

# Half Yearly Financial Statements

June 30, 2007 (Un-Audited)

adding a little green...



FAUJI FERTILIZER COMPANY LIMITED

## BOARD OF DIRECTORS

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

□

Lt Gen Munir Hafiez, HI(M) (Retired)

*Chief Executive and Managing Director*

□

□

□

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)

□

□

## CHIEF FINANCIAL OFFICER

Mr Abid Maqbool

□

□

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

## COMPANY SECRETARY (D)

Brig Muhammad Yunis (Retired)

□

92-51-9272328

Fax: 92-51-9272519

E-mail: ffcrrwp@ffc.com.pk

## REGISTERED OFFICE

93-Harley Street, Rawalpindi Cantt.

Website: www.ffc.com.pk

Tel No. 92-51-9272307-14

Fax No. 92-51-9272316

E-mail: ffcrrwp@ffc.com.pk

## PLANTSITES

Goth Machhi, Sadikabad

(Distt: Rahim Yar Khan)

Tel No. 92-685-786420-9

Fax No. 92-685-786401

Mirpur Mathelo

(Distt: Ghotki)

Tel No. 92-723-651021-24

Fax No. 92-723-651102

## MARKETING DIVISION

Lahore Trade Centre,

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

Tel No. 92-42-6365736

Fax No. 92-42-6366324

## KARACHI OFFICE

B-35, KDA Scheme No. 1

Karachi

Tel No. 92-21-4390115-16

Fax No. 92-21-4390117 & 4390122

## AUDITORS

M/s KPMG Taseer Hadi & Co.

Chartered Accountants

**Dear Shareholders,**

On behalf of the Board, I present to you our un-audited financial results, duly reviewed by the Auditors, along with un-audited consolidated results of the Company and Fauji Fertilizer Bin

Our manufacturing facilities continued to operate safely and efficiently during the first half of 2007. The three plants delivered an aggregate 1,197 thousand tonnes of 'Sona' urea, an improvement of 4% over last year. Plants I & II - Goth Machhi produced 824 thousand tonnes during the period operating at 122% and 126% of capacity respectively. Plant III - Mirpur Mathelo attained a capacity factor of 130% with an output of 373 thousand tonnes during the six months. Debottlenecking activities of Plant III commenced during the year. Ordering of material is almost complete and equipment has started arriving at Plantsite. The project will be completed next year.

Urea industry encountered a drop in demand by 22% with an offtake of 2,029 thousand tonnes as compared to 2,592 thousand tonnes during the same period last year. The Company marketed 1,007 thousand tonnes of 'Sona' urea prilled, a decline of 12% as compared to 1,148 thousand tonnes during the corresponding period of last year. Total sales revenue was lower by 20% as compared to the figure for last year owing to decline in imported urea and phosphatic fertilizers offtake by 92% and 43%

The Company was able to improve the gross margin from 37% last year to 43% in 2007 due to considerably lower imported fertilizers sales in 2007 where the margins are negligible. 155 thousand tonnes of 'Sona' urea granular and 2 thousand tonnes of imported urea were also marketed on behalf of FFBL enabling the Company to achieve market share of 58%. The industry carried 556 thousand tonnes of urea at the end of the period which was more than twice the stock at end of June 2006. The inventory included 196 thousand tonnes of 'Sona' urea and 58 thousand tonnes of imported urea stock of FFC.

Country DAP offtake at 409 thousand tonnes recorded a growth of 14% over sales for the corresponding period of last year. The



Company contributed 145 thousand tonnes, representing 35%, to the DAP market, which included 144 thousand tonnes of FFBL's 'Sona' DAP. DAP output by FFBL was registered at 151 thousand tonnes which decreased compared to last year due to plant maintenance shutdown. International DAP prices soared during the period resulting in inflated import costs. The Government, therefore, enhanced farmer subsidy on DAP to Rs. 470 per bag to maintain demand.

The net earnings of Rs. 2.385 billion grew by 9% compared to the earnings for first half of 2006. This was mainly due to investment income of Rs. 783 million which included 12.5% dividend of Rs. 594 million from the Company's venture in FFBL. The Company earned Rs. 4.83 and Rs. 2.21 per ordinary share during the six months and the second quarter of 2007 respectively, growths by Re. 0.39 and Re. 0.27 over earnings for the corresponding periods of last year. The Company was able to recover the outstanding subsidy on DAP/SOP from the Government in full and contributed Rs. 5.34 billion to the national exchequer by way of taxes, levies and surcharge on gas during the first half of 2007.

The Board is pleased to announce a second interim dividend of Rs. 2.25 per ordinary share (22.50 %) for 2007 and proposes an Extra Ordinary General Meeting on August 13, 2007 to seek shareholders' approval for investment of Rs. 1.5 billion in the expansion project of Fauji Cement Company Limited.

We remain sanguine as regards our prospects for the year, despite the highly competitive marketing environment, due to our inherent strength and resilience. We look forward to continued support from all our stakeholders to achieve the objectives determined by the Board for Business Year 2007.



**CHAIRMAN**

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

Rawalpindi  
July 30, 2007

**Introduction**

We have reviewed the accompanying condensed interim balance sheet of Fauji Fertilizer Company Limited ("the Company") as of June 30, 2007 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the six-months' period then ended (the interim financial information). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended June 30, 2007 and 2006 have not been reviewed as we are required to review only the cumulative figures for the half year ended June 30, 2007.

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at June 30, 2007, is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan.

ISLAMABAD  
July 30, 2007

KPMG TASEER HADI & CO.  
CHARTERED ACCOUNTANTS

Condensed Interim  
Financial Statements



**FAUJI FERTILIZER COMPANY LIMITED**

2007

## 06 Condensed Balance Sheet

As at June 30, 2007

	Note	Un-audited June 30, 2007	Audited December 31, 2006
		(Rupees '000)	
SHARE CAPITAL AND RESERVES			
Share capital	4	4,934,742	4,934,742
Capital reserve		160,000	160,000
Revenue reserves	5	7,130,984	7,861,801
		12,225,726	12,956,543
NON CURRENT LIABILITIES			
	6	1,496,250	1,193,750
DEFERRED TAXATION			
		2,375,084	2,396,000
CURRENT LIABILITIES			
Trade and other payables		3,474,968	4,025,926
Interest and mark - up accrued		197,187	134,039
Short term borrowings		6,694,411	4,531,090
Current portion of long term financing		1,011,996	887,327
Taxation - net		1,393,116	1,305,606
		12,771,678	10,883,988
		28,868,738	27,430,281

### CONTINGENCIES AND COMMITMENTS 7

The annexed notes 1 to 16 form an integral part of these financial statements.

	Note	Un-audited June 30, 2007	Audited December 31, 2006
		(Rupees '000)	
PROPERTY, PLANT AND EQUIPMENT	8	9,752,546	9,607,957
GOODWILL		1,569,234	1,569,234
LONG TERM INVESTMENTS	9	6,326,021	6,409,382
LONG TERM LOANS AND ADVANCES		122,495	76,647
LONG TERM DEPOSITS AND PREPAYMENTS		2,345	2,474
CURRENT ASSETS			
Stores, spares and loose tools		2,329,643	2,202,053
Stock in trade		2,748,017	952,905
Trade debts		1,839,717	961,427
Loans and advances		164,732	95,245
Deposits and prepayments		118,646	25,488
Other receivables	10	1,162,170	1,451,390
Short term investments	11	1,239,715	2,452,850
Cash and bank balances		1,493,457	1,623,229
		11,096,097	9,764,587
		28,868,738	27,430,281

  
Chairman

  
Chief Executive

  
Director



For the Half Year Ended June 30, 2007 (Un-audited)

	Note	FOR THE QUARTER ENDED		FOR THE HALF YEAR ENDED	
		June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
		(Rupees '000)		(Rupees '000)	
Sales		5,937,354	6,107,202	10,090,491	12,637,865
Cost of sales	12	3,366,126	3,788,167	5,723,708	7,979,130
<b>GROSS PROFIT</b>		<b>2,571,228</b>	<b>2,319,035</b>	<b>4,366,783</b>	<b>4,658,735</b>
Distribution cost		603,738	646,999	1,087,200	1,307,897
		1,967,490	1,672,036	3,279,583	3,350,838
Finance cost		212,074	91,567	316,297	186,168
Other expenses		202,282	161,320	351,168	338,718
		1,553,134	1,419,149	2,612,118	2,825,952
Other income		112,998	84,565	783,429	497,130
<b>NET PROFIT BEFORE TAXATION</b>		<b>1,666,132</b>	<b>1,503,714</b>	<b>3,395,547</b>	<b>3,323,082</b>
Provision for taxation		576,000	548,000	1,011,000	1,132,000
<b>NET PROFIT AFTER TAXATION</b>		<b>1,090,132</b>	<b>955,714</b>	<b>2,384,547</b>	<b>2,191,082</b>
Earnings per share					
- basic and diluted (Rupees)	13	2.21	1.94	4.83	4.44

The annexed notes 1 to 16 form an integral part of these financial statements.

  
Chairman

  
Chief Executive

  
Director

# Condensed Interim Cash Flow Statement

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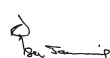
For the Half Year Ended June 30, 2007 (Un-audited)

Note	June 30, 2007	June 30, 2006
	(Rupees '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from/(used in) operations 14	226,325	(359,682)
Finance cost paid	(253,149)	(190,432)
Income tax paid	(937,788)	(924,042)
Payment to gratuity fund	(46,091)	(44,548)
Payment to pension fund	(35,472)	(36,438)
Payment to Workers' Profit Participation Fund	(400,000)	(386,728)
Net cash used in operating activities	(1,446,175)	(1,941,870)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(545,733)	(561,550)
Proceeds from sale of property, plant and equipment	5,816	3,182
Interest received	130,474	264,594
Decrease/(increase) in investments	298,331	(112,006)
Dividend received from FFBL	564,339	225,735
Net cash generated from / (used in) investing activities	453,227	(180,045)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - disbursements	1,050,000	500,000
- repayments	(622,831)	(1,122,829)
Long term murabaha - repayments	-	(41,667)
Increase/(decrease) in short term borrowings	2,163,321	(750,542)
Dividends paid	(2,838,713)	(2,183,625)
Net cash used in financing activities	(248,223)	(3,598,663)
Net decrease in cash and cash equivalents	(1,241,171)	(5,720,578)
Cash and cash equivalents at beginning of the period	3,884,668	7,176,453
Effect of exchange rate changes	(158)	6,665
Cash and cash equivalents at end of the half year	2,643,339	1,462,540
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,493,457	553,230
Short term highly liquid investments	1,149,882	909,310
	2,643,339	1,462,540

The annexed notes 1 to 16 form an integral part of these financial statements.

  
Chairman

  
Chief Executive

  
Director

Half Year Ended June 30, 2007

For the Half Year Ended June 30, 2007 (Un-audited)

	Share capital	Capital reserve	General reserve	Surplus on remeasurement of investments available for sale to fair value	Unappropriated profit	Total
	(Rupees '000')					
Balance at January 1, 2006 as previously reported	4,934,742	160,000	7,290,000	-	56,166	12,440,908
Transfer to general reserve due to change in accounting policy	-	-	100,000	-	(100,000)	-
Restated balance at January 1, 2006	4,934,742	160,000	7,390,000	-	(43,834)	12,440,908
Final dividend 2005: Rs. 2.25 per share	-	-	-	-	(1,110,317)	(1,110,317)
Transfer to unappropriated profit	-	-	(100,000)	-	100,000	-
Net profit for the half year ended June 30, 2006	-	-	-	-	2,191,082	2,191,082
First interim dividend 2006: Rs. 2.25 per share	-	-	-	-	(1,110,317)	(1,110,317)
Balance at June 30, 2006	4,934,742	160,000	7,290,000	-	26,614	12,411,356
Balance at January 1, 2007	4,934,742	160,000	6,190,000	-	1,671,801	12,956,543
Final dividend 2006: Rs. 3.90 per share	-	-	-	-	(1,924,549)	(1,924,549)
Transfer to unappropriated profit	-	-	(250,000)	-	250,000	-
Net profit for the half year ended June 30, 2007	-	-	-	-	2,384,547	2,384,547
First interim dividend 2007: Rs. 2.50 per share	-	-	-	-	(1,233,685)	(1,233,685)
Surplus on remeasurement to fair value-net of tax	-	-	-	42,870	-	42,870
Balance at June 30, 2007	4,934,742	160,000	5,940,000	42,870	1,148,114	12,225,726

The annexed notes 1 to 16 form an integral part of these financial statements.

  
 Chairman

  
 Chief Executive

  
 Director

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

### 3.1 Change in accounting policy

Pursuant to the adoption of IFRS 3 - "Business Combinations" by the Securities & Exchange Commission of Pakistan vide S.R.O No. 1228 (I) / 2006 dated December 6, 2006, the Company has changed its accounting policy and now the amortisation of goodwill on acquisition of Pak Saudi Fertilizer Limited (PSFL) has ceased which was previously being amortised over the period of 20 years. The effect of this change in accounting policy has been made prospectively in accordance with the requirements of IFRS 3. The goodwill is now being stated at the carrying value as at December 31, 2006 and is being tested for impairment only. This change has resulted in increased net profit before tax for the period by Rs 52,308

### 3.2 Change in accounting estimate

Depreciation on addition in property, plant and equipment is charged from the month of addition while no depreciation is charged in the month of disposal. Previously, full year's depreciation was being charged in the year of addition and no depreciation in the year of disposal. This change in accounting estimate has resulted in decrease in depreciation charge for the period by Rs. 10,871 thousand with corresponding effect in carrying value of property, plant and equipment and profit before taxation by the same amount.

		Un-audited June 30, 2007	Audited December 31, 2006
		(Rupees '000)	
<b>4. SHARE CAPITAL</b>			
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL</b>			
Numbers.			
256,495,902	Ordinary shares of Rs 10 each, issued for consideration in cash.	2,564,959	2,564,959
236,978,328	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	2,369,783	2,369,783
493,474,230		4,934,742	4,934,742

### AUTHORISED CAPITAL

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

# 12 Notes to the Condensed Interim Financial Statements

For the Half Year Ended June 30, 2007 (Un-audited)

	Note	Un-audited June 30, 2007	Audited December 31, 2006
		(Rupees '000)	
<b>5. REVENUE RESERVES</b>			
General reserve		5,940,000	6,190,000
Surplus on remeasurement of available for sale investments to fair value - net of tax		42,870	-
Unappropriated profit		1,148,114	1,671,801
		7,130,984	7,861,801
<b>6. NON CURRENT LIABILITIES</b>			
Long term financing - secured	6.1	2,508,246	2,081,077
Less: Amount payable within twelve months			
▪ shown as current maturity		1,011,996	887,327
		1,496,250	1,193,750
<b>6.1 Movement in this account during the period/year is as follows:</b>			
Opening balance		2,081,077	2,868,403
Disbursements during the period/year		1,050,000	1,100,000
Repayments during the period/year		(622,831)	(1,887,326)
Closing balance		2,508,246	2,081,077
<b>7. CONTINGENCIES AND COMMITMENTS</b>			
<b>(a) Contingencies</b>			
(i) Guarantees issued by banks on behalf of the Company		17,192	18,228
(ii) Disputed demand for Income tax and levy of contribution to Workers' Welfare Fund related to former PSFL decided in favour of the Company by the Income Tax Authorities, are currently in appeal by the department. The Company is confident that there are reasonable grounds for a favourable decision.		235,590	295,590
(iii) Claims against the Company and / or potential exposure not acknowledged as debt.		73,776	73,776
<b>(b) Commitments</b>			
(i) Capital expenditure		1,310,914	378,294
(ii) Purchase of fertilizer, stores, spares and other revenue items.		610,488	468,511
(iii) Company's share of commitments in Pakistan Maroc Phosphore S.A. (PMP). PMP itself is committed to incur capital expenditure of MAD 1,669,000 thousand ( 2006 : MAD 1,326,000 thousand) equivalent Pak Rs 12,072,000 thousand ( 2006 : Rs 9,600,000 thousand).		1,509,000	1,200,030
(iv) Rentals under lease agreements:			
Premises		80,267	97,877
Vehicles		231,032	239,771

	Note	Un-audited June 30, 2007	Audited December 31, 2006
		(Rupees '000)	
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Opening written down value		9,607,957	9,184,727
Additions		545,733	1,410,487
Written down value of disposals/adjustments		(667)	(189,327)
Depreciation		(400,477)	(797,930)
Closing written down value		9,752,546	9,607,957
<b>9. LONG TERM INVESTMENTS</b>			
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		284,538	293,124
Pakistan Investment Bonds	9.1	663,705	-
Term Finance Certificates	9.1	52,229	-
		1,000,472	293,124
Investments held to maturity			
Pakistan Investment Bonds	9.1	-	600,000
Term Finance Certificates	9.1	-	149,930
		-	749,930
		6,458,727	6,501,309
Less: Current portion shown under short term investments	11		
Investments available for sale			
Certificates of investment		132,685	91,867
Term Finance Certificates		21	-
Investments held to maturity			
Term Finance Certificates		-	60
		132,706	91,927
		6,326,021	6,409,382

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

#### 10. OTHER RECEIVABLES

These include receivable from Government of Pakistan amounting to Rs 582,150 thousand (2006:Rs 863,881 thousand) on account of subsidy on imports of phosphatic fertilizers as notified by the Ministry of Food, Agriculture and Live Stock, Government of Pakistan.



	Note	Un-audited June 30, 2007	Audited December 31, 2006
		(Rupees '000)	
<b>11. SHORT TERM INVESTMENTS</b>			
Investments at fair value through profit or loss			
Meezan Balanced Fund		102,500	86,000
National Investment Trust		131,731	96,154
NAFA Cash Fund		22,567	21,447
Available for sale			
Term deposits with banks and financial institutions			
Local currency (net of provision for doubtful recovery Rs 13,000 thousand)		-	500,000
Foreign currency	9.1 & 11.1	850,211	-
Held to maturity			
Term deposits with banks and financial institutions			
Local currency		-	775,000
Foreign currency	9.1	-	882,322
Current maturity of long term investments		132,706	91,927
		1,239,715	2,452,850

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

## For the Half Year Ended June 30, 2007 (Un-audited)

	FOR THE QUARTER ENDED		FOR THE HALF YEAR ENDED	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
	(Rupees '000)		(Rupees '000)	
<b>12. COST OF SALES</b>				
Raw materials consumed	1,396,094	1,248,798	2,798,842	2,474,119
Fuel and power	852,044	892,251	1,706,932	1,748,368
Chemicals and supplies	41,062	45,815	76,720	74,097
Salaries, wages and benefits	331,555	321,651	652,071	619,029
Training and employees welfare	63,510	45,987	146,209	99,730
Rent, rates and taxes	4,181	4,065	9,265	8,792
Insurance	26,384	24,472	51,429	48,522
Travel and conveyance	31,460	32,422	60,443	49,195
Repairs and maintenance	145,770	165,202	263,471	328,450
Depreciation	197,214	189,481	392,118	369,658
Communication, establishment and other expenses	131,385	96,902	247,998	191,491
Provision for slow moving and surplus spares	3,950	5,471	3,950	5,471
Opening stock-work in process	21,332	21,146	23,484	18,028
Closing stock-work in process	(27,287)	(19,687)	(27,287)	(19,687)
Cost of goods manufactured	3,218,654	3,073,976	6,405,645	6,015,263
Add: Opening stock of manufactured urea	1,097,679	11,547	34,298	19,386
Less: Closing stock of manufactured urea	(1,063,527)	(21,214)	(1,063,527)	(21,214)
	34,152	(9,667)	(1,029,229)	(1,828)
Cost of sales of own manufactured urea	3,252,806	3,064,309	5,376,416	6,013,435
Opening stock of purchased fertilizers	605,630	807,361	839,602	487,978
Purchase of fertilizers for resale ( net of subsidy of Rs.582,150 thousand)	1,135,861	1,985,365	1,135,861	3,546,585
	1,741,491	2,792,726	1,975,463	4,034,563
Less: Closing stock of purchased fertilizers	(1,628,171)	(2,068,868)	(1,628,171)	(2,068,868)
Cost of sales of purchased fertilizers	113,320	723,858	347,292	1,965,695
	3,366,126	3,788,167	5,723,708	7,979,130
<b>13. EARNINGS PER SHARE</b>				
Net profit after tax (Rupees '000)	1,090,132	955,714	2,384,547	2,191,082
Weighted average number of shares in issue during the period - (000)	493,474	493,474	493,474	493,474
Basic and diluted earnings per share (Rupees)	2.21	1.94	4.83	4.44

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

	June 30, 2007	June 30, 2006
	(Rupees '000)	
<b>14. CASH GENERATED FROM/(USED IN) OPERATIONS</b>		
Net profit before taxation	3,395,547	3,323,082
Adjustments for:		
Depreciation	398,601	375,127
Provision for gratuity	21,907	21,030
Provision for pension	16,738	17,049
Provision for Workers' Profit Participation Fund	182,287	178,532
Amortization of goodwill	-	52,308
Provision for slow moving and surplus spares	3,950	5,471
Finance cost	316,297	186,168
Gain on sale of property, plant and equipment	(5,149)	(3,097)
Income on loans, deposits and investments	(111,226)	(226,289)
Exchange loss	5,917	3,872
Gain on remeasurement of investment at fair value through profit or loss	(53,197)	(6,692)
Dividend from FFBL	(594,041)	(237,616)
	182,084	365,863
	3,577,631	3,688,945
Changes in working capital		
(Increase)/decrease in current assets		
Stores and spares	(131,540)	(184,756)
Stock in trade	(1,795,112)	(1,634,860)
Trade debts	(878,290)	(351,383)
Loans and advances	(69,487)	(504)
Deposits and prepayments	(52,376)	(48,440)
Other receivables	269,972	28,889
Decrease in current liabilities		
Trade and other payables	(648,754)	(1,858,317)
	(3,305,587)	(4,049,371)
Changes in long term loans and advances	(45,848)	(554)
Changes in long term deposits and prepayments	129	1,298
	226,325	(359,682)

## 15. 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:

	June 30, 2007	June 30, 2006
	(Rupees '000)	
Transactions with the subsidiary company		
Marketing of fertilizer on behalf of FFBL under sale on consignment basis	89,965	118,327
Commission on sale of FFBL products	6,017	9,172
Services and materials provided	21,262	2,695
Services and materials received	-	1,336
Dividend income	594,041	237,616
Balance payable	127,704	375,022 *
Transactions with associated undertakings/ companies due to common directorship		
Sale of fertilizer	486	-
Medical services	41	4
Office rent	1,512	1,400
Dividends paid	810,861	935,609
Purchase of gas as feed and fuel stock	4,137,686	3,871,181
Technical services received	6,654	8,040
Catalyst purchased	-	104,575
Others	2,534	-
Balance receivable	628	234 *
Balance payable	392,054	432,302 *
Transactions with joint venture company		
Balance of advance against issue of shares	705,925	705,925 *
Other related parties		
Remuneration of Chief Executive and Executives: Remuneration including benefits and perquisites of chief executive and other executives. No of persons 2007: 1 and 310 (2006:1 and 272) respectively	393,853	331,015
Payments to:		
Employees' Provident Fund Trust	69,780	61,674
Employees' Gratuity Fund Trust	44,592	44,548
Employees' Pension Fund Trust	35,472	36,438
Workers' Profit Participation Fund	400,000	386,728
Balance payable	157,279	378,761 *

\* Comparative figures of receivable/payable balances are as of December 31, 2006.

## 16 GENERAL

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

16.2 The Board of Directors in their meeting held on July 30, 2007 have proposed second interim dividend of Rs 2.25 per share.

16.3 These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on July 30, 2007.

  
Chairman

  
Chief Executive

  
Director



Condensed Interim  
Consolidated Financial Statements



FAUJI FERTILIZER COMPANY LIMITED

2007



As at June 30, 2007

	Note	Un-audited June 30, 2007	Audited December 31, 2006
		(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	6,283,486	7,336,881
		11,494,412	12,547,807
<b>MINORITY INTEREST</b>		3,882,625	4,194,102
		15,377,037	16,741,909
<b>NON CURRENT LIABILITIES</b>	6	8,698,750	9,273,744
<b>DEFERRED TAXATION</b>		5,286,726	5,030,339
<b>CURRENT LIABILITIES</b>			
Trade and other payables		5,922,140	6,337,033
Interest and mark-up accrued		310,725	238,991
Short term borrowings		12,121,172	9,062,926
Current portion of long term:			
- Financing		1,428,940	1,304,271
- Murabaha		38,679	38,679
- Loan		648,201	648,201
- Liabilities against assets subject to finance lease		2,181	2,586
Taxation - net		1,393,116	1,305,606
		21,865,154	18,938,293
		51,227,667	49,984,285

**CONTINGENCIES AND COMMITMENTS 7**

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

	Note	Un-audited June 30, 2007	Audited December 31, 2006
		(Rupees '000)	
PROPERTY, PLANT AND EQUIPMENT	8	26,036,417	24,538,295
GOODWILL		1,569,234	1,569,234
LONG TERM INVESTMENTS	9	2,984,841	3,068,202
LONG TERM LOANS AND ADVANCES		122,495	76,647
LONG TERM DEPOSITS AND PREPAYMENTS		18,123	19,747
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,279,277	2,999,367
Stock in trade		4,023,393	1,753,440
Trade debts		1,978,159	1,192,699
Loans and advances		257,361	156,405
Deposits and prepayments		125,048	30,546
Other receivables	10	1,901,179	2,765,488
Short term investments	11	2,069,323	2,955,237
Cash and bank balances		6,862,817	8,858,978
		20,496,557	20,712,160
		51,227,667	49,984,285

  
Chairman

  
Chief Executive

Director

# 22 Condensed Interim Consolidated Profit and Loss Account


For the Half Year Ended June 30, 2007 (Un-audited)

Note	FOR THE QUARTER ENDED		FOR THE HALF YEAR ENDED	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
	(Rupees '000)		(Rupees '000)	
Sales	6,845,072	9,277,994	14,036,838	18,507,478
Cost of sales 12	4,531,614	6,218,863	9,003,027	12,346,117
<b>GROSS PROFIT</b>	<b>2,313,458</b>	<b>3,059,131</b>	<b>5,033,811</b>	<b>6,161,361</b>
Administrative expenses and distribution cost	704,393	977,139	1,531,547	1,974,027
	1,609,065	2,081,992	3,502,264	4,187,334
Finance cost	377,641	192,567	626,447	385,951
Other expenses	190,637	200,271	384,771	400,592
	1,040,787	1,689,154	2,491,046	3,400,791
Other income	863,417	912,918	1,121,347	1,220,822
<b>NET PROFIT BEFORE TAXATION</b>	<b>1,904,204</b>	<b>2,602,072</b>	<b>3,612,393</b>	<b>4,621,613</b>
Provision for taxation	654,837	931,481	1,288,304	1,671,409
<b>NET PROFIT AFTER TAXATION</b>	<b>1,249,367</b>	<b>1,670,591</b>	<b>2,324,089</b>	<b>2,950,204</b>
<b>ATTRIBUTABLE TO:</b>				
Equity holders of Fauji Fertilizer Company Limited	1,171,144	1,319,411	2,061,969	2,459,879
Minority interest	78,223	351,180	262,120	490,325
	1,249,367	1,670,591	2,324,089	2,950,204

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

  
Chairman

  
Chief Executive

  
Director

# Condensed Interim Consolidated Cash Flow Statement 23

For the Half Year Ended June 30, 2007 (Un-audited)

	Note	June 30, 2007	June 30, 2006
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(used in) operations	13	1,077,660	(806,766)
Finance cost paid		(554,713)	(385,392)
Income tax paid		(999,413)	(963,276)
Payment to Workers' Profit Participation Fund		(414,973)	(409,206)
Compensation received from GOP-net		51,800	51,800
Net cash used in operating activities		(839,639)	(2,512,840)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,396,705)	(1,280,258)
Proceeds from sale of property, plant and equipment		6,504	3,199
Interest received		438,484	545,231
Long term deposits		282	-
Decrease/(Increase) in investments		149	(112,026)
Net cash used in investing activities		(1,951,286)	(843,854)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - disbursements		1,050,000	500,000
- repayments		(831,302)	(1,331,300)
Long term murabaha - repayments		(19,338)	(61,005)
Finance lease paid		(1,889)	(2,215)
Increase/(decrease) Short term borrowings		2,163,321	(750,542)
Dividends paid		(3,572,352)	(2,721,374)
Net cash used in financing activities		(1,211,560)	(4,366,436)
Net decrease in cash and cash equivalents		(4,002,485)	(7,723,130)
Cash and cash equivalents at beginning of the period		6,588,581	11,871,419
Effect of exchange rate changes		(158)	6,665
Cash and cash equivalents at end of the half year		2,585,938	4,154,954
CASH AND CASH EQUIVALENTS			
Cash and bank balances		6,862,817	5,365,657
Short term running finances		(5,426,761)	(2,120,013)
Short term highly liquid investments		1,149,882	909,310
		2,585,938	4,154,954

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

  
Chairman

  
Chief Executive

  
Director

For the Half Year Ended June 30, 2007 (Un-audited)

	Attributable to equity holders of Fauji Fertilizer Company Limited				Minority	Total	
	Share capital	Capital reserve	General reserve	Surplus on remeasurement of investments available for sale to fair value	Unappropriated profit/(loss)	Interest	
	(Rupees '000')						
Balance at January 1, 2006 as previously reported	4,934,742	276,184	7,290,000	-	(882,556)	3,796,112	15,414,482
Transfer to general reserve due to change in accounting policy	-	-	100,000	-	(100,000)	-	-
Restated balance at January 1, 2006	4,934,742	276,184	7,390,000	-	(982,556)	3,796,112	15,414,482
FFC Final dividend 2005: Rs. 2.25 per share	-	-	-	-	(1,110,317)	-	(1,110,317)
FFBL Final dividend 2005: Rs. 0.5 per share	-	-	-	-	-	(229,438)	(229,438)
Transfer to unappropriated profit / (loss)	-	-	(100,000)	-	100,000	-	-
Net profit for the half year ended June 30, 2006	-	-	-	-	2,459,879	490,325	2,950,204
FFC First interim dividend 2006: Rs. 2.25 per share	-	-	-	-	(1,110,317)	-	(1,110,317)
Balance at June 30, 2006	4,934,742	276,184	7,290,000	-	(643,311)	4,056,999	15,914,614
Balance at January 1, 2007	4,934,742	276,184	6,190,000	-	1,146,881	4,194,102	16,741,909
FFC Final dividend 2006: Rs. 3.90 per share	-	-	-	-	(1,924,549)	-	(1,924,549)
FFBL Final dividend 2006: Rs. 1.25 per share	-	-	-	-	-	(573,597)	(573,597)
Transfer to unappropriated profit / (loss)	-	-	(250,000)	-	250,000	-	-
Net profit for the half year ended June 30, 2007	-	-	-	-	2,061,969	262,120	2,324,089
FFC First interim dividend 2007: Rs. 2.50 per share	-	-	-	-	(1,233,685)	-	(1,233,685)
Surplus on remeasurement to fair value-net of tax	-	-	-	42,870	-	-	42,870
Balance at June 30, 2007	4,934,742	276,184	5,940,000	42,870	300,616	3,882,625	15,377,037

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

  
 Chairman

  
 Chief Executive

  
 Director

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

### 3.1 Change in Accounting Policy

Pursuant to the adoption of IFRS 3 - "Business Combinations" by the Securities & Exchange Commission of Pakistan vide SRO No.1228(I)/2006 dated December 6, 2006, FFC has changed its accounting policy and now the amortisation of goodwill on acquisition of Pak Saudi Fertilizer Limited (PSFL) has ceased which was previously being amortised over the period of 20 years. The effect of this change in accounting policy has been made prospectively in accordance with the requirement of IFRS 3. The goodwill is now being stated at carrying value as at December 31, 2006 and is being tested for impairment only. This change has resulted in increased net profit before tax for the period by Rs 52,308 thousand.

### 3.2 Change in Accounting Estimate

Depreciation on addition in property, plant and equipment is charged from the month of addition while no depreciation is charged in the month of disposal. Previously, full year's depreciation was being charged in the year of addition and no depreciation in the year of disposal. This change in accounting estimate has resulted in decrease in depreciation charged for the period by Rs. 12,076 thousand with corresponding effect in carrying value of property, plant and equipment and profit before taxation by the same amount.

		Un-audited June 30, 2007	Audited December 31, 2006
		(Rupees '000)	
<b>4. SHARE CAPITAL ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL</b>			
Numbers.			
256,495,902	Ordinary shares of Rs 10 each, issued for consideration in cash.	2,564,959	2,564,959
236,978,328	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	2,369,783	2,369,783
493,474,230		4,934,742	4,934,742

### AUTHORISED CAPITAL

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



	Note	Un-audited June 30, 2007	Audited December 31, 2006
		(Rupees '000)	
<b>5. REVENUE RESERVES</b>			
General reserve		5,940,000	6,190,000
Surplus on remeasurement of available for sale investments to fair value - net of tax		42,870	-
Unappropriated profit		300,616	1,146,881
		6,283,486	7,336,881
<b>6. NON CURRENT LIABILITIES</b>			
Long term financing - secured	6.1	4,176,023	3,957,325
Long term murabaha - secured	6.2	154,714	174,052
Long term loan - Government of Pakistan loan (Un-secured)	6.3	6,482,007	7,130,208
Liabilities against assets subject to finance lease		4,007	5,896
		10,816,751	11,267,481
Less: Amount payable within twelve months shown as current maturity		2,118,001	1,993,737
		8,698,750	9,273,744
<b>6.1 Movement in this account during the period/ year is as follows:</b>			
Opening balance		3,957,325	5,119,928
Disbursements during the period/year		1,050,000	1,100,000
Repayments during the period/year		(831,302)	(2,262,603)
Closing balance		4,176,023	3,957,325
<b>6.2 Movement in this account during the period/ year is as follows:</b>			
Opening balance		174,052	254,397
Repayments during the period/year		(19,338)	(80,345)
Closing balance		154,714	174,052
<b>6.3 Movement in this account during the period/ year is as follows:</b>			
Opening balance		7,130,208	7,778,409
Adjustment during the period/year		(648,201)	(648,201)
Closing balance		6,482,007	7,130,208
<b>7. CONTINGENCIES AND COMMITMENTS</b>			
<b>a) Contingencies</b>			
i) Guarantees issued by banks on behalf of the Group companies.		56,157	46,697
ii) Disputed demand for income tax and levy of contribution to Workers' Welfare Fund related to former PSFL decided in favour of FFC by the Income Tax Appellate Authorities, are currently in appeal by the department. FFC is confident that there are reasonable grounds for a favourable decision.		235,590	295,590

## For the Half Year Ended June 30, 2007 (Un-audited)

	Un-audited June 30, 2007	Audited December 31, 2006
	(Rupees '000)	
iii) Income tax demands, not acknowledged as debt, have been challenged by FFBL and are currently in appeal; FFBL expects favourable outcome of appeal.	50,727	50,727
iv) Claims against the Group companies and/or potential exposure not acknowledged as debt.	85,974	85,974
v) Indemnity bonds and undertakings given to the custom authorities for the machinery imported by FFBL for installation at ■■■■	119,650	119,650
<b>b) Commitments</b>		
i) Capital expenditure.	1,955,339	1,675,156
ii) Purchase of fertilizer, stores, spares and other revenue items.	1,408,436	785,459
iii) FFBL's share of investment in Foundation Power Company (Dharaki) Limited	1,500,000	-
iv) Group's share of commitments in Pakistan Maroc Phosphore S.A. (PMP). PMP itself is committed incur capital expenditure of MAD 1,669,000 thousand ( 2006 : MAD 1,326,000 thousand) equivalent Pak Rs. 12,072,000 thousand ( 2006: Rs. 9,600,000 thousand)	4,527,000	3,600,090
v) Rentals under lease agreements:		
Premises	80,267	97,877
Vehicles	231,032	239,771
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening written down value	24,538,295	23,747,830
Additions during the period/year	2,396,705	3,579,681
Written down value of disposals/ adjustments	(989)	(1,001,148)
Depreciation during the period/ year	(897,594)	(1,788,068)
Closing written down value	26,036,417	24,538,295

For the Half Year Ended June 30, 2007 (Un-audited)

	Note	Un-audited June 30, 2007	Audited December 31, 2006
		(Rupees '000)	
<b>9. LONG TERM INVESTMENTS</b>			
Investment in joint venture - at cost Pakistan Maroc Phosphore S.A., Morocco		2,117,075	2,117,075
Investment available for sale			
Certificates of investment		284,538	293,124
Pakistan Investment Bonds	9.1	663,705	-
Term Finance Certificates	9.1	52,229	-
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)
		-	-
		1,000,472	293,124
Investments held to maturity			
Pakistan Investment Bonds	9.1	-	600,000
Term Finance Certificates	9.1	-	149,930
		-	749,930
		3,117,547	3,160,129
Less: Current portion shown under short term investments	11		
Investment available for sale			
Certificates of investment		132,685	91,867
Term Finance Certificates		21	-
Investments held to maturity			
Term Finance Certificates		-	60
		132,706	91,927
		2,984,841	3,068,202

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

#### 10. OTHER RECEIVABLES

These include receivable from Government of Pakistan amounting to Rs 903,218 thousand (2006: Rs 1,809,964 thousand) on account of subsidy on production and imports of phosphatic fertilizers as notified by the Ministry of Food, Agriculture and Live Stock, Government of Pakistan.

	Note	Un-audited June 30, 2007	Audited December 31, 2006
		(Rupees '000)	
<b>11. SHORT TERM INVESTMENTS</b>			
Investments at fair value through profit or loss			
Meezan Balanced Fund		102,500	86,000
National Investment Trust		131,731	96,154
NAFA cash Fund		22,567	21,447
Fixed income / money market funds		829,608	502,387
		1,086,406	705,988
Available for sale			
Term deposits with banks and financial institutions			
Local currency (net of provision for doubtful recovery Rs 13,000 thousand)		-	500,000
Foreign currency	9.1 & 11.1	850,211	-
Held to maturity			
Term deposits with banks and financial institutions			
Foreign currency	9.1	-	775,000
		-	882,322
Current maturity of long term investments		132,706	91,927
		2,069,323	2,955,237

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

For the Half Year Ended June 30, 2007 (Un-audited)

	FOR THE QUARTER ENDED		FOR THE HALF YEAR ENDED	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
	(Rupees '000)		(Rupees '000)	
<b>12. COST OF SALES</b>				
Raw materials consumed	1,948,137	2,892,897	5,337,974	5,767,772
Fuel and power	1,021,490	1,175,814	2,162,946	2,294,053
Chemicals and supplies	63,507	62,943	115,686	105,580
Salaries, wages and benefits	425,389	415,415	878,474	801,714
Training and employees welfare	63,510	45,281	146,209	99,024
Rent, rates and taxes	9,744	9,321	20,443	19,360
Insurance	39,839	35,665	76,084	71,492
Travel and conveyance	40,576	41,548	77,528	64,186
Repairs and maintenance	396,913	259,935	706,801	515,985
Depreciation	445,898	446,723	887,362	861,265
Communication, establishment and other expenses	138,220	101,334	260,142	202,108
Provision for slow moving and surplus spares	3,950	5,471	3,950	5,471
Opening stock - work in process	25,737	23,358	28,285	19,532
Closing stock - work in process	(34,627)	(23,938)	(34,627)	(23,938)
Subsidy on DAP fertilizer from GOP - FFBL	(265,173)	-	(862,183)	-
Cost of goods manufactured	4,323,110	5,491,767	9,805,074	10,803,604
Add: Opening stock of manufactured fertilizers	1,388,881	1,107,943	133,620	418,109
Less: Closing stock of manufactured fertilizers	(1,297,908)	(1,252,823)	(1,297,908)	(1,252,823)
	90,973	(144,880)	(1,164,288)	(834,714)
Cost of sales of own manufactured fertilizers	4,414,083	5,346,887	8,640,786	9,968,890
Opening stock of purchased fertilizers	734,777	808,839	979,487	491,193
Purchase of fertilizers for resale (net of subsidy of Rs. 582,150 thousand)	1,135,861	2,235,480	1,135,861	4,058,377
	1,870,638	3,044,319	2,115,348	4,549,570
Less: Closing stock of purchased fertilizers	(1,753,107)	(2,172,343)	(1,753,107)	(2,172,343)
Cost of sale of purchased fertilizers	117,531	871,976	362,241	2,377,227
	4,531,614	6,218,863	9,003,027	12,346,117

For the Half Year Ended June 30, 2007 (Un-audited)

	June 30, 2007	June 30, 2006
	(Rupees '000)	
<b>13. CASH GENERATED FROM/(USED IN) OPERATIONS</b>		
Net profit before taxation	3,612,393	4,621,613
Adjustments for:		
Depreciation	895,718	870,280
Provision for gratuity, pension and leave encashment	45,593	72,419
Provision for Workers' Profit Participation Fund	194,498	223,194
Amortization of goodwill	-	52,308
Provision for slow moving and surplus spares	3,950	5,471
Finance cost	626,447	385,951
Income on loans, deposits and investments	(414,561)	(489,990)
Compensation from GOP	(600,000)	(700,000)
Gain on sale of property, plant and equipment	(5,514)	(3,102)
Exchange loss / (Gain)	5,917	(4,599)
Gain on remeasurement of investments at fair value through profit or loss	(82,236)	(6,692)
	669,812	405,240
	4,282,205	5,026,853
Changes in working capital		
(Increase)/decrease in current assets:		
Stores and spares	(283,860)	(250,054)
Stock in trade	(2,269,953)	(2,762,546)
Trade debts	(785,460)	(470,695)
Loans and advances	(100,956)	(8,476)
Deposits and prepayments	(52,507)	(87,678)
Other receivables	1,391,192	275,987
Decrease in current liabilities:		
Trade and other payables	(1,057,282)	(2,530,882)
	(3,158,826)	(5,834,344)
Changes in long term loans and advances	(45,848)	(554)
Changes in long term deposits and prepayments	129	1,279
	1,077,660	(806,766)

**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:

	June 30, 2007	June 30, 2006
	(Rupees '000)	
Transactions with associated undertaking/ companies due to common directorship		
Sale of fertilizer	968	-
Rent charged to Group Companies	1,884	1,772
Dividend paid	1,607,655	1,012,560
Repayment of principal portion of long term finance	22,857	22,857
Financial charges	8,441	10,212
Medical services	41	4
Purchase of gas as feed and fuel stock	4,137,686	3,871,181
Technical services received	6,654	8,040
Catalyst purchased	-	104,575
Others	2,534	-
Balance payable	579,038	642,685 *
Balance receivable	1,093	1,499 *
Transactions with joint venture company		
Balance of advance against issue of shares	2,117,075	2,117,075 *
Other related parties		
Remuneration of Chief Executive and Executives: Remuneration including benefits and perquisites of Chief Executive and Executives. No. of persons 2007: 2 and 399 (2006: 2 and 337) respectively	530,947	431,728
Payments to:		
Employees' Provident Fund Trust	76,058	67,453
Employees' Gratuity Fund Trust	51,540	50,499
Employees' Pension Fund Trust	35,472	36,438
Workers' Profit Participation Fund	414,973	409,206
Purchase of raw materials	2,362,611	3,059,350
Balances payable	169,490	393,734 *
Balances payable	1,042,011	1,126,636 *

\* Comparative figures of receivable/payable balances are as of December 31, 2006.

**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 July 30, 2007 have proposed a second interim dividend of Rs. 2.25 per share while an interim dividend of Re. 0.50 per share has been proposed by the Board of Directors of FFBL on July 2007.

15.3 These condensed interim consolidated financial statements have been authorised for issue by the Board of Directors of FFC on July 30, 2007.

  
Chairman

  
Chief Executive

  
Director





**FAUJI FERTILIZER COMPANY LIMITED**  
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