

**FAUJI FERTILIZER COMPANY LIMITED**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2003 (UN-AUDITED)**

|   | September 30,<br>2003 | December 31,<br>2002 |  | September 30,<br>2003 | December 31,<br>2002 |
|---|-----------------------|----------------------|--|-----------------------|----------------------|
| Note                                      | (Rupees '000)         |                      | Note   | (Rupees '000)         |                      |
| <b>SHARE CAPITAL AND RESERVES</b>         |                       |                      | <b>FIXED CAPITAL EXPENDITURE</b>                             |                       |                      |
| Share capital                             |                       |                      | Fixed assets   | 9                     | 9,011,742            |
| Authorised                                | 3,000,000             | 3,000,000            | Capital work in progress                                     |                       | 129,863              |
| Issued, subscribed and fully paid         | 2,564,959             | 2,564,959            |  | 9,141,605             | 9,516,474            |
| Capital reserve                           | 160,000               | 160,000              | <b>GOODWILL</b>  |                       | 1,909,233            |
| Revenue reserves                          | 4                     | 11,498,833           |  | 10                    | 9,285,395            |
|   |                       | 8,038,098            | <b>LONG TERM INVESTMENTS</b>                                 |                       | 7,077,892            |
|   |                       | 14,223,792           | <b>ADVANCE AGAINST INVESTMENT</b>                            | 11                    | 750,000              |
| <b>REDEEMABLE CAPITAL</b>                 | 5                     | 3,916,027            | <b>LONG TERM LOANS AND ADVANCES</b>                          |                       | 64,000               |
|   |                       | 4,420,014            |  |                       | 50,137               |
| <b>LONG TERM LOANS</b>                    | 6                     | 1,488,521            | <b>LONG TERM DEPOSITS, PREPAYMENTS AND DEFERRED COSTS</b>    |                       | 82,337               |
|   |                       | 1,283,481            |  |                       | 128,495              |
| <b>DEFERRED TAXATION</b>                  |                       | 2,557,000            | <b>CURRENT ASSETS</b>  |                       |                      |
| <b>CURRENT LIABILITIES AND PROVISIONS</b> |                       |                      | Stores and spares  | 1,744,574             | 1,618,373            |
| Current maturity                          |                       |                      | Stock in trade   | 2,099,941             | 630,808              |
| Redeemable capital                        | 5                     | 183,593              | Trade debts  | 2,508,422             | 1,400,893            |
| Long term loans                           | 6                     | 1,741                | Loans, advances, deposits, prepayments and other receivables | 733,379               | 1,068,419            |
| Short term finances                       | 7                     | 5,159,317            | Short term investments                                       | 12                    | 719,835              |
| Creditors, accrued and other liabilities  |                       | 2,040,247            | Cash and bank balances                                       |                       | 701,997              |
| Taxation                                  |                       | 170,480              |  | 8,508,148             | 9,405,452            |
| Dividend payable                          |                       | -                    |  |                       |                      |
| Proposed dividend                         |                       | -                    |  |                       |                      |
|   |                       | 7,555,378            |  |                       |                      |
| <b>CONTINGENCIES AND COMMITMENTS</b>      | 8                     | 28,166,144           |  |                       |                      |
|   |                       | 29,740,718           |  |                       |                      |
|   |                       | 28,166,144           |  |                       |                      |

The annexed notes form an integral part of these accounts.

**Chairman**

**Chief Executive**

**Director**

**FAUJI FERTILIZER COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2003 (UN-AUDITED)**

| Note   | For the Quarter ended |                                     | Year to date          |                                     |
|--|-----------------------|-------------------------------------|-----------------------|-------------------------------------|
|  | September 30,<br>2003 | September 30,<br>2002<br>(Restated) | September 30,<br>2003 | September 30,<br>2002<br>(Restated) |
|  | (Rupees '000)         |                                     |                       |                                     |
| Sales  | 4,730,236             | 4,086,206                           | 12,504,447            | 9,928,989                           |
| Less: Cost of goods sold                     | <b>13</b> 3,008,916   | 2,271,943                           | 7,772,579             | 5,410,111                           |
| <b>GROSS PROFIT</b>                          | <u>1,721,320</u>      | <u>1,814,263</u>                    | <u>4,731,868</u>      | <u>4,518,878</u>                    |
| Less: Selling and distribution expenses      | 401,366               | 327,469                             | 1,242,070             | 847,511                             |
| Financial charges                            | 98,266                | 268,226                             | 446,277               | 417,940                             |
|  | <u>499,632</u>        | <u>595,695</u>                      | <u>1,688,347</u>      | <u>1,265,451</u>                    |
|  | 1,221,688             | 1,218,568                           | 3,043,521             | 3,253,427                           |
| Other income                                 | 128,327               | 166,537                             | 348,961               | 638,949                             |
|  | <u>1,350,015</u>      | <u>1,385,105</u>                    | <u>3,392,482</u>      | <u>3,892,376</u>                    |
| Less: Other charges                          | 118,951               | 152,667                             | 318,809               | 333,534                             |
| <b>NET PROFIT BEFORE TAXATION</b>            | <u>1,231,064</u>      | <u>1,232,438</u>                    | <u>3,073,673</u>      | <u>3,558,842</u>                    |
| Provision for taxation                       | 452,000               | 462,109                             | 1,128,000             | 1,298,109                           |
| <b>NET PROFIT AFTER TAXATION</b>             | <u>779,064</u>        | <u>770,329</u>                      | <u>1,945,673</u>      | <u>2,260,733</u>                    |
| Unappropriated profit brought forward        | 38,208                | 332,922                             | 218,203               | 253,246                             |
| Profit available for appropriation           | <u>817,272</u>        | <u>1,103,251</u>                    | <u>2,163,876</u>      | <u>2,513,979</u>                    |
| <b>APPROPRIATIONS:</b>                       |                       |                                     |                       |                                     |
| Dividends:                                   |                       |                                     |                       |                                     |
| First interim @ 30% (2002: 25%)              | -                     | -                                   | 769,488               | 641,240                             |
| Second interim @ 22.50% (2002: 30%)          | -                     | -                                   | 577,116               | 769,488                             |
| Third interim @ % (2002: Nil)                | -                     | -                                   | -                     | -                                   |
|  | <u>-</u>              | <u>-</u>                            | <u>1,346,604</u>      | <u>1,410,728</u>                    |
| <b>UNAPPROPRIATED PROFIT CARRIED FORWARD</b> | <u><u>817,272</u></u> | <u><u>1,103,251</u></u>             | <u><u>817,272</u></u> | <u><u>1,103,251</u></u>             |
| Earnings per share                           | <u>3.04</u>           | <u>3.00</u>                         | <u>7.59</u>           | <u>8.81</u>                         |

The annexed notes form an integral part of these accounts.

**Chairman**

**Chief Executive**

**Director**

**FAUJI FERTILIZER COMPANY LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2003 (UN-AUDITED)**

| <u>Note</u>   | <u>September 30,<br/>2003</u> | <u>September 30,<br/>2002<br/>(Restated)</u> |
|---|-------------------------------|--|
|   | (Rupees '000)                 |  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                               |  |
| Cash generated from operations  | 86,978                        | 2,439,238                                    |
| Payments for :  |                               |  |
| Financial charges   | (471,388)                     | (159,840)                                    |
| Income tax  | (2,066,480)                   | (1,360,130)                                  |
| Net cash (used in)/ generated from operating activities   | <u>(2,450,890)</u>            | <u>919,268</u>                               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                               |  |
| Fixed capital expenditure   | (221,176)                     | (174,243)                                    |
| Acquisition of Pak Saudi Fertilizers Limited  | -                             | (8,237,731)                                  |
| Sale proceeds of fixed assets   | 9,102                         | 4,140  |
| Income received on loans, deposits<br>and investments   | 375,119                       | 586,701                                      |
| Decrease in investments   | 2,714,969                     | 1,281,977                                    |
| Revolving credit facility to an associated<br>company   | -                             | 750,000                                      |
| Advance against investment  | (750,000)                     | (3,000,000)                                  |
| Balance due from associated company   | -                             | 158  |
| Net cash generated from/(used in) investing activities  | 2,128,014                     | (8,788,998)                                  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                               |  |
| Redeemable capital - disbursement   | 1,000,000                     | -  |
| - repayment   | (1,700,340)                   | -  |
| Long term loans - disbursements   | 205,910                       | 4,145,000                                    |
| - repayments (net of exchange differential<br>receivable from SBP)                              | (223,212)                     | (487,658)                                    |
| Increase in short term finances   | 1,770,420                     | 4,911,283                                    |
| Dividends paid  | (1,922,460)                   | (1,766,163)                                  |
| Net cash (used in)/ generated from financing activities   | <u>(869,682)</u>              | <u>6,802,462</u>                             |
| Net decrease in cash and cash equivalents   | (1,192,558)                   | (1,067,268)                                  |
| Cash and cash equivalents at beginning of the year  | 1,894,680                     | 2,270,358                                    |
| Cash and cash equivalents acquired on PSFL acquisition  | -                             | 207,271                                      |
| Effect of exchange rate changes   | (125)                         | 327  |
| Cash and cash equivalents at close of the three quarters<br>representing cash and bank balances | <u><u>701,997</u></u>         | <u><u>1,410,688</u></u>                      |

The annexed notes form an integral part of these accounts.

**Chairman**

**Chief Executive**

**Director**