

Quarterly  
**FINANCIAL STATEMENTS**

March 31, 2013 (Un-audited)



## Company Information

### BOARD OF DIRECTORS

Lt Gen Muhammad Mustafa Khan, HI(M) (Retired)  
Chairman

Lt Gen Naeem Khalid Lodhi, HI(M) (Retired)  
Chief Executive and Managing Director

Mr Qaiser Javed  
Dr Nadeem Inayat  
Mr Shahid Aziz Siddiqi  
Mr Jorgen Madsen  
Maj Gen Zahid Parvez, HI(M) (Retired)  
Mr Wazir Ali Khoja  
Brig Dr Gulfam Alam, SI(M) (Retired)  
Engr Rukhsana Zuberi  
Mr Farhad Shaikh Mohammad  
Brig Parvez Sarwar Khan, SI(M) (Retired)  
Mr Khizar Hayat Khan

### CHIEF FINANCIAL OFFICER

Syed Shahid Hussain  
Tel: No.92-51-8456101 Fax: 92-51-8459961  
E-mail: shahid\_hussain@ffc.com.pk

### COMPANY SECRETARY

Brig Sher Shah, SI(M) (Retired)  
Tel: No.92-51-8453101 Fax: 92-51-8459931  
E-mail: ffcryp@ffc.com.pk

### REGISTERED OFFICE

156- The Mall, Rawalpindi Cantt  
Website: www.ffc.com.pk  
Tel No. 92-51-111-332-111, 8450001 Fax No. 92-51-8459925  
E-mail: ffcryp@ffc.com.pk

### PLANTSITES

Goth Machhi, Sadikabad  
(Distt: Rahim Yar Khan)  
Tel No. 92-68-5786420-9 Fax No. 92-68-5786401

Mirpur Mathelo  
(Distt: Ghotki)  
Tel No. 92-723-661500-09 Fax No. 92-723-661462

### MARKETING DIVISION

Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat, Lahore  
Tel No. 92-42-36369137-40 Fax No. 92-42-36366324

### KARACHI OFFICE

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

### AUDITORS

M/s A.F. Ferguson & 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 quarter ended March 31, 2013

Dear Members,

I am extremely pleased to report record net earnings of Rs 4.91 billion for the period ended March 31, 2013, 27% above last year, translating into an EPS of Rs 3.86.

'Sona' urea production of 569 thousand tonnes for the quarter accounted for 55% of total indigenous production, marginally down by 1% compared to the corresponding period last year, due to unplanned shutdown of Plant III at Mirpur Mathelo.

Lower urea imports by the Government, enhanced crop support prices and favorable weather resulted in a 30% improvement in industry urea demand during the period, as compared to a fairly depressed off-take during the corresponding period last year. Resultantly, sales for the period, at 565 thousand tonnes, increased by 72% resulting in a combined FFC & FFBL market share of 46% as compared to 33% previously.

The Company earned highest ever sales revenue of Rs 16.36 billion, 43 % above last year, despite lower selling prices, due to improved off-take. Distribution costs also declined by 3% mainly because of lower transportation cost while improved liquidity enabled savings in finance cost by 36%. Dividend income however decreased by 36% owing to lower FFBL margins during 2012, restricting profitability growth of the Company.

In view of improved profitability, the Board of Directors is pleased to announce first interim dividend of 35% (Rs. 3.50 per share) for the year.

The CCP has imposed a penalty of Rs. 5.5 billion on the Company for alleged unreasonable increase in urea prices during the year 2011. However the fact remains that price increase was essentially caused by extended gas curtailment and delayed urea imports by GOP resulting in product shortage leading to market imbalance and price hike. The Company plans to contest the order of the CCP being unjust and is confident that there are reasonable grounds for a favourable decision.

Fertilizer sector is the backbone of Country's agro based economy, in addition to being a direct source of significant governmental revenues. Controlled urea imports to the level of demand supply gap in addition to support of the fertilizer industry through uninterrupted gas supply, is essential to ensure sustained sector contribution towards the national exchequer and also for conservation of the rapidly depleting foreign exchange.

We expect urea prices to sustain at current levels and do not foresee any possibility of unreasonably large quantities of imports during the year, impacting positively on domestic urea sales, owing to increase in wheat support price and also because of higher margins on cotton.

On behalf of the Board,



Chairman  
Lt Gen Muhammad Mustafa Khan,  
HI (M) (Retired)

Rawalpindi  
April 29, 2013



# Condensed Interim Financial Information

## Condensed Interim Balance Sheet

As at March 31, 2013

	Note	Un-audited	Restated	Restated
		March 31, 2013	Audited December 31, 2012	Audited January 01, 2012
(Rupees '000)				
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	4	12,722,382	12,722,382	8,481,588
Capital reserves		160,000	160,000	160,000
Revenue reserves	5	11,434,672	12,884,824	14,039,464
		<u>24,317,054</u>	<u>25,767,206</u>	<u>22,681,052</u>
<b>NON-CURRENT LIABILITIES</b>				
Long term borrowings	6	3,830,000	3,870,000	2,494,196
Deferred liabilities		4,014,022	3,926,246	3,832,614
		<u>7,844,022</u>	<u>7,796,246</u>	<u>6,326,810</u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	7	14,078,001	16,342,791	12,329,687
Interest and mark - up accrued		135,404	24,921	79,826
Short term borrowings	8	2,024,000	4,990,000	8,735,650
Current portion of long term borrowings		1,271,250	1,433,750	1,615,655
Taxation		4,215,678	4,531,939	3,762,236
		<u>21,724,333</u>	<u>27,323,401</u>	<u>26,523,054</u>
		<u>53,885,409</u>	<u>60,886,853</u>	<u>55,530,916</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9			

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

			Restated	Restated
		Un-audited	Audited	Audited
		March 31,	December 31,	January 01,
	Note	2013	2012	2012
		(Rupees '000)		
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	10	17,840,680	17,818,755	17,050,951
Intangible assets		1,669,440	1,678,639	1,569,234
Long term investments	11	11,660,122	9,511,865	8,659,073
Long term loans and advances		676,427	700,786	605,883
Long term deposits and prepayments		247,469	222,313	9,370
		<u>32,094,138</u>	<u>29,932,358</u>	<u>27,894,511</u>
<b>CURRENT ASSETS</b>				
Stores, spares and loose tools		3,411,873	3,098,938	2,447,452
Stock in trade		431,613	442,139	636,923
Trade debts		2,213,027	3,611,476	86,669
Loans and advances		575,387	677,977	431,582
Deposits and prepayments		485,074	35,670	53,852
Other receivables		374,937	588,667	891,673
Short term investments	12	10,937,127	18,750,996	21,794,480
Cash and bank balances		3,362,233	3,748,632	1,293,774
		<u>21,791,271</u>	<u>30,954,495</u>	<u>27,636,405</u>
		<u><u>53,885,409</u></u>	<u><u>60,886,853</u></u>	<u><u>55,530,916</u></u>



**Chairman**



**Chief Executive**



**Director**

**Condensed Interim Profit and Loss Account (Un-audited)**  
For the first quarter ended March 31, 2013

	Note	March, 31 2013	March, 31 2012
(Rupees '000)			
Sales		16,360,862	11,432,825
Cost of sales	13	<u>8,591,602</u>	<u>5,674,866</u>
GROSS PROFIT		7,769,260	5,757,959
Distribution cost		<u>1,294,547</u>	<u>1,339,934</u>
		6,474,713	4,418,025
Finance cost		178,296	278,090
Other expenses		<u>624,342</u>	<u>521,714</u>
		5,672,075	3,618,221
Other income		<u>1,500,479</u>	<u>2,140,885</u>
NET PROFIT BEFORE TAXATION		7,172,554	5,759,106
Provision for taxation		<u>2,263,000</u>	<u>1,884,000</u>
NET PROFIT AFTER TAXATION		<u>4,909,554</u>	<u>3,875,106</u>
Earnings per share			
- basic and diluted (Rupees)	14	<u>3.86</u>	<u>3.05</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Chairman**



**Chief Executive**



**Director**

**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
 For the first quarter ended March 31, 2013

	March 31, 2013	March 31, 2012
	(Rupees '000)	
Net profit after taxation	4,909,554	3,875,106
Other comprehensive income for the quarter		
Surplus on remeasurement of investments available for sale to fair value	1,262	1,139
Income tax relating to component of taxable comprehensive income	223	65
Other comprehensive income for the quarter - net of tax	1,485	1,204
Total comprehensive income for the quarter	4,911,039	3,876,310

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Chairman**



**Chief Executive**



**Director**



**Condensed Interim Cash Flow Statement (Un-audited)**  
For the first quarter ended March 31, 2013

	Note	March 31, 2013	March 31, 2012
(Rupees '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from (used in) operations	15	4,414,503	(7,302,217)
Finance cost paid		(67,813)	(194,792)
Income tax paid		(2,523,747)	(1,378,034)
Payment to gratuity fund		(91,929)	(83,040)
Payment to pension fund		(47,191)	(454,661)
Net cash generated from ( used in) operating activities		1,683,823	(9,412,744)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition in Property, plant & equipment		(392,758)	(855,887)
Addition in Intangible assets		(678)	-
Proceeds from sale of property, plant and equipment		6,845	8,077
Interest received		362,086	385,626
Advance for purchase of shares in Askari Bank Limited		(2,000,000)	-
Decrease in investments		527,849	2,141,079
Dividend received		1,069,274	1,663,315
Net cash (used in) generated from investing activities		(427,382)	3,342,210
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term borrowings - repayments		(202,500)	(554,703)
Dividends paid		(5,662,474)	(4,425,190)
Net cash used in financing activities		(5,864,974)	(4,979,893)
Net decrease in cash and cash equivalents		(4,608,533)	(11,050,427)
Cash and cash equivalents at beginning of the quarter		16,571,069	9,963,247
Effect of exchange rate changes		423	381
Cash and cash equivalents at end of the quarter		11,962,959	(1,086,799)
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		3,362,233	1,717,401
Short term highly liquid investments		10,624,726	6,169,937
Short term running finance		(2,024,000)	(8,974,137)
		11,962,959	(1,086,799)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

  
**Chairman**

  
**Chief Executive**

  
**Director**

**Condensed Interim Statement of Changes in Equity (Un-audited)**  
For the first quarter ended March 31, 2013

	Share capital	Capital reserves	Revenue reserves			Total
			Surplus on remeasurement of investments available for sale to fair value	General reserve	Unappropriated profit	
Balance at January 1, 2012 - as previously reported	8,481,588	160,000	10,258	5,543,154	8,875,224	23,070,224
Change in accounting policy for recognition of actuarial gains and losses	-	-	-	-	(389,172)	(389,172)
Balance at January 1, 2012 - as restated	8,481,588	160,000	10,258	5,543,154	8,486,052	22,681,052
Transfer to general reserve	-	-	-	4,200,000	(4,200,000)	-
Total comprehensive income for the quarter						
Profit for the quarter after taxation	-	-	-	-	3,875,106	3,875,106
Other comprehensive income - net of tax	-	-	1,204	-	-	1,204
Total comprehensive income for the quarter - net of tax	-	-	1,204	-	3,875,106	3,876,310
Distribution to owners						
Issue of bonus shares	4,240,794	-	-	(4,240,794)	-	-
Final dividend 2011: Rs 5.25 per share	-	-	-	-	(4,452,834)	(4,452,834)
Total transactions with owners	4,240,794	-	-	(4,240,794)	(4,452,834)	(4,452,834)
Balance at March 31, 2012	<u>12,722,382</u>	<u>160,000</u>	<u>11,462</u>	<u>5,502,360</u>	<u>3,708,324</u>	<u>22,493,700</u>
Balance at January 1, 2013 - as previously reported	12,722,382	160,000	7,695	5,502,360	7,703,612	26,096,049
Change in accounting policy for recognition of actuarial gains and losses	-	-	-	-	(328,843)	(328,843)
Balance at January 1, 2013 - as restated	12,722,382	160,000	7,695	5,502,360	7,374,769	25,767,206
Transfer to general reserve	-	-	-	1,300,000	(1,300,000)	-
Total comprehensive income for the quarter						
Profit for the quarter after taxation	-	-	-	-	4,909,554	4,909,554
Other comprehensive income - net of tax	-	-	1,485	-	-	1,485
Total comprehensive income for the quarter - net of tax	-	-	1,485	-	4,909,554	4,911,039
Distribution to owners						
Final dividend 2012: Rs 5.00 per share	-	-	-	-	(6,361,191)	(6,361,191)
Balance at March 31, 2013	<u>12,722,382</u>	<u>160,000</u>	<u>9,180</u>	<u>6,802,360</u>	<u>4,623,132</u>	<u>24,317,054</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Chairman**



**Chief Executive**



**Director**

**Notes to the Condensed Interim Financial Information (Un-audited)**

**For the first quarter ended March 31, 2013**

1. Fauji Fertilizer Company Limited ("the Company") is a public 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 156 - The Mall, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, other manufacturing and energy generation operations.
2. This condensed interim financial information of the Company for the first quarter ended March 31, 2013 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in this condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended December 31, 2012. Comparative condensed interim balance sheet is extracted from annual financial statements as of December 31, 2012 whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial information of the Company for the first quarter ended March 31, 2012.

This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Islamabad, Karachi and Lahore Stock Exchanges.

3. Consequent to the revision of IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after January 1, 2013, the Company has changed its accounting policy wherein, the actuarial gains and losses on employees' retirement benefit plans are recognised immediately in other comprehensive income. Previously, the actuarial gains/losses in excess of the corridor limit were recognised in profit and loss account over the remaining service life of the employees. The change in accounting policy has been accounted for retrospectively and the comparative figures have thereby been restated.

	Cumulative effect upto December 31, 2012	Effect for the year ended December 31, 2012	Cumulative effect upto January 1, 2012
(Rupees '000)			
Condensed interim Balance sheet			
(Decrease) / Increase in unappropriated profit			
- Actuarial loss on retirement benefit plans (net of tax)	(328,843)	60,329	(389,172)
Increase / (Decrease) in trade and other payables			
- Payable to retirement benefit funds	505,912	(92,814)	598,726
(Decrease) / Increase in deferred liabilities			
- Deferred taxation	(177,069)	32,485	(209,554)

The effect on the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarter ended March 31, 2012 has not been disclosed separately since the actuarial valuation is carried out on annual basis. There is no impact on condensed interim statement of cash flows.

- 3.1 The following standard, amendments and interpretations of approved accounting standards are not yet effective and do not have significant impact on the Company's financial statements:

- Amendments to IAS 32 – Financial Instruments: Presentation (effective 1 January 2014)

**4. SHARE CAPITAL**

**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

Un-audited March 31, 2013	Audited December 31, 2012		Un-audited March 31, 2013	Audited December 31, 2012
(Numbers)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs 10 each, issued for consideration in cash	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs 10 each, issued as fully paid bonus shares	10,157,423	10,157,423
<u>1,272,238,247</u>	<u>1,272,238,247</u>		<u>12,722,382</u>	<u>12,722,382</u>

## Notes to the Condensed Interim Financial Information

For the first quarter ended March 31, 2013

### AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2012: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2012: Rs 15,000,000 thousand).

Note	Restated	
	Un-audited March 31, 2013	Audited December 31, 2012
(Rupees '000)		
<b>5. REVENUE RESERVES</b>		
General reserve	6,802,360	5,502,360
Surplus on remeasurement of available for sale investments to fair value - net of tax	9,180	7,695
Unappropriated profit	4,623,132	7,314,440
	<u>11,434,672</u>	<u>12,824,495</u>
<b>6. LONG TERM BORROWINGS</b>		
Long term borrowings - secured	6.1 5,101,250	5,303,750
Less: Amount payable within twelve months shown as current maturity		
	<u>1,271,250</u>	<u>1,433,750</u>
	<u>3,830,000</u>	<u>3,870,000</u>
<b>6.1 Movement in this account during the period / year is as follows:</b>		
Opening balance	5,303,750	4,319,405
Disbursements during the period / year	-	3,000,000
Repayments during the period / year	(202,500)	(2,015,655)
Closing balance	6.2 <u>5,101,250</u>	<u>5,303,750</u>

**6.2** These finances are secured by an equitable mortgage on the Company's assets and hypothecation of all Company assets including plant, machinery, tools & spares and all other moveable properties including stocks and book debts, ranking pari passu with each other with 25% margin.

These carry mark up ranging between 6 months KIBOR + 0.50% to 1.5% per annum (December 31, 2012: six month KIBOR + 0.30 % to 1.5% per annum) and are repayable upto December 2017 (December 31, 2012: December 2017).

	Restated	
	Un-audited March 31, 2013	Audited December 31, 2012
(Rupees '000)		
<b>7. TRADE AND OTHER PAYABLES</b>		
Creditors	399,907	420,933
Accrued liabilities	3,729,338	3,447,871
Consignment account with Fauji Fertilizer Bin Qasim Limited - unsecured	2,063,406	2,969,967
Sales tax payable - net	469,582	1,600,848
Deposits	195,585	188,260
Retention money	132,925	152,370
Advances from customers	4,064,220	5,431,710
Workers' Profit Participation Fund	315,116	-
Workers' Welfare Fund	1,237,350	1,094,245
Unclaimed dividend	1,022,145	323,428
Pension fund	238,367	327,689
Gratuity fund	64,040	400,632
Other liabilities	146,020	77,652
	<u>14,078,001</u>	<u>16,435,605</u>

**Notes to the Condensed Interim Financial Information**  
**For the first quarter ended March 31, 2013**

8. SHORT TERM BORROWINGS

The Company has short term running finance and demand finance facilities limits aggregating Rs.11.54 billion (December 31, 2012: Rs. 11.24 billion). These are secured against hypothecation charge over assets of the Company and carry mark up ranging between one month KIBOR + 0.10% to 1% and 3 months KIBOR + 0.30% per annum (December 31, 2012: one month KIBOR + 0.05 % to 1% and three months KIBOR + 0.3% per annum).

	Un-audited March 31, 2013	Audited December 31, 2012
	(Rupees '000)	
<b>9. CONTINGENCIES AND COMMITMENTS</b>		
(a) Contingencies		
(i) Guarantees issued by banks on behalf of the Company.	21,622	19,072
(ii) Claims against the Company and/ or potential exposure not acknowledged as debt.	50,696	50,696
(iii) Company's share of contingent liabilities of Fauji Cement Company Limited.	104,945	101,990
(b) Commitments in respect of:		
(i) Capital expenditure	1,470,245	1,535,446
(ii) Purchase of fertilizer, stores, spares and other operational items	1,191,939	1,180,288
(iii) Investment in FFC Energy Limited. The Company's commitment to the bank is secured against all present and future, movable and fixed assets excluding immovable properties, land and buildings of the Company.	247,750	386,000
(iv) Rentals under lease agreements:		
Premises	156,165	158,145
Vehicles	105,964	103,513
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening written down value	17,818,755	17,050,951
Additions	392,758	2,160,397
Written down value of disposals / adjustments	(62)	(6,873)
Depreciation	(370,771)	(1,385,720)
Closing written down value	17,840,680	17,818,755

10.1 Additions in and depreciation on property, plant and equipment during the quarter ended March 31, 2012 were Rs 855,887 thousand and Rs 324,809 thousand respectively.

## Notes to the Condensed Interim Financial Information

For the first quarter ended March 31, 2013

		Un-audited March 31, 2013	Audited December 31, 2012
	Note	(Rupees '000)	
<b>11. LONG TERM INVESTMENTS</b>			
Investment in associate - at cost			
Fauji Cement Company Limited (FCCL)		1,500,000	1,500,000
Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A., Morocco (PMP)		705,925	705,925
Investment in subsidiaries - at cost			
Fauji Fertilizer Bin Qasim Limited (FFBL)		4,752,330	4,752,330
FFC Energy Limited (FFCEL)		2,438,250	2,300,000
Advance to Army Welfare Trust for investment in Askari Bank Limited		2,000,000	-
Investments available for sale			
Certificates of Investment		120,301	111,528
Pakistan Investment Bonds		59,853	60,491
Term Finance Certificates		104,167	102,341
		<u>284,321</u>	<u>274,360</u>
		11,680,826	9,532,615
Less: Current portion shown under short term investments	12		
Investments available for sale			
Certificates of Investment		12,368	12,395
Term Finance Certificates		8,336	8,355
		<u>20,704</u>	<u>20,750</u>
		<u>11,660,122</u>	<u>9,511,865</u>
<b>12. SHORT TERM INVESTMENTS</b>			
Loans and receivables			
Term deposits with banks and financial institutions			
Local currency		8,930,000	16,800,000
Foreign currency		1,238,320	1,208,683
Investments at fair value through profit or loss - Held for trading		748,103	721,563
Current maturity of long term investments - Available for sale	11	20,704	20,750
		<u>10,937,127</u>	<u>18,750,996</u>

**Notes to the Condensed Interim Financial Information (Un-audited)**  
**For the first quarter ended March 31, 2013**

	March 31, 2013	March 31, 2012
	(Rupees '000)	
13. COST OF SALES		
Raw materials consumed	4,355,868	4,458,911
Fuel and power	1,534,731	1,528,632
Chemicals and supplies	91,641	66,744
Salaries, wages and benefits	983,796	996,805
Training and employees welfare	156,385	157,278
Rent, rates and taxes	2,125	6,237
Insurance	71,672	32,955
Travel and conveyance	91,791	87,582
Repairs and maintenance	584,824	385,608
Depreciation and amortization	361,958	318,548
Communication and other expenses	250,293	310,616
Opening stock - work in process	45,216	17,522
Closing stock - work in process	(30,069)	(54,740)
Cost of goods manufactured	<u>8,500,231</u>	<u>8,312,698</u>
Opening stock - manufactured urea	80,054	7,538
Closing stock - manufactured urea	(152,398)	(3,826,361)
	(72,344)	(3,818,823)
Cost of sales - manufactured urea	<u>8,427,887</u>	<u>4,493,875</u>
Opening stock - purchased fertilizers	274,029	144,090
Purchase of fertilizers for resale	-	2,995,261
	274,029	3,139,351
Closing stock - purchased fertilizers	(110,314)	(1,958,360)
Cost of sales - purchased fertilizers	<u>163,715</u>	<u>1,180,991</u>
	<u>8,591,602</u>	<u>5,674,866</u>
14. EARNINGS PER SHARE		
Net profit after tax (Rupees '000)	<u>4,909,554</u>	<u>3,875,106</u>
Weighted average number of shares in issue during the period - (Number '000)	<u>1,272,238</u>	<u>1,272,238</u>
Basic and diluted earnings per share (Rupees)	<u>3.86</u>	<u>3.05</u>

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

**Notes to the Condensed Interim Financial Information (Un-audited)**

For the first quarter ended March 31, 2013

	March 31, 2013	March 31, 2012
15. CASH GENERATED FROM OPERATIONS	(Rupees '000)	
Net profit before taxation	7,172,554	5,759,106
Adjustments for:		
Depreciation	369,194	324,339
Amortization	9,877	-
Provision for gratuity	29,866	33,264
Provision for pension	22,251	25,354
Provision for Workers' Profit Participation Fund	385,035	303,309
Provision for Workers' Welfare Fund	143,105	115,182
Finance cost	178,296	278,090
Gain on sale of property, plant and equipment	(6,783)	(8,006)
Income on loans, deposits and investments	(369,670)	(328,972)
Exchange gain	(22,568)	(20,442)
Gain on remeasurement of investment at fair value through profit or loss	(26,541)	(124,198)
Dividend income	(1,069,274)	(1,663,315)
	(357,212)	(1,065,395)
	6,815,342	4,693,711
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(312,935)	(10,808)
Stock in trade	10,526	(5,443,435)
Trade debts	1,398,449	(143,065)
Loans and advances	102,590	(115,561)
Deposits and prepayments	(449,404)	(271,842)
Other receivables	221,314	10,803
Decrease in current liabilities		
Trade and other payables	(3,395,522)	(5,779,973)
	(2,424,982)	(11,753,881)
Changes in long term loans and advances	24,359	(24,871)
Changes in long term deposits and prepayments	(216)	(217,176)
	4,414,503	(7,302,217)



**Notes to the Condensed Interim Financial Information (Un-audited)**  
For the first quarter ended March 31, 2013

16. 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:

	March 31, 2013	March 31, 2012
	(Rupees '000)	
Transactions with subsidiary companies		
Marketing of fertilizer on behalf of subsidiary company under sale on consignment basis	118,948	43,591
Commission on sale of subsidiary company's products	2,904	631
Services and materials provided	98,748	19,493
Dividend income	1,069,274	1,663,315
Long term investment	138,250	300,000
Balance payable - unsecured (Restated)	2,063,406	2,969,967 *
Balance receivable - unsecured (Restated)	11,997	5,458 *
Transactions with associated undertakings / companies due to common directorship		
Office rent	-	1,111
Dividend paid	2,821,188	1,974,832
Purchase of gas as feed and fuel stock	5,564,443	5,649,844
Balance receivable - unsecured	57,513	6,611 *
Other related parties		
Remuneration of Chief Executive and Executives:		
Remuneration including benefits and perquisites of chief executive and other executives. No of persons 2013: 1 and 574 (2012: 1 and 510) respectively.	830,878	741,205
Payments to:		
Employees' Provident Fund Trust	69,417	63,833
Employees' Gratuity Fund Trust	91,929	83,040
Employees' Pension Fund Trust	47,191	454,661
Others:		
Balance receivable - unsecured (Restated)	480,509	69,919 *
Balance payable - unsecured (Restated)	1,619,998	530,227 *

\* Comparative figures of receivable / payable balances are as of December 31, 2012

17. GENERAL

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

17.2 The Board of Directors in its meeting held on April 29, 2013 has proposed first interim dividend of Rs. 3.50 per share .

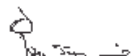
17.3 This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on April 29, 2013.



**Chairman**



**Chief Executive**



**Director**



## Condensed Interim Consolidated Financial Information

**Condensed Interim Consolidated Balance Sheet**

As at March 31, 2013

		Restated	Restated
	Un-audited	Audited	Audited
	March 31,	December 31,	January 01,
Note	2013	2012	2012
		(Rupees '000)	
<b>EQUITY AND LIABILITIES</b>			
<b>ATTRIBUTABLE TO EQUITY HOLDERS</b>			
<b>OF FAUJI FERTILIZER COMPANY LIMITED</b>			
Share capital	4	12,722,382	12,722,382
Capital reserves		1,184,416	1,001,061
Revenue reserves	5	12,144,648	14,397,075
		<u>26,051,446</u>	<u>28,120,518</u>
		5,282,035	5,983,400
<b>NON-CONTROLLING INTERESTS</b>		<u>31,333,481</u>	<u>32,075,565</u>
<b>TOTAL EQUITY</b>		<u>31,333,481</u>	<u>34,103,918</u>
		<u>25,571,715</u>	<u>6,503,850</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	6	14,311,324	13,643,915
Deferred liabilities		7,398,801	7,580,087
		<u>21,710,125</u>	<u>21,224,002</u>
		10,080,890	7,301,931
		<u>17,382,821</u>	<u>17,382,821</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		23,627,740	24,707,148
Interest and mark - up accrued		596,989	308,611
Short term borrowings		14,389,112	14,206,660
Current portion of long term:			
- Borrowings		1,271,250	1,740,517
- Loans		2,261,040	2,008,682
Taxation		4,615,702	5,000,827
		<u>46,761,833</u>	<u>47,972,445</u>
		<u>21,535,408</u>	<u>21,535,408</u>
		<u>496,159</u>	<u>496,159</u>
		<u>16,211,794</u>	<u>16,211,794</u>
		<u>1,615,655</u>	<u>1,615,655</u>
		<u>648,201</u>	<u>648,201</u>
		<u>4,425,068</u>	<u>4,425,068</u>
		<u>44,932,285</u>	<u>44,932,285</u>
		<u>99,805,439</u>	<u>103,300,365</u>
		<u>94,390,671</u>	<u>94,390,671</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

		Un-audited March 31, 2013	Restated Audited December 31, 2012	Restated Audited January 01, 2012
	Note		(Rupees '000)	
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	8	42,962,333	42,679,047	37,161,882
Intangible assets		1,669,440	1,687,919	1,615,633
Equity accounted investments	9.1	10,043,362	6,398,247	5,503,123
Other long term investments	9.2	263,617	253,610	250,818
Long term loans and advances		678,024	700,786	605,883
Long term deposits and prepayments		323,781	300,864	90,487
		<u>55,940,557</u>	<u>52,020,473</u>	<u>45,227,826</u>
<b>CURRENT ASSETS</b>				
Stores, spares and loose tools		5,408,398	5,110,420	4,353,190
Stock in trade		8,808,522	5,318,444	4,043,916
Trade debts		2,866,953	6,080,551	733,185
Loans and advances		1,214,711	1,126,040	872,320
Deposits and prepayments		598,598	59,564	67,009
Short term investments	10	13,308,127	20,300,996	30,632,717
Cash and bank balances		11,095,914	12,573,266	7,404,526
		<u>43,864,882</u>	<u>51,279,892</u>	<u>49,162,845</u>
		<u>99,805,439</u>	<u>103,300,365</u>	<u>94,390,671</u>



**Chairman**



**Chief Executive**



**Director**

**Condensed Interim Consolidated Profit and Loss Account (Un-audited)**

For the first quarter ended March 31, 2013

	Note	March, 31 2013	March, 31 2012
(Rupees '000)			
Sales		24,058,264	13,367,758
Cost of sales	11	14,638,136	7,874,340
<b>GROSS PROFIT</b>		<b>9,420,128</b>	<b>5,493,418</b>
Administrative expenses and distribution cost		2,003,640	1,688,313
		7,416,488	3,805,105
Finance cost		443,859	584,370
Other expenses		683,170	522,459
		6,289,459	2,698,276
Other income		619,872	797,421
Share of (loss) / profit of associate and joint venture		(39,207)	278,084
<b>NET PROFIT BEFORE TAXATION</b>		<b>6,870,124</b>	<b>3,773,781</b>
Provision for taxation		2,521,123	1,868,910
<b>NET PROFIT AFTER TAXATION</b>		<b>4,349,001</b>	<b>1,904,871</b>
<b>ATTRIBUTABLE TO:</b>			
Equity holders of Fauji Fertilizer Company Limited		4,107,279	2,094,997
Non - controlling interests		241,722	(190,126)
		<u>4,349,001</u>	<u>1,904,871</u>

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

  
**Chairman**

  
**Chief Executive**

  
**Director**

**Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)**

For the first quarter ended March 31, 2013

	March 31, 2013	March 31, 2012
	(Rupees'000)	
Net profit after taxation	4,349,001	1,904,871
Other comprehensive income for the quarter		
Exchange difference on translating foreign investment	272,646	(45,183)
Surplus on remeasurement of investments available for sale to fair value	1,262	1,139
	273,908	(44,044)
Income tax relating to component of other comprehensive income	223	65
Other comprehensive income for the quarter - net of tax	274,131	(43,979)
<b>Total comprehensive income for the quarter</b>	<b><u>4,623,132</u></b>	<b><u>1,860,892</u></b>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of Fauji Fertilizer Company Limited	4,292,119	2,065,815
Non-controlling interests	331,013	(204,923)
	<b><u>4,623,132</u></b>	<b><u>1,860,892</u></b>

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.


**Chairman**

**Chief Executive**

**Director**

**Condensed Interim Consolidated Cash Flow Statement (Un-audited)**  
For the first quarter ended March 31, 2013

	Note	March 31, 2013	March 31, 2012
(Rupees '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	12	3,840,997	(13,899,349)
Finance cost paid		(397,477)	(477,983)
Income tax paid		(2,939,066)	(1,748,291)
Payment to Gratuity Fund		(106,686)	(83,040)
Compensated absences paid		(6,096)	(3,317)
Payment to Pension Fund		(47,191)	(454,661)
Payment to Workers' Profit Participation Fund		(17,042)	(18,162)
		<u>(3,513,558)</u>	<u>(2,785,454)</u>
Net cash generated from (used in) operating activities		327,439	(16,684,803)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		1,015,823	(3,770,448)
Addition in intangible assets		(678)	-
Proceeds from sale of property, plant and equipment		10,985	8,728
Interest received		485,567	499,221
Advance for purchase of shares in Askari Bank Limited		(3,000,000)	-
Decrease in investments		194,768	10,187,160
Net cash (used in) / generated from investing activities		(1,293,535)	6,924,661
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing - disbursements (net)		4,196,555	2,301,209
- repayments		(202,500)	(554,703)
Dividends paid		(5,754,898)	(4,568,144)
Net cash used in financing activities		<u>(1,760,843)</u>	<u>(2,821,638)</u>
Net decrease in cash and cash equivalents		<u>(2,726,939)</u>	<u>(12,581,780)</u>
Cash and cash equivalents at beginning of the quarter		21,324,043	9,847,853
Effect of exchange rate changes		423	381
Cash and cash equivalents at end of the quarter		<u>18,597,527</u>	<u>(2,733,546)</u>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		11,786,913	7,566,873
Short term running finances		7,154,614	(18,020,356)
Short term highly liquid investments		(344,000)	7,719,937
		<u>18,597,527</u>	<u>(2,733,546)</u>

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

  
**Chairman**

  
**Chief Executive**

  
**Director**

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

For the first quarter ended March 31, 2013

	Attributable to equity holders of Fauji Fertilizer Company Limited								Total
	Capital reserves				Revenue reserves				
	Share capital	Capital reserve	Translation reserve	Statutory reserve	Surplus on remeasurement of available for sale investments to fair value	General reserve	Unappropriated profit	Non-controlling interests	
	(Rupees'000)								
Balance at January 1, 2012 - as previously reported	8,481,588	276,184	690,062	6,436	10,258	5,543,154	10,755,350	6,688,550	32,451,582
Change in accounting policy for recognition of actuarial gains and losses	-	-	-	-	-	-	(191,317)	(184,700)	(376,017)
Balance at January 1, 2012 - as restated	8,481,588	276,184	690,062	6,436	10,258	5,543,154	10,564,033	6,503,850	32,075,565
Transfer to general reserve	-	-	-	-	-	4,200,000	(4,200,000)	-	-
Total comprehensive income for the quarter									
Profit for the period after taxation	-	-	-	-	-	-	2,094,997	(190,126)	1,904,871
Other comprehensive income - net of tax	-	-	(30,386)	-	1,204	-	-	(14,797)	(43,979)
Total comprehensive income for the quarter - net of tax	-	-	(30,386)	-	1,204	-	2,094,997	(204,923)	1,860,892
Distributions to owners									
Issue of bonus shares	4,240,794	-	-	-	-	(4,240,794)	-	-	-
FFC dividends:									
Final dividend 2011: Rs 5.25 per share	-	-	-	-	-	-	(4,452,834)	-	(4,452,834)
Dividend to FFBL non-controlling interest holders:									
Final dividend 2011: Rs 3.50 per share	-	-	-	-	-	-	-	(1,605,921)	(1,605,921)
Total transactions with owners	4,240,794	-	-	-	-	(4,240,794)	(4,452,834)	(1,605,921)	(6,058,755)
Balance as at March 31, 2012	<u>12,722,382</u>	<u>276,184</u>	<u>659,676</u>	<u>6,436</u>	<u>11,462</u>	<u>5,502,360</u>	<u>4,006,196</u>	<u>4,693,006</u>	<u>27,877,702</u>
Balance at January 1, 2013 - as previously reported	12,722,382	276,184	718,441	6,436	7,695	5,502,360	9,106,120	6,194,921	34,534,539
Change in accounting policy for recognition of actuarial gains and losses	-	-	-	-	-	-	(219,100)	(211,521)	(430,621)
Balance at January 1, 2013 - as restated	12,722,382	276,184	718,441	6,436	7,695	5,502,360	8,887,020	5,983,400	34,103,918
Transfer to general reserve	-	-	-	-	-	1,300,000	(1,300,000)	-	-
Total comprehensive income for the quarter									
Profit for the quarter after taxation	-	-	-	-	-	-	4,107,279	241,722	4,349,001
Other comprehensive income - net of tax	-	-	183,355	-	1,485	-	-	89,291	274,131
Total comprehensive income for the quarter - net of tax	-	-	183,355	-	1,485	-	4,107,279	331,013	4,623,132
Distributions to owners									
FFC dividends:									
Final dividend 2012: Rs 5.00 per share	-	-	-	-	-	-	(6,361,191)	-	(6,361,391)
Dividend to FFBL non-controlling interest holders:									
Final dividend 2012: Rs 2.25 per share	-	-	-	-	-	-	-	(1,032,378)	(1,032,378)
Total transactions with owners	-	-	-	-	-	-	(6,361,191)	(1,032,378)	(7,393,569)
Balance as at March 31, 2013	<u>12,722,382</u>	<u>276,184</u>	<u>901,796</u>	<u>6,436</u>	<u>9,180</u>	<u>6,802,360</u>	<u>5,333,108</u>	<u>5,282,035</u>	<u>31,333,481</u>

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.



**Chairman**



**Chief Executive**



**Director**



**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)**

For the first quarter ended March 31, 2013

1. Fauji Fertilizer Company Limited (hereinafter referred to as 'FFC' or 'parent company') and its subsidiaries, Fauji Fertilizer Bin Qasim Limited (FFBL) and FFC Energy Limited (FFCEL), collectively referred to as 'the Group' are incorporated in Pakistan as public limited companies. Shares of FFC and FFBL 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 FFC and FFBL are manufacturing, purchasing and marketing of fertilizers and chemicals including investment in chemical and other manufacturing operations while FFCEL is engaged in generation of electricity through wind energy and its onward supply to National Transmission & Dispatch Company (NTDC).
2. This condensed interim consolidated financial information is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial information of the Group for the first quarter ended March 31, 2013 has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim consolidated financial information does not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2012. Comparative condensed interim consolidated balance sheet is extracted from annual audited financial statements for the year ended December 31, 2012 where as comparative condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity are stated from unaudited condensed interim financial report for the period ended March 31, 2012.

3. Consequent to the revision of IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after January 1, 2013, the Group has changed its accounting policy for recognition of actuarial gains and losses on employees' retirement benefit plans. In terms of the new policy, the actuarial gains and losses are recognised immediately in other comprehensive income. Previously, the actuarial gains/losses in excess of the corridor limit were recognised in profit and loss account over the remaining service life of the employees. The change in accounting policy has been accounted for retrospectively and the comparative figures have thereby been restated.

	Cumulative effect upto December 31, 2012	Effect for the year ended December 31, 2012	Cumulative effect upto January 1, 2012
(Rupees '000)			
<b>Condensed interim Consolidated Balance Sheet</b>			
(Decrease) / Increase in unappropriated profit - Actuarial loss on retirement	(376,017)	54,604	(430,621)
Increase / (Decrease) in trade and other payables			
- Payable to retirement benefit funds	578,487	(84,006)	662,493
(Decrease) / Increase in deferred liabilities			
- Deferred taxation	(202,470)	29,402	(231,872)

The effect on the condensed interim consolidated profit and loss account and the condensed interim consolidated statement of comprehensive income for the quarter ended March 31, 2012 has not been disclosed separately since the actuarial valuation is carried out on annual basis. There is no impact on condensed interim consolidated cash flow statement.

**4 SHARE CAPITAL**

**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

Un-audited March,31 2013	Audited December 31, 2012		Un-audited March, 31 2013	Audited December 31, 2012
Numbers			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs.10 each issued for consideration in cash.	2,564,959	2,564,959
1,015,742,345	1,015,742,345	Ordinary shares of Rs.10 each issued as fully paid bonus shares.	10,157,423	10,157,423
<u>1,272,238,247</u>	<u>1,272,238,247</u>		<u>12,722,382</u>	<u>12,722,382</u>

**AUTHORISED SHARE CAPITAL**

This represents 1,500,000,000 (2012: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs15,000,000 thousand (2012: Rs 15,000,000 thousand).

**Notes to the Condensed Interim Consolidated Financial Information**

For the first quarter ended March 31, 2013

	Note	Un-audited March 31, 2013	Rested Audited December 31, 2012
(Rupees '000)			
<b>5. REVENUE RESERVES</b>			
General reserve		6,802,360	5,502,360
Surplus on remeasurement of available for sale investments to fair value - net of tax		9,180	7,695
Unappropriated profit		5,333,108	9,106,120
		<u>12,144,648</u>	<u>14,616,175</u>
<b>6. LONG TERM BORROWINGS</b>			
Long term financing - secured	6.1	14,602,612	14,152,112
Long term loan - Government of Pakistan loan FFBL (un-secured)	6.2	3,241,002	3,241,002
		17,843,614	17,393,114
Less: Amount payable within twelve months shown as current maturity		3,532,290	3,749,199
		<u>14,311,324</u>	<u>13,643,915</u>
<b>6.1 Movement in this account during the period/ year is as follows:</b>			
Opening balance		14,152,112	8,455,543
Disbursements during the period / year		653,000	7,700,000
Repayments during the period / year		(202,500)	(2,003,431)
Closing balance		<u>14,602,612</u>	<u>14,152,112</u>
<b>6.2 Movement in this account during the period / year is as follows:</b>			
Opening balance		3,241,002	3,889,203
Adjustment during the period / year		-	(648,201)
Closing balance		<u>3,241,002</u>	<u>3,241,002</u>
		Un-audited March 31, 2013	Audited December 31, 2012
(Rupees '000)			
<b>7. CONTINGENCIES AND COMMITMENTS</b>			
a) Contingencies:			
i) Guarantees issued by banks on behalf of the Group companies.		324,888	151,892
ii) Claims against FFC and/or potential exposure not acknowledged as debt.		50,696	50,696
iii) Indemnity bonds and undertakings given to the custom authorities for the machinery imported by FFBL for installation at plantsite.		119,650	119,650
iv) Group's share of contingencies in Fauji Cement Company Limited as at December 31, 2012.		125,934	122,388
v) FFBL's share of contingent liabilities of Foundation Wind Energy - I Limited as at December 31, 2012.		4,235	4,375
vi) FFBL's share of contingent liabilities of Foundation Wind Energy - II (Private) Limited as at December 31, 2012.		4,200	4,130
b) Commitments in respect of:			
i) Capital expenditure (including commitments relating to FFCEL).		2,746,548	2,816,921
ii) Purchase of fertilizer, stores, spares and other revenue items.		3,001,974	2,243,495
iii) Investment in FFCEL, FFC's commitment to the bank is secured against all present and future, movable and fixed assets excluding immovable properties, land and buildings of FFC.		247,750	386,000
iv) FFBL's share of commitments of investment in wind projects.		3,571,690	3,983,365
v) Group's share in commitments of PMP		51,122	20,196
vi) Rentals under lease agreements:			
Premises		156,165	158,145
Vehicles		105,964	103,513
Land		44,905	44,905

**Notes to the Condensed Interim Consolidated Financial Information**

For the first quarter ended March 31, 2013

	Note	Un-audited March 31, 2013	Audited December 31, 2012
(Rupees '000)			
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Opening written down value		42,679,047	37,161,882
Additions during the period / year		1,015,823	12,226,956
Written down value of disposals / adjustments		(2,724)	(3,998,519)
Depreciation during the period / year		(729,813)	(2,711,272)
Closing written down value		<u>42,962,333</u>	<u>42,679,047</u>
<b>9. LONG TERM INVESTMENTS</b>			
Equity accounted investments	9.1	10,043,362	6,398,247
Other long term investments	9.2	263,617	253,610
		<u>10,306,979</u>	<u>6,651,857</u>
<b>9.1 Equity accounted investments</b>			
Advance to Army Welfare Trust for investment in Askari Bank Limited		3,000,000	-
Investment in associated undertakings			
Fauji Cement Company Limited			
Cost of investment		1,800,000	1,800,000
Share of post acquisition profits		309,528	257,196
Share of profit for the period / year		43,770	52,332
Balance as at March 31, 2013		2,153,298	2,109,528
Foundation Wind Energy - I Limited			
Advance for issue of shares		353,073	119,409
Advance for issue of shares during the period / year		375,550	233,664
Brought forward loss		(23,683)	-
Share of loss		(916)	(23,683)
		704,024	329,390
Foundation Wind Energy - II (Private) Limited			
Opening balance		641,032	93,346
Advance for issue of shares during the period / year		36,125	547,686
Brought forward loss		(20,742)	-
Share of loss		269	(20,742)
		656,684	620,290
Investment in Joint Venture			
Pakistan Maroc Phosphore S.A.Morocco			
Cost of investments		2,117,075	2,117,075
Post acquisition profit brought forward		153,656	89,987
Share of (loss) / profit for the period / year		(82,329)	63,669
Gain on translation of net assets		1,340,954	1,068,308
Balance as at March 31, 2013		<u>3,529,356</u>	<u>3,339,039</u>
		<u>10,043,362</u>	<u>6,398,247</u>

**Notes to the Condensed Interim Consolidated Financial Information**  
 For the first quarter ended March 31, 2013

Note	Un-audited March, 31 2013	Audited December 31, 2012
	(Rupees '000)	
<b>9.2 OTHER LONG TERM INVESTMENTS</b>		
Investment available for sale		
Certificates of Investment	120,301	111,528
Pakistan Investment Bonds	59,853	60,491
Term Finance Certificates	104,167	102,341
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)
	-	-
	284,321	274,360
Less: Current portion shown under short term investments	10	
Investments available for sale		
Certificates of Investment	12,368	12,395
Term Finance Certificates	8,336	8,355
	20,704	20,750
	<u>263,617</u>	<u>253,610</u>
<b>10. SHORT TERM INVESTMENTS</b>		
Loans and receivables		
Term deposits with banks and financial institutions		
Local currency	11,301,000	18,350,000
Foreign currency	1,238,320	1,208,683
Investments at fair value through profit or loss - Held for trading	748,103	721,563
Current maturity of long term investments	20,704	20,750
	<u>13,308,127</u>	<u>20,300,996</u>

**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)**  
**For the first quarter ended March 31, 2013**

	March 31, 2013	March 31, 2012
	(Rupees'000)	
<b>11. COST OF SALES</b>		
Raw materials consumed	11,051,869	9,062,240
Fuel and power	2,035,793	1,865,877
Chemicals and supplies	144,228	99,125
Salaries, wages and benefits	1,392,462	1,319,052
Training and employees welfare	156,385	157,278
Rent, rates and taxes	8,041	8,079
Insurance	100,712	58,877
Travel and conveyance	117,093	117,867
Repairs and maintenance	1,052,548	824,844
Depreciation and amortization	714,793	647,301
Communication and other expenses	295,066	327,979
Opening stock - work in process	58,831	58,478
Closing stock - work in process	(87,751)	(86,944)
Cost of goods manufactured	17,040,070	14,460,053
Opening stock - manufactured fertilizers	2,074,052	344,756
Closing stock - manufactured fertilizers	(4,639,701)	(8,111,460)
	(2,565,649)	(7,766,704)
Cost of sales - manufactured fertilizers	14,474,421	6,693,349
Opening stock - purchased fertilizers	274,029	144,090
Purchase of fertilizers for resale	-	2,995,261
	274,029	3,139,351
Closing stock - purchased fertilizers	(110,314)	(1,958,360)
Cost of sale - purchased fertilizers	163,715	1,180,991
	14,638,136	7,874,340

**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)**

For the first quarter ended March 31, 2013

	March 31, 2013	March 31, 2012
	(Rupees '000)	
<b>12. CASH GENERATED FROM OPERATIONS</b>		
Net profit before taxation	6,870,124	3,773,781
Adjustments for:		
Depreciation and amortization	729,813	659,167
Provision for gratuity	44,623	46,470
Provision for pension	22,251	25,354
Provision for Workers' Profit Participation Fund	425,320	303,309
Provision for Workers' Welfare Fund	161,318	115,182
Provision for compensated absences	20,694	-
Finance cost	443,859	584,370
Income on loans, deposits and investments	(479,521)	(433,702)
Share of loss / (profit) of associate and joint venture	39,207	(278,084)
Gain on sale of property, plant and equipment	(10,317)	(7,708)
Exchange gain	24,642	15,047
Gain on remeasurement of investments at fair value through profit or loss	(96,103)	(337,126)
	<u>1,325,786</u>	<u>692,279</u>
Changes in working capital	8,195,910	4,466,060
(Increase) / decrease in current assets:		
Stores and spares	(297,978)	(32,923)
Stock in trade	(3,490,078)	(7,603,754)
Trade debts	3,213,598	131,346
Loans and advances	(88,671)	(326,737)
Deposits and prepayments	(539,034)	(352,140)
Other receivables	(964,501)	906,872
Decrease in current liabilities:		
Trade and other payables	(2,212,392)	(10,846,026)
	(4,379,056)	(18,123,362)
Changes in long term loans and advances	24,359	(24,871)
Changes in long term deposits and prepayments	(216)	(217,176)
	<u><u>3,840,997</u></u>	<u><u>(13,899,349)</u></u>

**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)**

For the first quarter ended March 31, 2013

**13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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

	March 31, 2013	March 31, 2012
	(Rupees '000)	
Transactions with associated undertakings / companies due to common directorship		
Rent charged to Group Companies	300	1,397
Dividends paid	3,184,566	2,540,087
Purchase of gas as feed and fuel stock	5,564,443	5,649,844
Long term investment	1,411,675	59,064
Balance payable - unsecured (Restated)	-	1,074 *
Balance receivable - unsecured (Restated)	57,513	6,935 *
Transactions with joint venture company		
Raw material purchased	6,292,881	1,806,736
Expenses incurred on behalf of joint venture company	5,517	8,089
Balances payable at the year end - secured	5,534,184	5,758,636 *
Balance receivable at the year end - secured	20,493	22,733 *
Other related parties		
Remuneration of Chief Executive and Executives:		
Remuneration including benefits and perquisites of Chief Executives and Executives, No. of persons 2013: 2 and 841 (2012: 2 and 770).		
	1,268,239	1,136,300
Payments to:		
Employees' Provident Fund Trust	80,897	74,459
Employees' Gratuity Fund Trust	106,686	83,040
Employees' Pension Fund Trust	47,191	454,661
Workers' Profit Participation Fund	17,042	18,162
Others:		
Balances receivable - unsecured (Restated)	480,509	217,202 *
Balances payable - unsecured (Restated)	2,449,471	53,095 *

\* Comparative figures of receivable/payable balances are as of December 31, 2012.

**14. GENERAL**

- 14.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 14.2 The Board of Directors of FFC in its meeting held on April 29, 2013 proposed a first interim dividend of Rs. 3.50 per share.
- 14.3 This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of FFC on April 29, 2013.

  
**Chairman**

  
**Chief Executive**

  
**Director**

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