



Quarterly
Financial Statements

September 30, 2013 (Un-audited)





Company Information

BOARD OF DIRECTORS

Lt Gen Muhammad Mustafa Khan, HI(M) (Retd)
Chairman
Lt Gen Naeem Khalid Lodhi, HI(M) (Retd)
Chief Executive & Managing Director
Mr Qaiser Javed
Dr Nadeem Inayat
Mr Jorgen Madsen
Brig Dr Gulfam Alam, SI(M) (Retd)
Engr Rukhsana Zuberi
Mr Farhad Shaikh Mohammad
Brig Parvez Sarwar Khan, SI(M) (Retd)
Mr Khizar Hayat Khan
Mr Manzoor Ahmed
Maj Gen Nasir Mahmood, HI(M) (Retd)
Mr Alamuddin Bullo

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) (Retd)
Tel: No.92-51-8453101, Fax: 92-51-8459931
E-mail: ffcrcwp@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: ffcrcwp@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 period ended September 30, 2013

Dear Members,

It gives me great pleasure to report record net earnings of Rs. 14.89 billion during the nine months period ended September 30, 2013, 8% above last year, translating into per share earnings of Rs. 11.71.

'Sona' urea production of all three plants at combined operating efficiency of 117% was recorded at 1,796 thousand tonnes, with marginal increase of 6 thousand tonnes over last year, while sales for the period at 1,794 thousand tonnes registered an increase of 11% against corresponding period. In addition, 185 thousand tonnes of granular urea and 442 thousand tonnes of 'Sona' DAP were marketed by the Company on behalf of FFBL.

The combined urea market participation of the Company and FFBL at 47% for the quarter was lower by 1% while DAP market share stood at 60%, registering a growth of 5% compared to the corresponding period.

Higher sales volume resulted in record sales revenue of Rs. 52.533 billion for the period, up by 5% compared to the corresponding period of last year despite lower selling prices. Dividend income, including Rs. 1.901 billion from FFBL and first ever receipt of Rs. 117 million from Fauji Cement Company Limited, witnessed a growth of 21% whereas income on deposits, net of financing cost, recorded a growth of more than double the amount of last year's income because of improved liquidity and effective credit management, positively impacting the net profitability of the Company.

In view of improved earnings, the Board is pleased to approve third interim dividend of Rs. 4.10 per share (41%) making a total payout of Rs. 11.35 per share to-date, representing 97% distribution of the net earnings for the period.

I am also pleased to report that as part of Company's diversification strategy, management control of Al-Hamd Foods Limited (AHFL) was acquired by the Company on October 03, 2013, against an aggregate purchase consideration of Rs. 385.50 million.

Pursuant to the shareholders' approval in the Extraordinary General Meeting held on August 21, 2013, the Company acquired 193 million right shares of Askari Bank Limited (AKBL) against payment of Rs. 1.93 billion resulting in aggregate holding of 544 million shares, maintaining Company's control of 43.15% equity stake in AKBL.

In view of substantial differences in the regulatory and reporting frameworks of FFC (a manufacturing Company) and AKBL (Bank), operating in two different sectors, the Company has been allowed exemption for consolidating financial results of AKBL for the quarter ended September 30, 2013. The above exemption was allowed on the condition that the Balance sheet and Profit & loss account of AKBL shall be attached with the financial results of the Company which has been duly complied with. In addition, complete quarterly financial statements of AKBL however are also available at the Company's registered office, for review by the shareholders.

Post achievement of commercial operations effective May 16, 2013, FFC Energy Limited (a subsidiary Company) has supplied 69,427 MWH of electricity to the national grid upto the end of the reporting period, valued at over Rupees one billion. Project cash flows, however remain significantly constrained, because of the circular debt issue faced by the sector, requiring continued Sponsors' support for its working capital requirements.

On behalf of the Board,

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

Rawalpindi
October 30, 2013



 FFC

**Condensed Interim
Financial Information**



Condensed Interim Balance Sheet (Un-audited)
As at September 30, 2013

	Note	Un-audited September 30, 2013	Restated Audited December 31, 2012	Restated Audited January 1, 2012
(Rupees '000)				
EQUITY AND LIABILITIES				
EQUITY				
Share capital	5	12,722,382	12,722,382	8,481,588
Capital reserves		160,000	160,000	160,000
Revenue reserves	6	12,189,788	12,877,129	14,029,206
Surplus on remeasurement of investments available for sale to fair value		4,352	7,695	10,258
		<u>25,076,522</u>	<u>25,767,206</u>	<u>22,681,052</u>
NON-CURRENT LIABILITIES				
Long term borrowings	7	3,510,000	3,870,000	2,703,750
Deferred liabilities		3,847,914	3,926,246	3,623,060
		<u>7,357,914</u>	<u>7,796,246</u>	<u>6,326,810</u>
CURRENT LIABILITIES				
Trade and other payables	8	22,695,650	16,125,589	12,329,687
Interest and mark - up accrued		139,282	24,921	79,826
Short term borrowings	9	4,707,892	4,990,000	8,735,650
Current portion of long term borrowings		1,335,000	1,433,750	1,615,655
Taxation		3,996,286	4,531,939	3,762,236
		<u>32,874,110</u>	<u>27,106,199</u>	<u>26,523,054</u>
		<u>65,308,546</u>	<u>60,669,651</u>	<u>55,530,916</u>
CONTINGENCIES AND COMMITMENTS	10			

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



	Un-audited September 30, 2013	Restated Audited December 31, 2012	Restated Audited January 1, 2012
Note	(Rupees '000)		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11 18,470,899	17,818,755	17,050,951
Intangible assets	1,649,826	1,678,639	1,569,234
Long term investments	12 20,080,586	9,511,865	8,659,073
Long term loans and advances	715,461	700,786	605,883
Long term deposits and prepayments	2,429	5,111	9,370
	40,919,201	29,715,156	27,894,511
CURRENT ASSETS			
Stores, spares and loose tools	3,222,548	3,098,938	2,447,452
Stock in trade	2,346,503	442,139	636,923
Trade debts	1,326,491	3,611,476	86,669
Loans and advances	719,025	677,977	431,582
Deposits and prepayments	260,815	35,670	53,852
Other receivables	983,576	588,667	891,673
Short term investments	13 11,437,116	18,750,996	21,794,480
Cash and bank balances	4,093,271	3,748,632	1,293,774
	24,389,345	30,954,495	27,636,405
	65,308,546	60,669,651	55,530,916



Chairman



Chief Executive



Director



Condensed Interim Profit And Loss Account (Un-audited)

For the period ended September 30, 2013

	Note	For the quarter ended		For the period ended	
		September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
		(Rupees '000)		(Rupees '000)	
Sales	14	18,127,693	13,903,434	52,533,104	50,034,211
Cost of sales	15	9,262,662	7,059,425	27,355,945	25,873,332
GROSS PROFIT		8,865,031	6,844,009	25,177,159	24,160,879
Distribution cost		1,558,342	1,220,250	4,479,983	3,852,090
		7,306,689	5,623,759	20,697,176	20,308,789
Finance cost		236,009	175,237	584,224	816,247
Other expenses		681,825	515,129	1,895,850	1,812,786
		6,388,855	4,933,393	18,217,102	17,679,756
Other income		1,413,819	382,533	3,407,475	2,841,960
NET PROFIT BEFORE TAXATION		7,802,674	5,315,926	21,624,577	20,521,716
Provision for taxation		2,401,000	1,858,000	6,727,000	6,729,000
NET PROFIT AFTER TAXATION		5,401,674	3,457,926	14,897,577	13,792,716
Earnings per share - basic and diluted (Rupees)	16	4.25	2.72	11.71	10.84

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director



Condensed Interim Statement of Comprehensive Income (Un-audited)

For the period ended September 30, 2013

	For the quarter ended		For the period ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	(Rupees '000)		(Rupees '000)	
Net profit after taxation	5,401,674	3,457,926	14,897,577	13,792,716
Other comprehensive income for the period				
(Deficit) / surplus on remeasurement of investments available for sale at fair value	(4,069)	2,796	(3,778)	(526)
Income tax relating to component of other comprehensive income	539	(909)	435	(876)
Remeasurement of defined benefit plans - net of tax	-	-	-	-
Other comprehensive (loss) / income for the period - net of tax	(3,530)	1,887	(3,343)	(1,402)
Total comprehensive income for the period	<u>5,398,144</u>	<u>3,459,813</u>	<u>14,894,234</u>	<u>13,791,314</u>

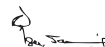
The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the period ended September 30, 2013

	Note	September 30, 2013	September 30, 2012
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	26,191,270	18,193,371
Finance cost paid		(469,863)	(750,677)
Income tax paid		(7,308,065)	(5,801,196)
Net cash generated from operating activities		<u>18,413,342</u>	<u>11,641,498</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,830,883)	(1,790,713)
Proceeds from sale of property, plant and equipment		21,232	23,630
(Increase) / decrease in investments - net		(10,319,508)	3,756,054
Interest received		942,041	642,805
Dividends received		1,900,932	1,663,315
Net cash (used in) / generated from investing activities		<u>(9,286,186)</u>	<u>4,295,091</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
- Disbursements		500,000	1,000,000
- Repayments		(958,750)	(1,691,905)
Dividends paid		(15,174,958)	(14,565,815)
Net cash used in financing activities		<u>(15,633,708)</u>	<u>(15,257,720)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(6,506,552)</u>	<u>678,869</u>
Cash and cash equivalents at beginning of the period		<u>16,571,069</u>	<u>9,963,247</u>
Cash and cash equivalents at end of the period		<u>10,064,517</u>	<u>10,642,116</u>
CASH AND CASH EQUIVALENTS			
Cash and bank balances		4,093,271	8,331,900
Short term highly liquid investments		10,679,138	8,931,119
Short term running finance		(4,707,892)	(6,620,903)
		<u>10,064,517</u>	<u>10,642,116</u>

The annexed notes 1 to 19 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 period ended September 30, 2013

	Revenue reserves			Surplus on remeasurement of investments available for sale		Total
	Share capital	Capital reserves	General reserve	Unappropriated profit	to fair value	
	(Rupees '000)					
Balance as at January 1, 2012 - as previously reported	8,481,588	160,000	5,543,154	8,875,224	10,258	23,070,224
Change in accounting policy for recognition of actuarial gains and losses - note 4	-	-	-	(389,172)	-	(389,172)
Balance at January 1, 2012 - as restated	8,481,588	160,000	5,543,154	8,486,052	10,258	22,681,052
Transfer to general reserve	-	-	4,200,000	(4,200,000)	-	-
Total comprehensive income for the period:						
Profit for the period after taxation	-	-	-	13,792,716	-	13,792,716
Other comprehensive income - net of tax	-	-	-	-	(1,402)	(1,402)
Total comprehensive income for the period	-	-	-	13,792,716	(1,402)	13,791,314
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)
First interim dividend 2012: Rs 3.00 per share	-	-	-	(3,816,715)	-	(3,816,715)
Second interim dividend 2012: Rs 5.00 per share	-	-	-	(6,361,191)	-	(6,361,191)
Total transactions with owners	4,240,794	-	(4,240,794)	(14,630,740)	-	(14,630,740)
Balance as at September 30, 2012	12,722,382	160,000	5,502,360	3,448,028	8,856	21,841,626
Balance as at January 1, 2013 - as previously reported	12,722,382	160,000	5,502,360	7,703,612	7,695	26,096,049
Change in accounting policy for recognition of actuarial gains and losses - note 4	-	-	-	(328,843)	-	(328,843)
Balance as at January 1, 2013 - as restated	12,722,382	160,000	5,502,360	7,374,769	7,695	25,767,206
Transfer to general reserve	-	-	1,300,000	(1,300,000)	-	-
Total comprehensive income for the period:						
Profit for the period after taxation	-	-	-	14,897,577	-	14,897,577
Other comprehensive income - net of tax	-	-	-	-	(3,343)	(3,343)
Total comprehensive income for the period	-	-	-	14,897,577	(3,343)	14,894,234
Distribution to owners:						
Final dividend 2012: Rs 5.00 per share	-	-	-	(6,361,191)	-	(6,361,191)
First interim dividend 2013: Rs 3.50 per share	-	-	-	(4,452,834)	-	(4,452,834)
Second interim dividend 2013: Rs 3.75 per share	-	-	-	(4,770,893)	-	(4,770,893)
Total transactions with owners	-	-	-	(15,584,918)	-	(15,584,918)
Balance as at September 30, 2013	12,722,382	160,000	6,802,360	5,387,428	4,352	25,076,522

The annexed notes 1 to 19 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 period ended September 30, 2013

- 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 operations, energy generation and commercial bank.
- This condensed interim financial information of the Company for the period ended September 30, 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 period ended September 30, 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.
- The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of financial statements of the Company for the year ended December 31, 2012, except for the change in accounting policy stated in Note 4.
- 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 (remeasurement gains/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.

Condensed interim Balance Sheet	Cumulative effect upto December 31, 2012	Effect for the year ended December 31, 2012	Cumulative effect upto January 1, 2012
	(Rupees '000)		
(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 period ended September 30, 2013 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.

5. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

September 30, 2013	December 31, 2012		Un-audited September 30, 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 Rs 15,000,000 thousand (2012: Rs 15,000,000 thousand).



Notes To The Condensed Interim Financial Information

For the period ended September 30, 2013

	Note	Restated	
		Un-audited September 30, 2013	Audited December 31, 2012
(Rupees '000)			
6. REVENUE RESERVES			
General reserve		6,802,360	5,502,360
Unappropriated profit		5,387,428	7,374,769
		<u>12,189,788</u>	<u>12,877,129</u>
7. LONG TERM BORROWINGS			
Long term borrowings - secured	7.1	4,845,000	5,303,750
Less: Current portion shown under current liabilities		1,335,000	1,433,750
		<u>3,510,000</u>	<u>3,870,000</u>
7.1 Movement in this account during the period / year is as follows:			
Opening balance		5,303,750	4,319,405
Disbursements during the period / year		500,000	3,000,000
Repayments during the period / year		(958,750)	(2,015,655)
Closing balance	7.2	<u>4,845,000</u>	<u>5,303,750</u>

7.2 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 six month KIBOR + 0.35 % to 0.50% per annum (December 31, 2012: six month KIBOR + 0.30 % to 1.5% per annum) and are repayable upto June 2018 (December 31, 2012: December 2017).

	Un-audited September 30, 2013	Restated	
		Audited December 31, 2012	
(Rupees '000)			
8. TRADE AND OTHER PAYABLES			
Creditors	435,279	420,933	
Accrued liabilities	8,603,784	3,447,871	
Consignment account with Fauji Fertilizer Bin Qasim Limited - unsecured	4,244,831	2,969,967	
Sales tax payable - net	681,893	1,600,848	
Deposits	198,042	188,260	
Retention money	120,891	152,370	
Advances from customers	4,781,528	5,431,710	
Workers' Profit Participation Fund	934,671	-	
Workers' Welfare Fund	1,475,149	1,094,245	
Unclaimed dividend	733,388	323,428	
Gratuity fund	363,449	367,962	
Pension fund	67,920	50,343	
Other liabilities	54,825	77,652	
	<u>22,695,650</u>	<u>16,125,589</u>	

9. SHORT TERM BORROWINGS

The Company has short term running finance and demand finance facilities limits aggregating Rs. 11.84 billion (December 31, 2012: Rs. 11.24 billion). These are secured against ranking charge on all present and future current assets of the company, lien on shipping documents, ranking charge by way of hypothecation over all present and future fixed assets of the company with 25% margin over and above the financed amount. These carry mark up ranging between one month KIBOR + 0.05 % to 1% and three months KIBOR + 0.3% per annum (December 31, 2012: one month KIBOR + 0.05 % to 1% and three months KIBOR + 0.3% per annum).

	Un-audited September 30, 2013	Audited	
		December 31, 2012	
(Rupees '000)			
10. CONTINGENCIES AND COMMITMENTS			
(a) Contingencies			
(i) Guarantees issued by banks on behalf of the Company	17,512	19,072	
(ii) Claims against the Company and / or potential exposure not acknowledged as debt	50,696	50,696	

Notes To The Condensed Interim Financial Information
For the period ended September 30, 2013

(iii) The Competition Commission of Pakistan 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 the Government of Pakistan resulting in product shortage leading to market imbalance and price hike. The Company has filed an appeal against the above penalty before the Competition Appellate Tribunal. Based on legal advice from the Company's legal advisor, the Company is confident that there are reasonable grounds for a favourable decision.

	Note	Un-audited September 30, 2013	Audited December 31, 2012
(Rupees '000)			
(b) Commitments in respect of:			
(i) Capital expenditure		1,906,090	1,535,446
(ii) Purchase of fertilizer, stores, spares and other revenue items		1,517,782	1,180,288
(iii) Investment in FFC Energy Limited. The Company's commitment to a bank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable properties, land and building of the Company.		-	386,000
(iv) Rentals under lease agreements:			
- Premises		172,134	158,145
- Vehicles		100,946	103,513

11. PROPERTY, PLANT AND EQUIPMENT

Opening written down value		17,818,755	17,050,951
Additions	11.1	1,829,708	4,628,185
Written down value of disposals / adjustments		(22,269)	(2,485,130)
Depreciation		(1,155,295)	(1,375,251)
Closing written down value		18,470,899	17,818,755

11.1 Additions in and depreciation on property, plant and equipment during the period ended September 30, 2012 were Rs.1,790,713 thousand and Rs 1,007,050 thousand respectively.

12. LONG TERM INVESTMENTS

	Note	Un-audited September 30, 2013	Audited December 31, 2012
(Rupees '000)			
Investment in associate - at cost			
Fauji Cement Company Limited		1,500,000	1,500,000
Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A., Morocco		705,925	705,925
Investment in 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
Askari Bank Limited (AKBL)	12.1	10,461,921	-
		17,652,501	7,052,330
Investments available for sale			
Certificates of Investment		119,975	111,528
Pakistan Investment Bonds		59,544	60,491
Term Finance Certificates		91,220	102,341
		270,739	274,360
Less: Current portion shown under short term investments	13	20,129,165	9,532,615
Investments available for sale			
Certificates of Investment		19,275	12,395
Pakistan Investment Bonds		29,304	8,355
		48,579	20,750
		20,080,586	9,511,865

12.1 During the period, the Company acquired 43.15% of the share capital of Askari Bank Limited, a banking company.



Notes To The Condensed Interim Financial Information

For the period ended September 30, 2013

13. SHORT TERM INVESTMENTS	Note	Un-audited	Audited
		September 30, 2013	December 31, 2012
(Rupees '000)			
Loans and receivables			
Term deposits with banks and financial institutions			
Local currency		9,348,051	16,800,000
Foreign currency		1,331,087	1,208,683
Investments at fair value through profit or loss - Held for trading		709,399	721,563
Current maturity of long term investments - Available for sale	12	48,579	20,750
		11,437,116	18,750,996

14. SALES

Sales is exclusive of sales tax of Rs 8,314,605 thousand (September 30, 2012: Rs. 8,005,435 thousand)

15. COST OF SALES	Un-audited		Un-audited	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	(Rupees '000)		(Rupees '000)	
Raw materials consumed	4,716,080	4,772,379	13,843,248	13,765,430
Fuel and power	1,828,274	1,806,115	5,126,936	5,013,668
Chemicals and supplies	132,703	44,089	279,237	189,149
Salaries, wages and benefits	1,082,842	978,734	3,191,078	3,052,365
Training and employees welfare	146,548	143,869	476,479	437,139
Rent, rates and taxes	5,266	6,578	13,703	20,529
Insurance	79,227	36,765	154,832	112,442
Travel and Conveyance	89,538	65,619	298,132	240,052
Repairs and maintenance	234,285	219,820	1,119,132	856,601
Depreciation & amortization	392,469	334,141	1,126,942	987,138
Communication and other expenses	344,528	359,305	1,136,937	881,502
Provision for slow moving spares	-	-	9,850	15,910
Opening stock - work in process	8,386	36,605	45,216	17,522
Closing stock - work in process	(56,805)	(28,123)	(56,805)	(28,123)
Cost of goods manufactured	9,003,341	8,775,896	26,764,917	25,561,324
Opening stock - manufactured urea	108,506	562,479	80,055	7,538
Closing stock - manufactured urea	(100,085)	(2,455,972)	(100,085)	(2,455,972)
	8,421	(1,893,493)	(20,030)	(2,448,434)
Cost of sales - manufactured urea	9,011,762	6,882,403	26,744,887	23,112,890
Opening stock - purchased fertilizers	200,362	657,221	274,029	144,090
Purchase of fertilizers for resale	2,090,515	2,983	2,377,006	3,099,534
	2,290,877	660,204	2,651,035	3,243,624
Closing stock - purchased fertilizers	(2,039,977)	(483,182)	(2,039,977)	(483,182)
Cost of sales - purchased fertilizers	250,900	177,022	611,058	2,760,442
	9,262,662	7,059,425	27,355,945	25,873,332

16. EARNINGS PER SHARE

Net profit after tax (Rupees '000)	5,401,674	3,457,926	14,897,577	13,792,716
Weighted average number of shares in issue during the period - (Number '000)	1,272,238	1,272,238	1,272,238	1,272,238
Basic and diluted earnings per share (Rupees)	4.25	2.72	11.71	10.84



Notes To The Condensed Interim Financial Information (Un-audited)
For the period ended September 30, 2013

17. CASH GENERATED FROM OPERATIONS

	September 30, 2013	September 30, 2012
	(Rupees '000)	
Net profit before taxation	21,624,577	20,521,716
Adjustments for:		
Depreciation and amortisation	1,185,283	1,007,050
Provision for slow moving spares	9,850	15,910
Finance cost	584,224	816,247
Loss / (gain) on sale of property, plant and equipment	1,037	(22,826)
Income on loans, deposits and investments	(946,935)	(539,797)
Exchange gain	(122,385)	(81,325)
Gain on remeasurement of investment at fair value through profit or loss	(146,271)	(191,546)
Dividend income	(1,900,932)	(1,663,315)
	(1,336,129)	(659,602)
	20,288,448	19,862,114
Changes in working capital:		
Decrease / (increase) in current assets		
Stores, spares and loose tools	(133,460)	(452,957)
Stock in trade	(1,904,364)	(2,435,963)
Trade debts	2,284,985	(2,925,348)
Loans and advances	(41,048)	(121,215)
Deposits and prepayments	(225,145)	3,135
Other receivables	(390,015)	(158,058)
Increase / (decrease) in current liabilities		
Trade and other payables	6,323,862	4,468,009
	5,914,815	(1,622,397)
Changes in long term loans and advances	(14,675)	(50,524)
Changes in long term deposits and prepayments	2,682	4,178
	26,191,270	18,193,371



Notes To The Condensed Interim Financial Information (Un-audited)
For the period ended September 30, 2013

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions and balances with related parties are as follows:

	<u>September 30,</u> <u>2013</u>	<u>September 30,</u> <u>2012</u>
	(Rupees '000)	
Transactions with the subsidiary companies		
Reimbursement of expenses on marketing of fertilizer of subsidiary company under sale on consignment basis	574,283	375,289
Commission on sale of subsidiary company's products	12,532	11,248
Services and materials received	6,806	1,239
Payments made / expenses incurred - net	-	13,348
Dividend income	1,900,932	1,663,315
Long term investment	2,067,750	700,000
Loans extended (Net)	114,386	-
Investments in Certificates of Investment	119,974	-
Balance receivable - unsecured	283,058	5,458*
Balance payable - unsecured	4,244,830	2,969,967*
Transactions with associated undertakings / companies due to common directorship		
Sale of fertilizer	4,825	14,686
Purchase of gas as feed and fuel stock	17,874,343	17,731,323
Services received	205,407	152,937
Medical services	72	47
Office rent	-	3,333
Donations	250,000	100,000
Dividends paid	6,911,911	6,488,733
Issuance of bonus shares	-	1,880,792
Others	16,267	55,000
Balance receivable - unsecured	38,201	6,611*
Balance payable - unsecured	997,218	1,398*
Other related parties		
Remuneration of Chief Executive and Executives:		
Remuneration including benefits and perquisites of chief executive and other executives. No of persons 1 and 619 (2012: 1 and 550) respectively		
	2,781,937	2,231,567
Payments to:		
Employees' Provident Fund Trust	215,831	203,692
Employees' Gratuity Fund Trust	91,929	83,040
Employees' Pension Fund Trust	47,191	454,661
Others:		
Balance receivable - unsecured	-	69,919*
Balance payable - unsecured (Restated)	431,369	418,305*

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

19. GENERAL


- 19.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 19.2 The Board of Directors in its meeting held on October 30, 2013 proposed third interim dividend of Rs 4.10 per share.
- 19.3 This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on October 30, 2013.



Chairman



Chief Executive



Director



 FFC

**Condensed Interim
Consolidated
Financial Information**



Condensed Interim Consolidated Balance Sheet (Un-audited)
As at September 30, 2013

	Un-audited September 30, 2013	Restated Audited December 31, 2012	Restated Audited January 01, 2012	
Note	(Rupees '000)			
EQUITY AND LIABILITIES				
ATTRIBUTABLE TO EQUITY HOLDERS				
OF FAUJI FERTILIZER COMPANY LIMITED				
	4	12,722,382	12,722,382	8,481,588
		1,107,388	1,001,061	972,682
	5	14,056,819	14,389,380	16,107,187
		4,352	7,695	10,258
		<u>27,890,941</u>	28,120,518	25,571,715
NON-CONTROLLING INTERESTS		<u>5,823,159</u>	5,983,400	6,503,850
TOTAL EQUITY		<u>33,714,100</u>	34,103,918	32,075,565
NON-CURRENT LIABILITIES				
	6	13,200,666	13,643,915	10,080,890
		7,297,431	7,580,087	7,301,931
		<u>20,498,097</u>	21,224,002	17,382,821
CURRENT LIABILITIES				
		32,870,091	24,707,148	21,535,408
		684,028	308,611	496,159
		21,047,601	14,206,660	16,211,794
		1,335,000	1,740,517	1,615,655
		2,314,019	2,008,682	648,201
		5,075,128	5,000,827	4,425,068
		<u>63,325,867</u>	47,972,445	44,932,285
		<u>117,538,064</u>	103,300,365	94,390,671
CONTINGENCIES AND COMMITMENTS	7			

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



		<u>Restated</u>	<u>Restated</u>
	<u>Un-audited</u>	<u>Audited</u>	<u>Audited</u>
	<u>September 30,</u>	<u>December 31,</u>	<u>January 01,</u>
<u>Note</u>	<u>2013</u>	<u>2012</u>	<u>2012</u>
		(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
	8	43,724,393	42,679,047
Property, plant & equipment			37,161,882
Intangible assets		1,649,826	1,615,633
Equity accounted investments	9.1	22,904,554	6,398,247
Other long term investments	9.2	222,160	253,610
Long term loans and advances		715,461	700,786
Long term deposits and prepayments		81,387	300,864
		<u>69,297,781</u>	<u>52,020,473</u>
			<u>45,227,826</u>
CURRENT ASSETS			
Stores, spares and loose tools		5,279,824	5,110,420
Stock in trade		10,451,988	5,318,444
Trade debts		3,948,458	6,080,551
Loans and advances		1,311,764	1,126,040
Deposits and prepayments		313,630	59,564
Other receivables		3,977,549	710,611
Short term investments	10	16,076,401	20,300,996
Cash and bank balances		6,880,669	12,573,266
		<u>48,240,283</u>	<u>51,279,892</u>
			<u>49,162,845</u>
		<u>117,538,064</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 period ended September 30, 2013

	Note	For the quarter ended		For the period ended	
		September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
		(Rupees'000)		(Rupees'000)	
Sales		32,567,059	31,827,070	87,628,016	79,253,872
Cost of sales	11	19,205,827	20,978,808	52,271,144	48,651,638
GROSS PROFIT		13,361,232	10,848,262	35,356,872	30,602,234
Administrative expenses and distribution cost		2,829,571	2,363,375	7,626,945	6,278,177
		10,531,661	8,484,887	27,729,927	24,324,057
Finance cost		1,171,791	628,816	2,300,318	2,179,710
Other expenses		833,408	682,469	2,262,916	2,036,062
		8,526,462	7,173,602	23,166,693	20,108,285
Other income		1,547,845	548,757	2,006,268	1,860,371
Share in (loss) / profit of equity accounted investments		219,985	(43,570)	(16,924)	50,747
NET PROFIT BEFORE TAXATION		10,294,292	7,678,789	25,156,037	22,019,403
Provision for taxation		2,957,345	2,710,209	8,273,094	7,721,967
NET PROFIT AFTER TAXATION		7,336,947	4,968,580	16,882,943	14,297,436
ATTRIBUTABLE TO:					
Equity holders of Fauji Fertilizer Company Limited		6,611,145	4,238,285	15,252,357	13,250,848
Non - controlling interests		725,802	730,295	1,630,586	1,046,588
		7,336,947	4,968,580	16,882,943	14,297,436

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 period ended September 30, 2013

	For the quarter ended		For the period ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	(Rupees'000)		(Rupees'000)	
Net profit after taxation	7,336,947	4,968,580	16,882,943	14,297,436
Other comprehensive income for the period				
Exchange difference on translating foreign investments	(92,513)	9,128	180,134	42,056
(Deficit) /surplus on remeasurement to fair value of investments available for sale	(4,069)	2,796	(3,778)	(526)
Income tax relating to component of other comprehensive income	539	(909)	435	(876)
Changes in accounting policy for recognition of actuarial gains and losses	(29,125)	-	(29,125)	-
Other comprehensive income for the period - net of tax	(125,168)	11,015	147,666	40,654
Total comprehensive income for the period	<u>7,211,779</u>	<u>4,979,595</u>	<u>17,030,609</u>	<u>14,338,090</u>
ATTRIBUTABLE TO:				
Equity holders of Fauji Fertilizer Company Limited	6,530,582	4,246,378	15,355,338	13,277,729
Non - controlling interests	681,197	733,217	1,675,271	1,060,361
	<u>7,211,779</u>	<u>4,979,595</u>	<u>17,030,609</u>	<u>14,338,090</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 Cash Flows (Un-audited)

For the period ended September 30, 2013

	Note	September 30, 2013	September 30, 2012
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	27,739,979	9,501,430
Finance cost paid		(1,385,597)	(1,777,299)
Income tax paid		(8,595,155)	(8,445,593)
		<u>(9,980,752)</u>	<u>(8,272,004)</u>
Net cash generated from / (used in) operating activities		17,759,227	(721,462)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,976,156)	(7,014,534)
Proceeds from sale of property, plant and equipment		38,516	32,712
Interest received		1,307,700	941,235
Decrease/(Increase) in investments		(19,347,102)	11,449,374
Net cash (used in) / generated from investing activities		(20,977,042)	5,408,787
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - repayments - disbursements		(256,871) (958,750)	(2,340,106) 1,000,000
Long term loans received		653,000	6,162,000
Loan arrangement fee		-	(666,455)
Short term borrowings - net		5,300,000	-
Dividends paid		(16,536,451)	(16,474,295)
Net cash used in financing activities		(11,799,072)	(12,318,856)
Net decrease in cash and cash equivalents		(15,016,887)	(7,631,531)
Cash and cash equivalents at beginning of the period		21,324,093	16,242,855
Cash and cash equivalents at end of the period		<u>6,307,206</u>	<u>8,611,324</u>
CASH AND CASH EQUIVALENTS			
Cash and bank balances		6,880,669	10,722,724
Short term highly liquid investments		11,579,138	10,531,119
Short term running finance		(12,152,601)	(12,642,519)
		<u>6,307,206</u>	<u>8,611,324</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 period ended September 30, 2013

Attributable to equity holders of Fauji Fertilizer Company Limited

	Capital reserves			Revenue reserves		Surplus on remeasurement of investments to fair value	Non-controlling interests	Total	
	Share capital	Capital reserve	Translation reserve	Statutory reserve	General reserve (Rupees '000)				Unappropriated profit
Balance at January 01, 2012 - as previously reported	8,481,588	276,184	690,062	6,436	5,543,154	10,755,350	10,258	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	5,543,154	10,564,033	10,258	6,503,850	32,075,565
Transfer to general reserve	-	-	-	-	4,200,000	(4,200,000)	-	-	-

Total comprehensive income for the period

Profit for the period after taxation	-	-	-	-	-	13,250,848	-	1,046,588	14,297,436
Other comprehensive income - net of tax	-	-	28,283	-	-	-	(1,402)	13,773	40,654
Total comprehensive income for the period	-	-	28,283	-	-	13,250,848	(1,402)	1,060,361	14,338,090

Distribution to owners

FFC dividends:

Bonus shares issued	4,240,794	-	-	-	(4,240,794)	-	-	-	-
FFC Final dividend 2011: Rs 5.25 per share	-	-	-	-	-	(4,452,834)	-	-	(4,452,834)
FFC First interim dividend 2012: Rs. 3.00 per share	-	-	-	-	-	(3,816,715)	-	-	(3,816,715)
FFC Second interim dividend 2012: Rs. 5.00 per share	-	-	-	-	-	(6,361,191)	-	-	(6,361,191)
Dividend by FFBL non-controlling interest holders	-	-	-	-	-	-	-	-	-
Final dividend 2011: Rs 3.50 per share	-	-	-	-	-	-	-	(1,605,921)	(1,605,921)
	4,240,794	-	-	-	(4,240,794)	(14,630,740)	-	(1,605,921)	(16,236,661)

Balance as at september 30, 2012

	<u>12,722,382</u>	<u>276,184</u>	<u>718,345</u>	<u>6,436</u>	<u>1,302,360</u>	<u>9,184,141</u>	<u>8,856</u>	<u>5,958,290</u>	<u>30,176,994</u>
--	-------------------	----------------	----------------	--------------	------------------	------------------	--------------	------------------	-------------------

Balance at January 01, 2013 - as previously reported	12,722,382	276,184	718,441	6,436	5,502,360	9,106,120	7,695	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	5,502,360	8,887,020	7,695	5,983,400	34,103,918
Transfer to general reserve	-	-	-	-	1,300,000	(1,300,000)	-	-	-

Total comprehensive income for the period

Profit for the period after taxation	-	-	-	-	-	15,252,357	-	1,630,586	16,882,943
Other comprehensive income - net of tax	-	-	106,327	-	-	-	(3,343)	44,682	147,666
Total comprehensive income for the period	-	-	106,327	-	-	15,252,357	(3,343)	1,675,268	17,030,609

Distribution to owners

FFC dividends:

FFC Final dividend 2012: Rs 5.00 per share	-	-	-	-	-	(6,361,191)	-	-	(6,361,191)
First interim dividend 2013: Rs 3.50 per share	-	-	-	-	-	(4,452,834)	-	-	(4,452,834)
Second interim dividend 2013: Rs 3.75 per share	-	-	-	-	-	(4,770,893)	-	-	(4,770,893)
Dividend by FFBL to non-controlling interest holders	-	-	-	-	-	-	-	-	-
Final dividend 2012 (Rs. 2.25 per share)	-	-	-	-	-	-	-	(1,032,474)	(1,032,474)
First interim dividend 2013 (Rs. 1.75 per share)	-	-	-	-	-	-	-	(803,035)	(803,035)
	-	-	-	-	-	(15,584,918)	-	(1,835,509)	(17,420,427)

Balance as at September 30, 2013

	<u>12,722,382</u>	<u>276,184</u>	<u>824,768</u>	<u>6,436</u>	<u>5,502,360</u>	<u>8,554,459</u>	<u>4,352</u>	<u>5,823,159</u>	<u>33,714,100</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 period ended September 30, 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 the FFC and FFBL are manufacturing, purchasing and marketing of fertilizers and chemicals including investment in chemical and other manufacturing operations and commercial bank while the FFCEL is engaged in generation of electricity through wind energy.

2. This condensed interim consolidated financial information of the Group for the period ended September 30, 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 consolidated 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 Group for the year ended December 31, 2012. Comparative balance sheet is extracted from annual financial statements as of December 31, 2012 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from unaudited condensed interim financial information of the Group for the period ended September 30, 2012.

2.1 On June 20, 2013, the group acquired 64.7% of the share capital of Askari Bank Limited (AKBL), being 43.15% direct holding acquired by FFC in addition to indirect holding of 21.6% acquired through its subsidiary FFBL. The total consideration paid by group in cash for the acquisition was Rs. 15,692,806 thousand. As a result of the acquisition, the group is expected to increase its profits and reduce risks through diversification.

FFC has been allowed one time exemption for the quarter ended September 30, 2013 from consolidating AKBL financial statements under section 237 to the Companies Ordinance, 1984 by SECP.

Condensed interim unconsolidated statement of financial position and condensed interim profit & loss account of AKBL are given in attachments "A" and "B" to this condensed interim consolidated financial information for the period ended September 30, 2013.

AKBL Financial Statements for the period ended September 30, 2013 are available for inspection by the members at Registered Office of the Company without any cost.

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' benefit plans. In terms of the new policy, 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 Consolidated Balance Sheet			
(Decreased) / Increase in unappropriated profit - Actuarial loss on retirement	(219,100)	27,783	(191,317)
Increase / (Decrease) in trade and other payables			
- Payable to retirement benefit funds	662,493	(84,006)	578,487
(Decrease)/Increase in deferred liabilities			
- Deferred taxation	(231,872)	29,402	(202,470)
Non - controlling interest	(211,521)	26,821	(184,700)

The effect on the condensed interim consolidated profit and loss account and the condensed interim consolidated statement of comprehensive income for the period ended September 30, 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.

Actuarial valuation for retirement benefit plans of FFBL was carried out for the half year 2013, the results of which have been disclosed in condensed interim consolidated statement of comprehensive income for the period ended September 30, 2013.



Notes To The Condensed Interim Consolidated Financial Information

For the period ended September 30, 2013

4. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited September 30, 2013	Audited December 31, 2012		Un-audited September 30, 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
1,272,238,247	1,272,238,247		12,722,382	12,722,382

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)

5. REVENUE RESERVES

	Un-audited September 30, 2013	Restated Audited December 31, 2012
	(Rupees '000)	
General reserve	5,502,360	5,502,360
Unappropriated profit	8,554,459	8,887,020
	14,056,819	14,389,380

6. LONG TERM BORROWINGS

	Note	Un-audited September 30, 2013	Restated Audited December 31, 2012
		(Rupees '000)	
Long term financing - secured	6.1	14,256,884	14,152,112
Long term loan - GOP Loan & deferred government assistance - FFBL (Un-secured)	6.2	2,592,801	3,241,002
		16,849,685	17,393,114
Less: Amount payable within twelve months shown as current maturity		3,649,019	3,749,199
		13,200,666	13,643,915

6.1 Movement in this account during the period/ year is as follows:

Opening balance	14,152,112	8,455,543
Disbursements during the period/ year	1,063,522	7,700,000
Repayments during the period/ year	(958,750)	(2,003,431)
Closing balance	14,256,884	14,152,112

6.2 Movement in this account during the period/ year is as follows:

Opening balance	3,241,002	3,889,203
Repayments during the period/ year	(648,201)	(648,201)
Closing balance	2,592,801	3,241,002

7. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantees issued by banks on behalf of the Group companies.	44,121	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 plant site.	119,650	119,650
iv) Group's share of contingencies in Fauji Cement Company Limited.	130,584	122,388
v) FFBL's share of contingent liabilities of Foundation Wind Energy - I Limited as at September 30, 2013	69,619	4,375
vi) FFBL's share of contingent liabilities of Foundation Wind Energy - II (Private) Limited as at September 30, 2013	60,975	4,130



Notes To The Condensed Interim Consolidated Financial Information
For the period ended September 30, 2013

vii) The Competition Commission of Pakistan has imposed a penalty of Rs 5.5 billion on FFC 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 the Government of Pakistan resulting in product shortage leading to market imbalance and price hike. FFC has filed an appeal against the above penalty before the Competition Appellate Tribunal. Based on legal advice from the Company's legal advisor, the Company is confident that there are reasonable grounds for a favourable decision.

	<u>Note</u>	<u>Un-audited September 30, 2013</u>	<u>Audited December 31, 2012</u>
(Rupees '000)			
b) Commitments			
i) Capital expenditure		14,288,332	2,816,921
ii) Purchase of fertilizer, stores, spares and other revenue items.		3,521,510	2,243,495
iii) Investment in FFC Energy Limited. FFC's commitment to a bank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable properties, land and building of FFC.		-	386,000
iv) Group's share of commitments of PMP.		250,749	20,196
v) FFBL's share of commitments for investment in wind power project		3,571,690	3,983,365
vi) Rentals under lease agreements:			
Premises		172,134	158,145
Vehicles		100,946	103,513
Land		44,905	44,905
 8. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		42,679,047	37,161,882
Additions during the period/ year		3,553,828	12,226,956
Written down value of disposals/ adjustments		(26,833)	(3,998,519)
Depreciation during the period/ year		(2,481,649)	(2,711,272)
Closing written down value		<u>43,724,393</u>	<u>42,679,047</u>
 9. LONG TERM INVESTMENTS			
Equity accounted investments	9.1	22,904,554	6,398,247
Other long term investments	9.2	<u>222,160</u>	<u>253,610</u>
		<u>23,126,714</u>	<u>6,651,857</u>



Notes To The Condensed Interim Consolidated Financial Information

For the period ended September 30, 2013

	Note	Un-audited September 30, 2013	Audited December 31, 2012
(Rupees '000)			
9.1 Equity accounted investments			
Investment in subsidiary company			
Askari Bank Limited	2.1 & 9.1.1	15,692,806	-
Investment in associated companies - under equity method			
Fauji Cement Company Limited			
Cost of investment		1,800,000	1,800,000
Post acquisition profits brought forward		309,528	257,196
Dividend received		(23,437)	-
Share of profit for the period / year		135,522	52,332
Closing balance		2,221,613	2,109,528
Foundation Wind Energy - I Limited			
Advance for issue of shares		353,073	119,409
Advance paid during the period / year against issue of shares		375,550	233,664
Brought forward loss		(23,683)	-
Share of loss for the period / year		(8,027)	(23,683)
Closing balance		696,913	329,390
Foundation Wind Energy - II (Private) Limited			
Opening balance of advance for issue of shares		641,032	93,346
Advance paid during the period / year against issue of shares		271,805	547,686
Brought forward loss		(20,742)	-
Share of profit / (loss) for the period / year		(5,306)	(20,742)
Closing balance		886,789	620,290
Investment in joint venture - under equity method			
Pakistan Maroc Phosphore S.A.Morocco			
Cost of investment		2,117,075	2,117,075
Post acquisition profits brought forward		153,656	89,987
Share of profit for the period / year		(112,740)	63,669
Gain on translation of net assets		1,248,442	1,068,308
Closing balance		3,406,433	3,339,039
		<u>22,904,554</u>	<u>6,398,247</u>

9.1.1 During the period, FFC and FFBL acquired 43.15% and 21.57% of the share capital of Askari Bank Limited, a banking company.



Notes To The Condensed Interim Consolidated Financial Information
For the period ended September 30, 2013

<u>Note</u>	<u>Un-audited September 30, 2013</u>	<u>Audited December 31, 2012</u>
	(Rupees '000)	
9.2 OTHER LONG TERM INVESTMENTS		
Investment available for sale		
Certificates of investment	119,975	111,528
Pakistan Investment Bonds	59,544	60,491
Term Finance Certificates	91,220	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)
	-	-
	<u>270,739</u>	<u>274,360</u>
Less: Current portion shown under short term investments	9	
Investments available for sale		
Certificates of investment	19,275	12,395
Term Finance Certificates	29,304	8,355
	<u>48,579</u>	<u>20,750</u>
	<u>222,160</u>	<u>253,610</u>
10. SHORT TERM INVESTMENTS		
Loans & receivables		
Term deposits with banks and financial institutions		
Local currency	13,987,337	18,350,000
Foreign Currency	1,331,087	1,208,683
Investments at fair value through profit or loss - Held for trading	709,399	721,563
Current maturity of long term investments	48,578	20,750
	<u>16,076,401</u>	<u>20,300,996</u>



Notes To The Condensed Interim Consolidated Financial Information (Un-audited)
For the period ended September 30, 2013

	For the quarter ended		For the period ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	(Rupees'000)		(Rupees'000)	
11. COST OF SALES				
Raw materials consumed	13,021,492	12,990,718	37,548,404	35,503,064
Fuel and power	2,549,113	2,445,216	6,965,508	6,676,265
Chemicals and supplies	218,386	92,403	494,553	310,731
Salaries, wages and benefits	1,548,626	1,497,917	4,383,029	4,015,977
Training and employees welfare	146,548	143,869	476,479	437,139
Rent, rates and taxes	11,093	12,454	31,284	31,137
Insurance	120,329	62,031	260,524	188,731
Travel and conveyance	139,661	98,441	410,113	346,435
Repairs and maintenance	386,948	348,131	1,857,238	1,572,056
Depreciation & amortization	883,387	677,645	2,385,719	1,991,000
Communication and other expenses	365,380	380,838	1,236,255	946,485
Import of electricity	570	-	570	-
Annual licence fee	139	-	392	-
Provision for slow moving spares	-	-	9,850	15,910
Opening stock - work in process	59,366	97,638	58,831	58,478
Closing stock - work in process	(91,433)	(70,237)	(91,433)	(70,237)
Cost of goods manufactured	19,359,605	18,777,064	56,027,316	52,023,171
Opening stock - manufactured fertilizers	6,036,605	8,501,453	2,074,053	344,756
Closing stock - manufactured fertilizers	(6,441,283)	(6,476,731)	(6,441,283)	(6,476,731)
	(404,678)	2,024,722	(4,367,230)	(6,131,975)
Cost of sales - manufactured fertilizers	18,954,927	20,801,786	51,660,086	45,891,196
Opening stock - purchased fertilizers	200,362	657,221	274,029	144,090
Purchase of fertilizers for resale	2,090,515	2,983	2,377,006	3,099,534
	2,290,877	660,204	2,651,035	3,243,624
Closing stock - purchased fertilizers	(2,039,977)	(483,182)	(2,039,977)	(483,182)
Cost of sale - purchased fertilizers	250,900	177,022	611,058	2,760,442
	19,205,827	20,978,808	52,271,144	48,651,638



Notes To The Condensed Interim Consolidated Financial Information (Un-audited)
For the period ended September 30, 2013

	<u>September 30,</u> <u>2013</u>	<u>September 30,</u> <u>2012</u>
	(Rupees '000)	
12. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	25,156,037	22,019,403
Adjustments for:		
Depreciation & amortization	2,462,209	2,005,903
Provision for slow moving spares	9,850	15,910
Finance cost	1,446,453	2,179,710
Income on loans, deposits and investments	(1,268,008)	(820,829)
Gain on sale of property, plant and equipment	(11,683)	(3,590)
Gain on sale of investments	(147,111)	(363,287)
Exchange loss	242,158	201,182
Gain on remeasurement of investments at fair value through profit or loss	(146,271)	(191,546)
Share of profit of joint venture and associate	(7,549)	(50,747)
	2,580,048	2,972,706
	27,736,085	24,992,109
Changes in working capital		
Decrease / (Increase) in current assets:		
Stores, spares and loose tools	(179,254)	(512,284)
Stock in trade	(5,133,544)	(5,069,464)
Trade debts	2,132,093	(6,418,682)
Loans and advances	(185,724)	(169,950)
Deposits and prepayments	(254,066)	(285,731)
Other receivables	(253,191)	(48,718)
Increase / (Decrease) in current liabilities:		
Trade and other payables	3,596,776	(2,941,428)
	(276,910)	(15,446,257)
Changes in long term loans and advances	278,122	(50,524)
Changes in long term deposits and prepayments	2,682	6,102
	27,739,979	9,501,430



Notes To The Condensed Interim Consolidated Financial Information (Un-audited)

For the period ended September 30, 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:

	September 30, 2013	September 30, 2012
	(Rupees '000)	
Transactions with associated undertaking/companies due to common directorship		
Sale of fertilizer	4,825	14,686
Rent charged to Group Companies	900	4,199
Dividend paid	7,557,916	7,053,988
Issuance of bonus shares	-	1,880,792
Donation	250,000	100,000
FFBL's investment in wind power projects	647,355	781,350
Medical services	72	47
Purchase of gas as feed and fuel stock	17,874,343	17,731,323
Others	16,267	55,000
Services Received	205,407	152,937
Balance receivable - unsecured	38,201	6,935*
Balance Payable	997,218	1,074*
Transactions with joint venture company		
Raw material purchased	18,259,837	15,933,275
Expenses incurred on behalf of joint venture company	11,316	25,304
Balance payable - secured	3,974,191	5,758,636*
Balance receivable - unsecured	18,818	22,733*
Other related parties		
Remuneration including benefits and perquisites of Chief Executives and Executives. No. of persons 2013: 2 and 638 (2012: 2 and 813)	2,964,384	3,158,077
Payments to:		
Employees' Provident Fund Trust	252,116	234,785
Employees' Gratuity Fund Trust	131,931	126,988
Employees' Pension Fund Trust	47,191	454,661
Workers' Profit Participation Fund	17,042	15,162
Others:		
Balance payable - unsecured	1,568,426	180,896*

*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 October 30, 2013 proposed third interim dividend of Rs 4.10 per share while an interim dividend of Rs. 1 per share has been proposed by the Board of Directors of FFBL on October 25, 2013.

14.3 This condensed interim consolidated financial report has been authorised for issue by the Board of Directors of FFC on October 30, 2013.



Chairman



Chief Executive



Director



ASKARI BANK LIMITED

Attachment "A"

Condensed Interim Unconsolidated Statement
of Financial Position

Attachment "B"

Condensed Interim Unconsolidated Profit and Loss
Account (Un-audited)



ASKARI BANK LIMITED

Condensed Interim Unconsolidated Statement of Financial Position

As at September 30, 2013

	<u>(Un-audited)</u> September 30, 2013	<u>(Audited)</u> December 31, 2012 Restated
(Rupees in thousand)		
ASSETS		
Cash and balances with treasury banks	24,558,386	24,435,380
Balances with other banks	4,138,429	8,863,586
Lendings to financial institutions	2,679,082	6,319,474
Investments	160,952,391	145,378,148
Advances	136,836,694	143,726,962
Operating fixed assets	8,462,917	8,841,091
Deferred tax assets - net	2,669,491	-
Other assets	15,605,739	15,462,240
	355,903,129	353,026,881
LIABILITIES		
Bills payable	6,157,479	3,700,156
Borrowings	14,709,047	8,372,617
Deposits and other accounts	303,679,128	306,937,216
Sub-ordinated loans	5,490,700	6,987,300
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities - net	-	71,229
Other liabilities	7,401,730	7,386,659
	337,438,084	333,455,177
NET ASSETS	<u>18,465,045</u>	<u>19,571,704</u>
REPRESENTED BY:		
Share capital	8,130,711	8,130,711
Reserves	9,564,538	8,542,421
Advance against issue of right shares	3,229,308	-
Unappropriated (loss) / profit	(4,038,406)	887,988
	16,886,151	17,561,120
Surplus on revaluation of assets - net of tax	1,578,894	2,010,584
	<u>18,465,045</u>	<u>19,571,704</u>
CONTINGENCIES AND COMMITMENTS		


ASKARI BANK LIMITED
Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the quarter and nine months ended September 30, 2013

	September 30, 2013		September 30, 2012	
	For the quarter ended (Rupees in thousand)	For the nine months ended	For the quarter ended (Rupees in thousand)	For the nine months ended
Mark-up / return / interest earned	6,999,015	20,616,772	8,221,499	24,855,720
Mark-up / return / interest expensed	4,517,415	14,284,392	5,691,892	17,662,327
Net mark-up / interest income	2,481,600	6,332,380	2,529,607	7,193,393
Provision against non-performing loans and advances - net	808,508	7,392,208	301,040	1,028,576
Impairment loss on available for sale investments	-	135,873	-	10,350
Provision for diminution in the value of investments	63,531	491,208	-	-
Reversal of provision against repurchase agreement lendings	(34,578)	(34,578)	-	-
Bad debts written off directly	-	-	-	1,043
	837,461	7,984,711	301,040	1,039,969
Net mark-up / interest income / (expense) after provisions	1,644,139	(1,652,331)	2,228,567	6,153,424
Non mark-up / interest income				
Fee, commission and brokerage income	265,234	858,320	227,594	847,762
Dividend income	318,679	425,945	205,653	944,657
Income from dealing in foreign currencies	214,639	444,904	284,034	779,872
Gain on sale of securities - net	65,622	637,914	102,837	180,423
Unrealised gain on revaluation of investments classified as held for trading - net	-	-	1,230	1,230
Other income	207,600	405,778	71,677	235,859
Total non-markup / interest income	1,071,774	2,772,861	893,025	2,989,803
	2,715,913	1,120,530	3,121,592	9,143,227
Non mark-up / interest expenses				
Administrative expenses	2,526,129	7,189,232	2,546,190	6,937,091
Other provisions / write offs	250	76,882	1,510	21,633
Other charges	15,763	15,989	19,679	54,276
Total non-markup / interest expenses	2,542,142	7,282,103	2,567,379	7,013,000
Extra ordinary / unusual items	173,771	(6,161,573)	554,213	2,130,227
	-	-	-	-
Profit / (loss) before taxation	173,771	(6,161,573)	554,213	2,130,227
Taxation - current	(135,538)	(311,720)	(326,596)	(576,536)
- prior years'	-	-	-	-
- deferred	119,021	2,523,292	147,127	(80,182)
	(16,517)	2,211,572	(179,469)	(656,718)
Profit / (loss) after taxation	157,254	(3,950,001)	374,744	1,473,509
Basic earnings / (loss) per share (Rupees)	0.19	(4.86)	0.46	1.81

Book Post:

Under Certificate of Posting



Now in **Green Energy**
and **Food Businesses** as Well



If undelivered please return to:

FAUJI FERTILIZER COMPANY LIMITED

Sona Tower, 156 The Mall, Rawalpindi, P.O. Box 253, Pakistan

Tel: +92 (51) 8450001, UAN: +92 (51) 111-332-111

Website: www.ffc.com.pk