTMENTS		
Investment available for sale		
Certificates of investment	241,032	232,648
Pakistan Investment Bonds	602,573	568,271
Term Finance Certificates	138,307	47,453
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)
	—	—
	981,912	848,372
Less: Current portion shown under short term investments	11	
Investments available for sale		
Certificates of investment	32,177	61,828
Term Finance Certificates	20	19
	32,197	61,847
	949,715	786,525
11. SHORT TERM INVESTMENTS		
Available for sale		
Term deposits with banks and financial institutions		
Local currency	60,000	1,875,000
Foreign Currency	1,075,812	1,033,936
Investments at fair value through profit or loss - held for trading	3,755,699	540,780
Current maturity of long term investments	32,197	61,847
	4,923,708	3,511,563

Notes to the Condensed Interim Consolidated Financial Statements (Un-Audited)
For the period ended September 30, 2009

	For the quarter ended		For the period ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
	(Rupees '000)		(Rupees '000)	
12. COST OF SALES				
Raw materials consumed	6,215,296	14,006,619	17,194,681	26,114,983
Fuel and power	1,825,384	1,824,330	5,405,513	4,242,812
Chemicals and supplies	97,863	94,864	294,853	247,940
Salaries, wages and benefits	1,036,717	535,622	2,792,137	1,621,193
Training and employees welfare	87,738	87,913	269,266	225,518
Rent, rates and taxes	10,294	8,568	38,806	29,825
Insurance	50,840	36,670	155,280	111,160
Travel and conveyance	77,649	49,873	194,410	130,957
Repairs and maintenance	305,620	209,117	1,104,088	802,858
Depreciation	560,906	528,707	1,676,635	1,524,231
Communication and other expenses	170,669	150,864	565,386	412,385
Provision for slow moving and surplus spares	–	–	8,670	5,698
Opening stock - work in process	59,867	44,090	48,301	29,791
Closing stock - work in process	(51,677)	(26,014)	(51,677)	(26,014)
Subsidy on DAP fertilizer from GOP - FFBL	–	(6,677,660)	–	(8,090,753)
Cost of goods manufactured	10,447,166	10,873,563	29,696,349	27,382,584
Add: Opening stock of manufactured fertilizers	3,595,440	5,949,124	5,650,302	416,980
Less: Closing stock of manufactured fertilizers	(540,493)	(10,573,833)	(540,493)	(10,573,833)
	3,054,947	(4,624,709)	5,109,809	(10,156,853)
Cost of sales of own manufactured fertilizers	13,502,113	6,248,854	34,806,158	17,225,731
Opening stock of purchased fertilizers	15,628	1,278,008	33,683	396,699
Purchase of fertilizers for resale	2,224	195,319	10,392	2,159,493
	17,852	1,473,327	44,075	2,556,192
Less: Closing stock of purchased fertilizers	(3,482)	(126,618)	(3,482)	(126,618)
Cost of sale of purchased fertilizers	14,370	1,346,709	40,593	2,429,574
	13,516,483	7,595,563	34,846,751	19,655,305

Notes to the Condensed Interim Consolidated Financial Statements (Un-Audited)
For the period ended September 30, 2009

	September 30, 2009	September 30, 2008
	(Rupees '000)	
13. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	11,093,889	8,204,019
Adjustments for:		
Depreciation	1,691,183	1,539,496
Provision for slow moving and surplus spares	8,670	5,698
Finance cost	1,913,875	2,296,811
Provision for Workers' Profit Participation Fund	680,884	445,586
Provision for Worker's Welfare Fund	273,651	162,375
Compensation from GOP	–	(600,000)
Income on loans, deposits and investments	(721,686)	(527,250)
Gain on sale of property, plant and equipment	(9,253)	(11,513)
Provision for gratuity	125,126	52,547
Provision for pension	71,660	31,341
Provision for compensated absences	26,253	–
Exchange loss/ (gain)	45,956	(224,782)
Gain on remeasurement of investments at fair value through profit or loss	(382,138)	(94,921)
Share of loss of joint venture, net of profit of associate	2,125,265	–
	5,849,446	3,075,388
	16,943,335	11,279,407
Changes in working capital		
(Increase)/ decrease in current assets:		
Stores, spares and loose tools	(633,813)	(650,347)
Stock in trade	3,939,877	(13,854,596)
Trade debts	238,249	1,233,265
Loans and advances	(90,985)	(199,863)
Deposits and prepayments	(17,570)	(41,050)
Other receivables	12,770,383	(6,224,156)
(Decrease)/ increase in current liabilities:		
Trade and other payables	(1,189,438)	7,600,728
	15,016,703	(12,136,019)
Changes in long term loans and advances	(98,247)	2,902
Changes in long term deposits and prepayments	(4,926)	614
	31,856,865	(853,096)

Notes to the Condensed Interim Consolidated Financial Statements (Un-Audited)
For the period ended September 30, 2009

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, 2009	September 30, 2008
	(Rupees '000)	
Transactions with associated undertaking/companies due to common directorship		
Long term investment	–	1,800,000
Sale of fertilizer	1,798	2,764
Rent charged to Group Companies	3,334	3,077
Dividend paid	3,114,170	2,429,553
Repayment of principal portion of long term finance	–	34,286
Financial charges paid	–	10,682
Medical services	30	7
Purchase of gas as feed and fuel stock	8,751,894	7,006,471
Technical services received	22,457	19,101
Donation paid	–	1,000
Others	3,260	3,324
Balance payable - unsecured	495,494	474,808 *
Balance receivable - unsecured	646	1,871 *
Transactions with joint venture company		
Raw material purchased	10,158,079	24,232,607
Expenses incurred on behalf of joint venture company	124,550	–
Balance payable - secured	2,115,629	4,212,313 *
Balance receivable - unsecured	119,755	20,501 *
Other related parties		
Remuneration of Chief Executive and Executives: Remuneration including benefits and perquisites of Chief Executive and Executives. No. of persons 2009: 2 and 532 (2008: 2 and 444) respectively	1,573,967	1,043,592
Payments to:		
Employees' Provident Fund Trust	164,633	135,088
Employees' Gratuity Fund Trust	104,637	63,660
Employees' Pension Fund Trust	78,963	44,530
Others:		
Transactions with Workers' Profit Participation Fund (WPPF)	601,369	488,069
Balance payable/ (receivable) - unsecured	788,917	(636,220) *

* Comparative figures of receivable/payable balances are as of December 31, 2008.

15. GENERAL

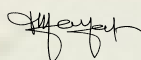
15.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

15.2 The Board of Directors of FFC in their meeting held on October 24, 2009 proposed third interim dividend of Rs 3.00 per share while an interim dividend of Rs 1.25 per share has been proposed by the Board of Directors of FFBL on October 21, 2009.

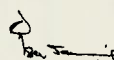
15.3 These condensed interim consolidated financial statements have been authorised for issue by the Board of Directors of FFC on October 24, 2009.



Chairman



Chief Executive



Director