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Company Information

BOARD OF DIRECTORS

Mr. Humayun N. Shaikh
Chairman
Mr. Ahmed Jaudet Bilal
Chief Executive Officer
Mr. Ahmed H. Shaikh
Mr. Khalid A. H. Al Sagar
Mr. Irfan Nazir Ahmad
Mr. Muhammad Faisal Muzammil
Mr. Khaleeque Ur Rehman
Syed Owais Magrabi

COMPANY SECRETARY

Mr. Muhammad Ijaz Haider

CHIEF FINANCIAL OFFICER

Mr. Abid Amin

AUDIT COMMITTEE

Mr. Khalid A. H. Al Sagar
Mr. Irfan Nazir Ahmad
Mr. Muhammad Faisal Muzammil
Syed Owais Magrabi

LEGAL ADVISOR

Mr. Ghulam Muhammad Kundi

AUDITORS

KPMG Taseer Hadi & Co.

Chartered Accountants, Lahore

BANKERS

JS Bank Limited

Faysal Bank Limited

National Bank of Pakistan

BANKERS *(Cont'd)*

Standard Chartered Bank (Pakistan) Limited

Albaraka Bank Pakistan Limited

Dubai Islamic Bank Pakistan Limited

Summit Bank Limited

Silk Bank Limited

KASB Bank Limited

Allied Bank Limited

Bank Alfalah Limited

The Bank of Punjab

Bank Islami Pakistan Limited

Askari Bank Limited

Pak Libya Holding Company (Pvt.) Limited

Soneri Bank Limited

REGISTERED OFFICE

Ismail Aiwan-e-Science
Off Shahrah-e-Roomi Lahore, 54600
Ph: +92 (0)42 111-786-645
Fax: +92 (0)42 3576-1791

PROJECT LOCATIONS

Unit I
Agritech Limited.
Iskanderabad,
District Mianwali.
Ph: +92 (0)459 392346-49

Unit II
Hazara Phosphate Fertilizers (Pvt.) Ltd.
Hattar Road,
Haripur.
Ph: +92 (0)995 616124-5

Directors' Review

The directors of Agritech Limited ("the Company") are pleased to present the nine months ended March 31, 2012 report with the unaudited interim financial statements of the Company for the nine months ended March 31, 2012.

The Company's principal business is the manufacturing and marketing of Nitrogenous Fertilizer products.

Agritech, through its subsidiary Hazara Phosphate Fertilizers (Pvt.) Limited (HPFL), is also engaged in the manufacturing and marketing of Phosphate fertilizers which makes the Company a diversified fertilizer player.

The Third quarter is expectedly a low season for fertilizer sales and production. The Company's production was effected due to gas load management program operated by GOP. During the period urea plant produced 25% of rated capacity which resulted in reduction in production of 23,424 MT.

Govt. imposed Gas development Cess on Urea from Jan 1, 2012 which increased the per bag cost by Rs. 300. This was transferred to customers and the current price per bag of Urea is now Rs.1,790 inclusive of GST.

Hazara Phosphate has now developed into high potential business with a promising future. Post acquisition from the government of Pakistan, the technological breakthrough changes coupled with strong distribution channel development has enabled the business to start delivering un-precedent performance.

Consolidated Results

	Nine Months Ended March 31, 2012	Nine Months Ended March 31, 2011
Sales - Net	4,175,933,225	3,972,332,783
Operating Profit	785,115,544	536,899,800
Finance cost	1,901,195,599	1,316,780,062
Loss before taxation	(1,116,080,055)	(779,880,262)
Loss after taxation	(712,748,212)	(101,762,549)
Earnings per share	(1.70)	(0.26)

Directors' Review

Operating Financial Results of Agritech Limited (Stand Alone)

	Nine Months Ended March 31, 2012	Nine Months Ended March 31, 2011
Sales - Net	3,070,017,976	2,742,730,650
Operating Profit	362,421,931	376,208,135
Finance cost	1,991,109,834	1,333,304,679
Loss before taxation	(1,463,144,926)	(899,739,153)
Loss after taxation	(1,006,393,867)	(382,303,710)
Earnings per share	(2.68)	(0.97)

Operating Financial Results of HAZARA Phosphate Fertilizers Limited (Stand Alone)

	Nine Months Ended March 31, 2012	Nine Months Ended March 31, 2011
Sales - Net	1,457,214,021	1,229,602,133
Operating Profit	281,487,707	102,715,545
Finance cost	1,072,051	1,167,355
Profit before taxation	347,077,575	119,858,887
Profit after taxation	293,658,360	280,541,157
Earnings per share	15.34	14.65

Future Outlook

The oversupply situation of Urea in next quarter will further impact the sales due to excess urea imports by GOP. The closing stock of the Urea will reach 1.0 million tons at the start of Kharif sowing season despite gas curtailments to the network based plants. Moreover, the Government's decisions to import another 300,000 tons of Urea will result in acute oversupply of Urea during the entire Kharif 2012. Continuous gas availability to network plants during summer will remain the biggest challenge for the fertilizer industry.

Due to current price difference of Rs. 190/bag between imported and domestic urea (the price delta of domestic & imported urea came down from Rs 490/bag in Feb 2012), the urea sale is likely to remain skewed to imported urea till the depletion of imported urea stocks. Kharif 2012 offtakes is expected to remain around 2.6-2.7 Million tons, almost at the same level of last year or may witness some decline due to demand destruction as a consequence of high urea prices and low farmer liquidity. High input prices particularly

Directors' Review

of fertilizers is likely to affect the farmers' ability hence depress the urea industry's growth. Urea industry during 3rd quarter (Jan-Mar 2012) declined by 15% to 0.99 million tons from 1.17 million tons last year.

The phosphates segment was impacted by decline in international DAP prices at the start of the year 2012, DAP offtakes recovered in Mar 2012 and it is expected that phosphates will have a positive offtakes outlook during Kharif 2012. However, any sharp rebound in international DAP prices will result in domestic DAP prices to increase hence depleting farmers ability to consume optimal phosphates for Kharif crops. Current DAP price is around Rs. 3,800 per bag which came down from Rs. 4200 per bag during Rabi. The demand for lower cost phosphates alternatives like SSP looks promising during the Kharif season.

The Company has successfully converted overdue mark-up till July 31, 2011 into Preference Shares and PPTFCs.

Agritech Limited and Hazara Phosphate Fertilizers Limited are in the process of being merged pursuant to a Scheme of Amalgamation and Merger filed with the Lahore High Court. The merger is in process and the shareholders' approval (under the supervision of COURT) for the said merger has been passed in a EOGM. The Court Order giving effect to the merger is expected to be issued during next quarter.

The sale process of the company is expected to materialize shortly since the signing off of the related documentation has already been initiated and hopefully would be reflected in the next quarter results subject to necessary Corporate and Regulatory approvals

The Board would like to avail this opportunity to thank our valued customers and the financial institutions whose faith and support over the years has fostered strong relationships which have played a pivotal role in the growth of the company.

The board also wishes to place on record its appreciation for the employees of the Company. All this has been possible with their hard work and commitment.

On behalf of the Board

Lahore
April 30, 2012

Chief Executive Officer

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Condensed Interim Consolidated Financial Information

Condensed Interim Consolidated Balance Sheet (Un-audited)

As at March 31, 2012

	Note	31 March 2012 Un-Audited Rupees	30 June 2011 Audited Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid up capital		**5,517,642,690**	3,924,300,000
Reserves		**9,000,000**	9,000,000
Accumulated profit		**4,302,652,643**	4,947,083,119
		9,829,295,333	8,880,383,119
Surplus on revaluation of property, plant and equipment		**3,993,536,514**	4,105,671,174
Subordinated loan		**340,000,000**	340,000,000
Non-current liabilities			
Redeemable capital - Secured	*6*	**11,188,474,808**	9,640,111,042
Long term finances - Secured	*7*	**7,211,729,323**	6,576,509,402
Liabilities against assets subject to finance lease - Secured		**90,172,722**	140,438,153
Long term payables - Unsecured		**31,135,199**	31,135,199
Staff retirement benefits		**26,846,429**	20,372,547
Deferred taxation - net		**2,522,461,035**	2,973,657,218
		21,070,819,516	19,382,223,561
Current liabilities			
Current maturity of non current liabilities		**634,947,141**	1,680,609,341
Short term borrowings		**3,145,973,120**	3,169,436,002
Trade and other payables		**2,662,956,789**	2,699,174,761
Interest/mark-up accrued on borrowings		**2,522,132,046**	3,499,895,917
Preference dividend payable		**43,816,924**	-
		9,009,826,020	11,049,116,021
Contingencies and commitments	*8*		
		44,243,477,383	43,757,393,875
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	**36,732,738,985**	36,283,420,061
Intangible asset		**2,599,599,004**	2,592,443,038
Long term advances		**27,559,752**	28,663,924
Long term deposits - Unsecured, considered good		**42,835,609**	16,467,788
Non-current assets held for sale		**713,092,558**	713,092,558
		40,115,825,908	39,634,087,369
Current assets			
Stores, spares and loose tools		**2,163,751,682**	2,085,938,729
Stock-in-trade		**618,945,511**	395,045,393
Trade receivables - unsecured, considered good		**95,143,678**	68,801,870
Advances, deposits, prepayments and other receivables		**854,923,710**	1,022,618,671
Due from related parties - Unsecured, considered good		**295,631,313**	317,158,570
Current taxation		**46,863,861**	112,880,472
Cash and bank balances		**52,391,720**	120,862,801
		4,127,651,475	4,123,306,506
		44,243,477,383	43,757,393,875

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

Lahore **CHIEF EXECUTIVE** **DIRECTOR**

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

For the nine months ended March 31, 2012

	01 July 2011 to 31 March 2012 Un-Audited Rupees	**01 January 2012 to 31 March 2012 Un-Audited Rupees**	01 July 2010 to 31 March 2011 Un-Audited Rupees	01 January 2011 to 31 March 2011 Un-Audited Rupees
Sales - net	**4,175,933,225**	1,059,024,071	3,972,332,783	659,968,603
Cost of sales	**(3,007,366,949)**	(974,903,047)	(3,025,862,705)	(685,560,906)
Gross profit	**1,168,566,276**	84,121,024	946,470,078	(25,592,303)
Administrative expenses	**(353,328,769)**	(80,513,043)	(272,967,649)	(100,402,739)
Selling and distribution expenses	**(171,327,868)**	(43,833,999)	(194,578,750)	(57,386,901)
Net other income	**141,205,905**	128,913,810	57,976,121	21,388,803
Profit from operations	**785,115,544**	88,687,792	536,899,800	(161,993,140)
Finance cost	**(1,901,195,599)**	(911,070,421)	(1,316,780,062)	(473,131,995)
Loss before taxation	**(1,116,080,055)**	(822,382,629)	(779,880,262)	(635,125,135)
Taxation	**403,331,843**	220,728,811	678,117,713	330,776,647
Profit / (loss) after taxation	**(712,748,212)**	(601,653,818)	(101,762,549)	(304,348,488)
Earning / (loss) per share	**(1.70)**	**(1.42)**	**(0.26)**	**(0.78)**

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

Lahore **CHIEF EXECUTIVE** **DIRECTOR**

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

For the nine months ended March 31, 2012

	01 July 2011 to 31 March 2012 Un-Audited	01 January 2012 to 31 March 2012 Un-Audited	01 July 2010 to 31 March 2011 Un-Audited	01 January 2011 to 31 March 2011 Un-Audited
	Rupees	**Rupees**	Rupees	Rupees
Profit / (loss) after taxation	**(712,748,212)**	**(601,653,818)**	(101,762,549)	(304,348,488)
Other comprehensive income	**-**	**-**	-	-
Total comprehensive income (loss) for the period	**(712,748,212)**	**(601,653,818)**	(101,762,549)	(304,348,488)

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

Lahore **CHIEF EXECUTIVE** **DIRECTOR**

Condensed Interim Consolidated Cash flow Statement (Un-audited)

For the nine months ended March 31, 2012

	Note	31 March 2012 Un-Audited Rupees	31 March 2011 Un-Audited Rupees
Cash flows from operating activities			
Cash generated from operations	11	**1,070,068,776**	1,338,109,973
Finance cost paid		**(1,738,263,356)**	(1,098,652,012)
Tax paid		**15,468,060**	36,737,449
Interest Received		**106,272,042**	-
Net cash (used in)/generated from operating activities		**(546,454,478)**	276,195,410
Cash flows from investing activities			
Capital expenditure including purchase of property, plant and equipment		**(1,081,483,087)**	(2,820,364,144)
Long Term advances		**1,104,172**	(43,459)
Long term deposits		**(26,380,998)**	855,406
Proceeds from disposal of property, plant and equipment		**3,486,386**	4,930,572
Interest received		**-**	149,449,723
Loan to related party		**(207,465,202)**	126,108,031
Net cash used in investing activities		**(1,310,738,729)**	(2,539,063,871)
Cash flows from financing activities			
Long term finances obtained		**124,708,213**	4,016,696,694
Loan for associates		**228,992,453**	-
Issuance of preference shares		**1,593,342,690**	
Redemption of redeemable capital		**(667,251)**	(704,499)
Repayment of liabilities against assets subject to finance lease		**(38,168,871)**	(40,083,904)
Transaction costs incurred on restructuring process		**(96,022,226)**	(128,426,284)
Net increase in short term borrowings		**77,735,139**	-
Net cash generated from financing activities		**1,889,920,147**	3,847,482,007
Net increase/(decrease) in cash and cash equivalents		**32,726,940**	1,584,613,546
Cash and cash equivalents at the beginning of period		**(1,759,436,572)**	(4,701,221,606)
Cash and cash equivalents at the end of period	12	**(1,726,709,632)**	(3,116,608,060)

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

Lahore **CHIEF EXECUTIVE** **DIRECTOR**

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

For the nine months ended 31 March 2012

	Share Capital		Reserves				
	Ordinary Shares	Preference Shares	Revenue reserve	Available for sale financial assets	Total reserves	Accumulated profit	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2010 - Audited	3,924,300,000		9,000,000	-	9,000,000	4,738,565,770	8,671,865,770
Total comprehensive income for the period						(101,762,549)	(101,762,549)
Transfer from surplus on revaluation of	-	-	-	-	-	-	-
property, plant and equipment increamental depreciation	-	-	-	-	-	-	-
for the period - net of deffered tax						64,762,248	64,762,248
Balance as at 31 March 2011 - Unaudited	3,924,300,000	-	9,000,000	-	9,000,000	4,701,565,469	8,634,865,469
Balance as at 30 June 2011 - Audited	**3,924,300,000**	**-**	**9,000,000**	**-**	**9,000,000**	**4,947,083,119**	**8,880,383,119**
Total comprehensive income for the period			-	-	-	**(712,748,212)**	**(712,748,212)**
Preference shares issued during the period		**1,593,342,690**	-	-	-	-	**1,593,342,690**
Tranfer from surplus on revaluation of	-	-	-	-	-	-	-
property, plant and equipment increamental depreciation	-	-	-	-	-	-	-
for the period - net of deffered tax	-	-	-	-	-	**112,134,660**	**112,134,660**
Preference dividend for the period							-
ended 31 March 2012			-	-	-	**(43,816,924)**	**(43,816,924)**
Balance as at 31 March 2012 - Unaudited	**3,924,300,000**	**1,593,342,690**	**9,000,000**	**-**	**9,000,000**	**4,302,652,643**	**9,829,295,333**

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

Lahore

CHIEF EXECUTIVE

DIRECTOR

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

for the nine months ended 31 March 2012

1 Status and nature of business

The Group comprises the following Companies:

Agritech Limited ('AGL ')- parent Company

Agritech Limited was incorporated on December 15, 1959 as an unlisted Public Limited Company under the Companies Ordinance, 1984 and was a wholly owned subsidiary of National Fertilizer Corporation of Pakistan (Private) Limited ('NFC'), a Government owned Corporation, until July 15, 2006. Subsequently, 100% shares of the Company were acquired by Azgard Nine Limited ('ANL') as a part of privatization process of the Government of Pakistan as stipulated in the Share Purchase Agreement dated July 15, 2006. On April 12, 2010 the Company was listed on Karachi Stock Exchange ("KSE") vide KSE Notification No. KSE/N-1940. The registered office of the Company is situated at Ismail Aiwan-e-Science, Off Sharah-e-Roomi, Lahore. The principal business of the Company is the production and sale of urea fertilizer.

Hazara Phasphate Fertilizers (Private) Limited ('HPFL') - Subsidiary

Hazara Phosphate Fertilizers (Private) limited ('HPFL') - Subsidiary HPFL was incorporated on June 11, 1985 as a Private Limited Company under the Companies Ordinance, 1984 and was a wholly owned subsidiary of National Fertilizer Corporation of Pakistan (Private) Limited, a Government owned Corporation, until November 28, 2008. Subsequently, 100% shares of HPFL were acquired by AGL as a part of privatization process of the Government of Pakistan as stipulated in the Share Purchase Agreement dated November 28, 2008. The registered office of HPFL is situated at Haripur. The principal business of HPFL is the production and sale of Granulated Single Super Phosphate fertilizer.

2 Basis of preparation

2.1 Statement of compliance

The condensed interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the 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 for the year ended June 30, 2011.

2.2 Financial liabilities and continuing operations

The worldwide and nationwide recessionary trends and other economic conditions have perpetuated general credit and liquidity crisis. These circumstances are being faced by all the industrial and business sectors in Pakistan. The Company, in previous year as well as in current period under review, also faced operational issues due to extended gas load shedding in winter and gas curtailment by Government of Pakistan for shifting the gas towards power sector to reduce electricity load shedding. Additionally, the Company has faced massive devaluation of the Pak Rupee over the past couple of years which increased urea project cost manifold, with high interest/mark-up rates resulting in substantially high finance costs on project finance and acquisition loans. This has perpetuated temporary, liquidity issues, as referred to in note 13 to the financial statements.

During the current period the Company has entered into a second round of Rescheduling with the providers of debt finances and agreements in this respect have been signed with effect from July 31, 2011 and August 26, 2011. With the successful rescheduling of the Company's debts the management of the Company envisages that sufficient financial resources will be available for the continuing operations of the Company. The fertilizer sector is likely to remain robust in coming years. The trend indicates that the sales will continue to grow with improved operational profitability inspite of high finance costs and other factors.

3 Estimates

The preparation of the condensed interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the condensed interim consolidated financial information the significant judgments made by the management in applying accounting policies, key estimates and uncertainty includes:

- Residual value and useful life estimation of fixed assets
- Taxation
- Retirement and other benefits
- Provisions and contingencies

4 Significant accounting policies

4.1 The accounting policies and methods of computation adopted in the preparation of the interim consolidated financial information are generally based on the same policies and methods as applied in preparation of the annual financial statements for the year ended June 30, 2011.

4.2 In addition to above, following amendments to the International Financial Reporting Standards/ International Accounting Standards are mandatory for the first time for the financial year beginning on or after January 01, 2012, however, the adoption of these amendments is either not yet effective or the amendments did not have any significant impact on the financial information of the company.

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

for the nine months ended March 31, 2012

- IAS 12 (amendment) - Deferred Tax on Investment Property
- IAS 19 (amendment) - Employee Benefits
- IAS 1 (amendment) - Presentation of items of other comprehensive income
- IFRS 7 (amendment) - Transfers of Financial Assets
- IAS 32 (amendment) - Offsetting Financial assets and Financial liabilities
- IFRS 7 (amendment) - Offsetting Financial assets and Financial Liabilities

5 Subordinated loan - unsecured

This represents loan obtained by the Company from JS Infocom Limited ("JS") to finance the acquisition of Hazara Phosphate Fertilizer (Private) Limited. The loan is subordinated to all long term and short term finances obtained. Subsequent to the reporting date, the Company is in the process of negotiating the restructuring and conversion of the subordinate loan facility obtained from JS into a secured Privately Placed Term Finance Certificates issued as Redeemable Capital under Section 120 of the Companies Ordinance (1984) of 8 years tenor (inclusive of 2 years grace period) carrying mark-up rate of 6 month KIBOR plus 1.95% per annum, to be secured by a ranking charge over all present and future total assets whether current or fixed including immovable assets of the Company with a 25% margin.

	Note	**31 March 2012 Un-audited Rupees**	30 June 2011 Audited Rupees
6 Redeemable capital - Secured			
Term Finance Certificates - I	6.1	**1,498,602,000**	1,498,760,400
Term Finance Certificates - II	6.2	**6,894,286,800**	6,894,480,000
Term Finance Certificates - III	6.3	**495,345,100**	495,460,751
Privately Placed Term Finance Certificates - IV	6.4	**553,825,000**	-
Privately Placed Term Finance Certificates - V	6.5	**618,685,000**	-
Sukkuks	6.6	**1,599,800,000**	1,600,000,000
		11,660,543,900	10,488,701,151
Deferred notional income		**(119,433,780)**	-
Transaction costs		**(259,996,856)**	(236,126,979)
		11,281,113,264	10,252,574,172
Current maturity presented under current liabilities		**(92,638,456)**	(612,463,130)
		11,188,474,808	9,640,111,042

6.1 TFCs - I have been rescheduled during the period by way of second supplemental trust deed entered on August 26, 2011 effective from July 31, 2011. As per terms of the rescheduling agreement the principal redemption of TFCs is structured to be in fifteen unequal installments. First two installments were just token payments due on July 31, 2010 and August 31, 2010 which have been paid, remaining installments are to be paid semi annually starting from November 29, 2013.

6.2 TFCs - II have been rescheduled during the period by way of second supplemental trust deed entered on August 26, 2011 effective from July 31, 2011. As per terms of the rescheduling agreement the principal redemption of TFCs is structured to be in fifteen unequal installments. First two installments were just token payments due on July 31, 2010 and August 31, 2010 which have been paid, remaining installments are to be paid semi annually starting from July 14, 2013.

6.3 TFCs - III have been rescheduled during the period by way of second supplemental trust deed entered on August 26, 2011 effective from July 31, 2011. As per terms of the rescheduling agreement the principal redemption of TFCs is structured to be twenty eight unequal installments. First two installments were just token payments due on October 31, 2010 and November 30, 2010, remaining installments are to be paid quarterly starting from September 01, 2013.

6.4 These represents restructuring of outstanding markup amounting to Rs. 553.83 million related to long term debts into the said issue. The restructuring agreement was entered on October 28, 2011 effective from July 01, 2011. These were issued during the period by the way of private placements with a consortium of institutional investors. The total issue comprised of 110,765 TFCs having face value of Rs.5,000.

6.5 These represents restructuring of outstanding markup amounting to Rs. 618.69 million related to long term debts into the said issue. The restructuring agreement was entered on October 28, 2011 effective from July 01, 2011. These were issued during the period by the way of private placements with a consortium of institutional investors. The total issue comprised of 123,737 TFCs having face value of Rs.5,000.

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

for the nine months ended March 31, 2012

6.6 Sukkuks have been rescheduled during the period by way of second master addendum to transaction documents entered into dated August 26, 2011 effective from July 31, 2011. As per terms of the rescheduling agreement the principal redemption of these certificates is structured to be in fifteen unequal installments. First two installments were just token payments due on July 31, 2010 and August 31, 2010, remaining installments are to be paid semi annually starting from August 06, 2013.

7 Long term finances - Secured

These represent long term finances utilized under markup arrangements from banking companies.

	Note	**31 March 2012 Un-audited Rupees**	30 June 2011 Audited Rupees
Syndicate Term Finance - I	7.2	**3,000,000,000**	3,000,000,000
Syndicate Term Finance - II	7.3	**475,000,000**	475,000,000
Syndicate Term Finance - III	7.4	**3,026,389,549**	3,026,389,549
KASB Bank Limited - Term Finance	7.5	**300,000,000**	300,000,000
National Bank of Pakistan - Term Finance	7.6	**633,092,669**	508,384,456
Dubai Islamic Bank Limited - Term Finance	7.7	**365,000,000**	365,000,000
		7,799,482,218	7,674,774,005
Transaction Cost	7.1	**(112,752,895)**	(85,330,517)
		7,686,729,323	7,589,443,488
Current maturity presented under current liabilities		**-**	(537,934,086)
Reclassification of Syndicate Term Finance - I to short term		**(475,000,000)**	(475,000,000)
		(475,000,000)	(1,012,934,086)
		7,211,729,323	6,576,509,402

7.1 Transaction costs

As at beginning of the period / year	**85,330,517**	-
Incurred during the period / year	**40,952,726**	96,143,101
Amortized during the period / year	**(13,530,348)**	(10,812,584)
As at end of the period / year	**112,752,895**	85,330,517

7.2 The finance has been obtained from a consortium of banking companies to finance the revamping of operational efficiencies of the Company's plant and is secured by charge over property, plant and equipment of the Company. This facility has been again rescheduled during the period by way of Second Supplemental Syndicated Term Finance Agreement entered on August 26, 2011 effective from July 31, 2011. As per rescheduling terms principal is payable in thirteen unequal semi annual installments starting from December 30, 2013. The finance carries mark-up at six months KIBOR plus a spread of 2.25% per annum, payable semi-annually.

7.3 The finance has been obtained from a consortium of various banking companies to finance the acquisition of HPFL and is secured by charge over property, plant and equipment of the Company. The finance carries mark-up at three months KIBOR plus a spread of 3.25% per annum, payable quarterly. The finance is repayable in equal quarterly installments with the first installment due after fifteen months from the date of disbursement on February 28, 2010. At the reporting date the installments of principal amounting to Rs. 256 million were overdue and accordingly the entire outstanding has been classified as current liability.

7.4 The finance represents restructuring of various short term facilities and overdue letters of credit amounting to Rs. 3,026 million in to long term facility. This facility has been rescheduled during the period by way of First Supplemental Syndicated Term Finance Agreement entered on August 26, 2011 effective from July 31, 2011. The finance is secured by charge over property, plant and equipment. The finance carries mark-up at six months KIBOR plus a spread of 2.25% per annum, payable semi-annually. As per rescheduling terms, the loan is repayable in eight unequal semi annual installments starting from September 25, 2013.

7.5 This term finance facility has been obtained from KASB Bank Limited to meet working capital requirements and is secured against ranking charge over fixed assets of the Company including Plant, Machinery & equipment (excluding land and building). This facility has been again rescheduled during the period by way of First Supplemental Term Finance Agreement entered on August 26, 2011 effective from July 31, 2011. As per rescheduling terms the principal is repayable in fourteen unequal semi annual installments starting from June 30, 2013. The finance carries mark-up at six months KIBOR plus a spread of 2.50% per annum, payable semi annually.

7.6 This facility has been obtained from National Bank of Pakistan to finance cost overrun for successful completion and commissioning of revamp project and is secured against ranking charge over fixed assets of the Company including Plant, Machinery & equipment (excluding land, building). This facility has been rescheduled during the period effective from August 20, 2011. As per financing agreement terms the principal is repayable in eight equal semi annual installments starting from November 08, 2013. The finance carries mark-up at six months KIBOR plus a spread of 2.25% per annum, payable semi-annually.

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

for the nine months ended 31 March 2012

7.7 This Term Finance represents restructuring of short term Istisna facility amounting of Rs. 365 million into long term facility during last year under the restructuring agreement entered on June 07, 2011. The finance is secured by charge over property, plant and equipment. The finance carries mark-up at six months KIBOR plus a spread of 2.25% per annum, payable semi-annually. The loan is repayable in six unequal semi annual installments starting from December 01, 2013.

8 Contingencies and commitments

8.1 Contingencies

There is no material change in contingencies from the preceding annual publish financial statements of the company for the year ended June 30, 2011.

	Note	31 March 2012 Un-audited	30 June 2011 Audited
		Rupees	Rupees
8.2 Commitments			
8.2.1 Commitments under irrevocable letters of credit for:			
- purchase of raw material, stores, spares and loose tools		**84,118,505**	-
- purchase of plant and machinery		**-**	-
		84,118,505	-
9 Fixed assets			
Property, plant and equipment	*9.1*	**36,691,382,271**	24,479,320,016
Capital work in progress		**41,356,714**	11,804,100,045
		36,732,738,985	36,283,420,061
9.1 Property, plant and equipment			
Opening book value		**24,479,320,016**	25,790,551,902
Add: Additions during the period/ year	*9.1.1*	**185,462,316**	12,370,251
Transfer in during the period/ year		**12,651,608,140**	**32,189,296**
		12,837,070,456	44,559,547
Less: Disposals during the period/ year - net book value		**65,170,547**	716,711,652
Depreciation charged during the period/ year		**559,837,654**	639,079,781
		625,008,201	1,355,791,433
Closing book value		**36,691,382,271**	24,479,320,016
9.1.1 Additions during the period/ year			
Owned assets			
Buildings on freehold land		**-**	2,358,624
Plant and machinery		**14,554,054**	4,006,655
Residential colony assets		**4,603**	-
Furniture, fixtures and office equipment		**16,238,315**	2,262,411
Vehicles and rail transport		**7,000**	1,462,000
Tools and other equipment		**76,790**	1,109,995
Electrical and other installations		**-**	375,566
Catalyst		**16,694,624**	-
Leased assets			
Plant and machinery		**137,816,930**	-
Vehicles		**70,000**	795,000
		185,462,136	12,370,251

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

for the nine months ended March 31, 2012

10 Transactions with related parties

Related parties comprise holding company, associated undertakings, key management personnel (including chief executive and directors) and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out at arm's length with the exceptions as approved by the Board of Directors.

Detail of transactions and balances with related parties are as follows:

	01 July 2011 to 31 March 2012 Un-Audited	01 July 2010 to 31 March 2011 Un-Audited
	Rupees	Rupees
10.1 Transactions with related parties		
10.1.1 ***Holding company***		
Mark-up income	**47,886,696**	119,884,136
Mark-up expense	**30,018,201**	88,555,218
Temporary loan	**(21,527,256)**	(20,100,697)
10.1.2 ***Associated company***		
Mark-up on long term loan	**41,228,595**	40,756,033
Mark-up expense on redeemable capital	**59,605,676**	10,942,068
10.1.3 ***Post employment benefit plans***		
Contribution to employees provident fund	**13,030,407**	13,465,102
Contribution to employees gratuity fund	**6,986,666**	10,349,567
10.1.4 ***Key management personnel***		
Short term employee benefits	**71,890,711**	30,042,864
Post employment benefits	**176,970,751**	1,158,822

	31 March 2012 Un-audited	30 June 2011 Audited
	Rupees	Rupees
10.2 Balances with related parties		
10.2.1 ***Holding company***		
Temporary loan	**295,631,313**	317,158,570
Redeemable capital	**266,081,964**	266,081,964
Mark-up receivable	**67,549,055**	125,521,696
10.2.2 ***Associated company***		
Redeemable capital	**113,343,615**	76,926,502
Mark-up payable	**156,600,460**	115,371,594
10.2.3 ***Post employment benefit plans***		
Payable to provident fund	**13,173,711**	285,089
Payable to gratuity trust	**26,846,429**	20,372,547

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

for the nine months ended March 31, 2012

		01 July 2011 to 31 March 2012 Un-Audited	01 July 2010 to 31 March 2011 Un-Audited
		Rupees	Rupees
11	**Cash flow from operating activities**		
	Loss before tax	**(1,116,080,057)**	(779,880,262)
	Adjustment for non-cash and other items:		
	- Depreciation on property, plant and equipment	**559,837,655**	491,630,612
	- Profit on disposal of property, plant and equipment	**61,684,161**	(274,909)
	- Provision of doubtful Balance	**10,721,857**	
	- Recoveries from doubtful balances	**(4,490,887)**	
	- Notional income	**(133,876,209)**	
	- WPPF & WWF	**26,274,808**	
	- Amortization of transaction costs	**59,172,399**	22,351,839
	- Markup income	**(48,299,401)**	(53,138,883)
	- Finance cost	**1,933,009,486**	2,525,605,108
	Operating profit before changes in working capital	**1,347,953,812**	2,206,293,505
	Changes in working capital		
	(Increase) / decrease in current assets:		
	- Stores, spares and loose tools	**(77,812,952)**	12,498,360
	- Stock-in-trade	**(223,900,118)**	227,304,467
	- Trade debts	**(32,572,778)**	194,117,465
	- Advances, deposits, prepayments and other receivables	**109,735,028**	(417,687,659)
	- Staff Retirement benefits	**6,473,882**	-
		(218,076,938)	16,232,633
	Increase / (decrease) in current liabilities		
	- Trade and other payables	**(59,808,098)**	(884,416,165)
	Cash generated from operations	**1,070,068,776**	1,338,109,973
12	**Cash and cash equivalents**		
	Short term borrowings - secured	**(1,779,101,352)**	(3,177,510,384)
	Cash and bank balances	**52,391,720**	60,902,324
		(1,726,709,632)	(3,116,608,060)

13 **Overdue financial liabilities**

The Company in previous year as well as in current period faced operational issues due to revamp of existing plant and machinery and extended gas load shedding from SNGPL. As a result, the Company is facing liquidity shortfall due to which it was unable to meet its obligations in respect of various debt finances. The details are as follows:

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

for the nine months ended March 31, 2012

	Principal	Interest / mark up	Total
	Rupees	Rupees	Rupees
Nature of Liability			
Redeemable capital	234,502	850,312,873	850,547,375
Long term finances	256,250,000	746,480,227	1,002,730,227
Short term borrowings	782,497,000	129,385,016	911,882,016
Bills payable	548,275,460	70,995,620	619,271,080
	1,587,256,962	**1,797,173,736**	**3,384,430,698**

14 Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on April 30, 2012

15 General

15.1 Figures have been rounded off to the nearest of Rupee.

Lahore **CHIEF EXECUTIVE** **DIRECTOR**

Condensed Interim Financial Information

Condensed Interim Unconsolidated Balance Sheet (Un-audited)

As at March 31, 2012

	Note	31 March 2012 Un-Audited Rupees	30 June 2011 Audited Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital		**5,517,642,690**	3,924,300,000
Reserves		**3,126,688,038**	3,126,688,038
Accumulated profit		**2,713,325,939**	3,651,402,070
		11,357,656,667	10,702,390,108
Surplus on revaluation of fixed assets		**3,993,536,514**	4,105,671,174
Subordinated loan - unsecured		**340,000,000**	340,000,000
Non-current liabilities			
Redeemable capital - secured	*6*	**11,188,474,808**	9,640,111,042
Long term finances - secured	*7*	**7,211,729,323**	6,576,509,402
Liabilities against assets subject to finance lease - secured		**88,763,001**	137,416,284
Long term payables - unsecured		**31,135,199**	31,135,199
Staff retirement benefits		**26,846,428**	20,372,547
Deferred taxation - net		**2,251,186,332**	2,740,838,277
		20,798,135,091	19,146,382,751
Current liabilities			
Current maturity of non-current liabilities		**633,096,085**	1,678,758,469
Short term borrowings		**3,145,973,120**	3,169,436,002
Trade and other payables		**2,029,613,959**	2,070,387,769
Due to related parties - unsecured		**666,645,033**	437,652,580
Interest / mark-up accrued on borrowings		**2,522,132,047**	3,499,895,917
Preference dividend payable		**43,816,924**	-
		9,041,277,168	10,856,130,736
Contingencies and commitments	*8*		
		45,530,605,440	45,150,574,769
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	**34,704,635,328**	34,223,031,751
Intangible assets		**2,599,599,004**	2,592,443,038
Long term investment	*10*	**4,503,252,438**	4,503,252,438
Long term advances		**27,559,752**	28,663,924
Long term deposits - unsecured, considered good		**24,612,097**	13,830,963
Non-current assets held for sale		**713,092,558**	713,092,558
		42,572,751,177	42,074,314,672
Current assets			
Stores, spares and loose tools		**2,083,613,248**	2,019,442,828
Stock in trade		**163,557,748**	54,540,771
Trade receivables - unsecured, considered good		**79,616,022**	47,585,257
Advances, deposits, prepayments and other receivables		**251,960,553**	440,625,710
Due from related party - unsecured, considered good		**295,631,313**	317,158,570
Current taxation		**46,863,861**	100,435,464
Cash and bank balances		**36,611,518**	96,471,497
		2,957,854,263	3,076,260,097
		45,530,605,440	45,150,574,769

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Lahore **CHIEF EXECUTIVE** **DIRECTOR**

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

For the nine months ended March 31, 2012

	01 July 2011 to 31 March 2012 Un-Audited Rupees	**01 January 2012 to 31 March 2012 Un-Audited Rupees**	01 July 2010 to 31 March 2011 Un-Audited Rupees	01 January 2011 to 31 March 2011 Un-Audited Rupees
Sales - net	**3,070,017,976**	**885,296,505**	2,742,730,650	236,427,254
Cost of sales	**(2,226,307,207)**	**(820,031,721)**	(1,937,179,072)	(387,465,357)
Gross profit	**843,710,769**	**65,264,784**	805,551,578	**(151,038,103)**
Selling and distribution expenses	**(164,851,493)**	**(42,133,836)**	(189,810,539)	(56,894,221)
Administrative and general expenses	**(316,437,345)**	**(68,826,194)**	(239,532,904)	(89,870,332)
Operating profit	**362,421,931**	**(45,695,246)**	376,208,135	**(297,802,656)**
Finance cost	**(1,991,109,834)**	**(910,796,804)**	(1,333,304,679)	(472,935,260)
Net other income	**165,542,977**	**125,602,399**	57,357,391	21,013,434
Loss before taxation	**(1,463,144,926)**	**(830,889,651)**	(899,739,153)	**(749,724,482)**
Taxation	**456,751,059**	**237,477,450**	517,435,443	170,700,627
Loss after taxation	**(1,006,393,867)**	**(593,412,201)**	(382,303,710)	**(579,023,855)**
Loss per share	**(2.68)**	**(1.62)**	(0.97)	(1.48)

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Lahore | **CHIEF EXECUTIVE** | **DIRECTOR**

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the nine months ended March 31, 2012

	01 July 2011 to 31 March 2012 Un-Audited Rupees	**01 January 2012 to 31 March 2012 Un-Audited Rupees**	01 July 2010 to 31 March 2011 Un-Audited Rupees	01 January 2011 to 31 March 2011 Un-Audited Rupees
Loss after taxation	**(1,006,393,867)**	**(593,412,201)**	(382,303,710)	(579,023,855)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	**(1,006,393,867)**	**(593,412,201)**	(382,303,710)	(579,023,855)

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Lahore **CHIEF EXECUTIVE** **DIRECTOR**

Condensed Interim Unconsolidated Cash flow Statement (Un-audited)

For the nine months ended March 31, 2012

	Note	**31 March 2012 Un-Audited Rupees**	31 March 2011 Un-Audited Rupees
Cash flow from operating activities			
Cash generated from operations	*12*	**676,490,013**	1,317,344,901
Interest / markup paid		**(1,737,191,304)**	(1,097,494,657)
Interest income received		**106,272,043**	149,449,723
Taxation		**20,670,717**	39,067,876
Net cash (used in) / generated from operating activities		**(933,758,531)**	408,367,843
Cash flow from investing activities			
Capital expenditure		**(930,943,219)**	(2,811,415,902)
Long term advances		**1,104,172**	(43,459)
Long term deposits		**(10,781,134)**	303,500
Loan to related party		**2,657,387**	4,930,572
Due from related party		**21,527,257**	126,108,031
Net cash used in investing activities		**(916,435,537)**	(2,680,117,258)
Cash flows from financing activities			
Long term finances obtained		**124,708,213**	4,016,696,694
Due to related party		**228,992,453**	-
Redemption of redeemable capital		**(667,251)**	(704,499)
Issuance of preference shares		**1,593,342,690**	-
Repayment of liabilities against assets subject to finance lease		**(36,556,907)**	(38,916,235)
Transaction costs incurred		**(96,022,226)**	(128,426,284)
Net increase in short term borrowings		**77,735,138**	-
Net cash generated from financing activities		**1,891,532,110**	3,848,649,676
Net increase in cash and cash equivalents		**41,338,042**	1,576,900,261
Cash and cash equivalents as at beginning of the period		**(1,783,827,876)**	(4,711,476,607)
Cash and cash equivalents as at end of the period	*13*	**(1,742,489,834)**	(3,134,576,346)

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Lahore | **CHIEF EXECUTIVE** | **DIRECTOR**

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

For the nine months ended March 31, 2012

	Share capital		Reserves				
	Ordinary shares	Preference shares	Revenue reserve	Available for sale financial assets	Total reserves	Unappropriated profit	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 July 2010	3,924,300,000	-	9,000,000	3,077,504,807	3,086,504,807	3,788,703,321	**10,799,508,128**
Total comprehensive income for the period ended 31 March 2011	-	-	-	-	-	(382,303,710)	**(382,303,710)**
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	-	-	-	64,762,248	**64,762,248**
As at 31 March 2011	3,924,300,000	-	9,000,000	3,077,504,807	3,086,504,807	3,471,161,859	**10,481,966,666**
As at 01 July 2011	3,924,300,000	-	9,000,000	3,117,688,038	3,126,688,038	3,651,402,070	**10,702,390,108**
Preference shares issued during the period	-	1,593,342,690	-	-	1,593,342,690	-	**1,593,342,690**
Total comprehensive loss for the period ended 31 March 2012	-	-	-	-	-	(1,006,393,867)	**(1,006,393,867)**
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	-	-	-	112,134,660	**112,134,660**
Preference dividend for the period ended 31 March 2012	-	-	-	-	-	(43,816,924)	**(43,816,924)**
As at 31 March 2012	**3,924,300,000**	**1,593,342,690**	**9,000,000**	**3,117,688,038**	**4,720,030,728**	**2,713,325,939**	**11,357,656,667**

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Lahore | **CHIEF EXECUTIVE** | **DIRECTOR**

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

for the nine months ended March 31, 2012

1 Status and nature of business

Agritech Limited was incorporated on December 15, 1959 as an unlisted Public Limited Company under the Companies Ordinance, 1984 and was a wholly owned subsidiary of National Fertilizer Corporation of Pakistan (Private) Limited ('NFC'), a Government owned Corporation, until July 15, 2006. Subsequently, 100% shares of the Company were acquired by Azgard Nine Limited ('ANL') as a part of privatization process of the Government of Pakistan as stipulated in the Share Purchase Agreement dated July 15, 2006. On April 12, 2010 the Company was listed on Karachi Stock Exchange ("KSE") vide KSE Notification No. KSE/N-1940. The registered office of the Company is situated at Ismail Aiwan-e-Science, Off Sharah -e-Roomi, Lahore. The principal business of the Company is the production and sale of urea fertilizer.

During the current period the Boards of Directors of the Company and Hazara Phosphate Fertilizers (Private) Limited (wholly owned subsidiary) have approved the merger of both the Companies with effect from July 01, 2011. The Company has subsequent to reporting date, filed a petition with the Lahore High Court ("the Court") for approval. The condensed interim financial information, however, does not reflect the effect of merger which will be accounted for after the Court approves the merger scheme.

2 Basis of preparation

2.1 Statement of compliance

The condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the 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 for the year ended June 30, 2011.

2.2 Financial liabilities and continuing operations

The worldwide and nationwide recessionary trends and other economic conditions have perpetuated general credit and liquidity crisis. These circumstances are being faced by all the industrial and business sectors in Pakistan. The Company, in previous year as well as in current period under review, also faced operational issues due to extended gas load shedding in winter and gas curtailment by Government of Pakistan for shifting the gas towards power sector to reduce electricity load shedding. Additionally, the Company has faced massive devaluation of the Pak Rupee over the past couple of years which increased urea project cost manifold, with high interest / mark-up rates resulting in substantially high finance costs on project finance and acquisition loans which has perpetuated temporary liquidity issues as referred to in note 35 to the financial statements. Due to these factors, the Company has incurred a loss before tax of Rs. 1,463.14 million during the nine months period ended March 31, 2012 and, as of that date, its current liabilities exceeded current assets by Rs. 6,083.42 million. These conditions also cast significant doubt about the Company's ability to continue as a going concern. The assumption that the Company would continue as a going concern is based on the expectation of future profitability and positive cash flows from operating activities which in turn depend on the availability of gas as per allocation.

Further, during the current period the Company has entered into a second round of rescheduling / restructuring with the providers of debt finances and agreements in this respect have been signed with effect from July 31, 2011 and 26 August 2011. With the successful rescheduling / restructuring of the Company's debts the management of the Company envisages that sufficient financial resources will be available for the continuing operations of the Company.

The fertilizer sector is likely to remain robust in coming years. The trend indicates that the sales will continue to grow with improved operational profitability inspite of high finance costs and other factors.

3 Estimates

The preparation of the condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the condensed interim unconsolidated financial information the significant judgments made by the management in applying accounting policies, key estimates and uncertainty includes:

- Residual value and useful life estimation of fixed assets
- Taxation
- Retirement and other benefits
- Provisions and contingencies

4 Significant accounting policies

4.1 The accounting policies and methods of computation adopted in the preparation of the interim financial information are generally based on the same policies and methods as applied in preparation of the annual financial statements for the year ended June 30, 2011.

4.2 In addition to above, following amendments to the International Financial Reporting Standards/ International Accounting Standards are mandatory for the first time for the financial year beginning on or after 1 January 2012, however, the adoption of these amendments is either not yet effective or the amendments did not have any significant impact on the financial information of the company.

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

for the nine months ended March 31, 2012

- IAS 12 (amendment) - Deferred Tax on Investment Property
- IAS 19 (amendment) - Employee Benefits
- IAS 1 (amendment) - Presentation of items of other comprehensive income
- IFRS 7 (amendment) - Transfers of Financial Assets
- IAS 32 (amendment) - Offsetting Financial assets and Financial liabilities
- IFRS 7 (amendment) - Offsetting Financial assets and Financial Liabilities

5 Subordinated loan - unsecured

This represents loan obtained by the Company from JS Infocom Limited ("JS") to finance the acquisition of Hazara Phosphate Fertilizer (Private) Limited. The loan is subordinated to all long term and short term finances obtained. Subsequent to the reporting date, the Company is in the process of negotiating the restructuring and conversion of the subordinate loan facility obtained from JS into a secured Privately Placed Term Finance Certificates issued as Redeemable Capital under Section 120 of the Companies Ordinance (1984) of 8 years tenor (inclusive of 2 years grace period) carrying mark-up rate of 6 month KIBOR plus 1.95% per annum, to be secured by a ranking charge over all present and future total assets whether current or fixed including immovable assets of the Company with a 25% margin.

	Note	**31 March 2012 Un-audited Rupees**	30 June 2011 Audited Rupees
6 Redeemable capital - Secured			
Term Finance Certificates - I	6.1	**1,498,602,000**	1,498,760,400
Term Finance Certificates - II	6.2	**6,894,286,800**	6,894,480,000
Term Finance Certificates - III	6.3	**495,345,100**	495,460,751
Privately Placed Term Finance Certificates - IV	6.4	**553,825,000**	
Privately Placed Term Finance Certificates - V	6.5	**618,685,000**	
Sukkuks	6.6	**1,599,800,000**	1,600,000,000
		11,660,543,900	10,488,701,151
Transaction costs		**(259,996,856)**	(236,126,979)
		11,400,547,044	10,252,574,172
Deferred notional income		**(119,433,780)**	
Current maturity presented under current liabilities		**(92,638,456)**	(612,463,130)
		11,188,474,808	9,640,111,042

6.1 TFCs - I have been rescheduled during the period by way of second supplemental trust deed entered on August 26, 2011 effective from July 31, 2011. As per terms of the rescheduling agreement the principal redemption of TFCs is structured to be in fifteen unequal installments. First two installments were just token payments due on July 31, 2010 and August 31, 2010 which have been paid, remaining installments are to be paid semi annually starting from November 29, 2013.

6.2 TFCs - II have been rescheduled during the period by way of second supplemental trust deed entered on August 26, 2011 effective from July 31, 2011. As per terms of the rescheduling agreement the principal redemption of TFCs is structured to be in fifteen unequal installments. First two installments were just token payments due on July 31, 2010 and August 31, 2010 which have been paid, remaining installments are to be paid semi annually starting from July 14, 2013.

6.3 TFCs - III have been rescheduled during the period by way of second supplemental trust deed entered on August 26, 2011 effective from July 31, 2011. As per terms of the rescheduling agreement the principal redemption of TFCs is structured to be twenty eight unequal installments. First two installments were just token payments due on October 31, 2010 and November 30, 2010, remaining installments are to be paid quarterly starting from September 01, 2013.

6.4 These represents restructuring of outstanding markup amounting to Rs. 553.83 million related to long term debts into the said issue. The restructuring agreement was entered on October 28, 2011 effective from July 31, 2011. These were issued during the period by the way of private placements with a consortium of institutional investors. The total issue comprised of 110,765 TFCs having face value of Rs.5,000.

6.5 These represents restructuring of outstanding markup amounting to Rs. 618.69 million related to long term debts into the said issue. The restructuring agreement was entered on October 28, 2011 effective from July 31 2011. These were issued during the period by the way of private placements with a consortium of institutional investors. The total issue comprised of 123,737 TFCs having face value of Rs.5,000.

6.6 Sukkuks have been rescheduled during the period by way of second master addendum to transaction documents entered into dated August 26, 2011 effective from July 31, 2011. As per terms of the rescheduling agreement the principal redemption of these certificates is structured to be in fifteen unequal installments. First two installments were just token payments due on July 31, 2010 and August 31, 2010, remaining installments are to be paid semi annually starting from August 06, 2013.

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	Note	**31 March 2012 Un-audited Rupees**	30 June 2011 Audited Rupees
7 Long term finances			
Syndicate Term Finance - I	7.2	**3,000,000,000**	3,000,000,000
Syndicate Term Finance - II	7.3	**475,000,000**	475,000,000
Syndicate Term Finance - III	7.4	**3,026,389,549**	3,026,389,549
KASB Bank Limited - Term Finance	7.5	**300,000,000**	300,000,000
National Bank of Pakistan - Term Finance	7.6	**633,092,669**	508,384,456
Dubai Islamic Bank Limited - Term Finance	7.7	**365,000,000**	365,000,000
		7,799,482,218	7,674,774,005
Transaction Cost	7.1	**(112,752,895)**	(85,330,517)
		7,686,729,323	7,589,443,488
Current maturity presented under current liabilities		**-**	(537,934,086)
Reclassification of Syndicate Term Finance - I to short term		**(475,000,000)**	(475,000,000)
		(475,000,000)	(1,012,934,086)
		7,211,729,323	6,576,509,402

	31 March 2012 Un-audited Rupees	30 June 2011 Audited Rupees
7.1 Transaction costs		
As at beginning of the period / year	**85,330,517**	-
Incurred during the period / year	**40,952,726**	96,143,101
Amortized during the period / year	**(13,530,348)**	(10,812,584)
As at end of the period / year	**112,752,895**	85,330,517

7.2 The finance has been obtained from a consortium of banking companies to finance the revamping of operational efficiencies of the Company's plant and is secured by charge over property, plant and equipment of the Company. This facility has been again rescheduled during the period by way of Second Supplemental Syndicated Term Finance Agreement entered on August 26, 2011 effective from July 01, 2011. As per rescheduling terms principal is payable in thirteen unequal semi annual installments starting from December 30, 2013. The finance carries mark-up at six months KIBOR plus a spread of 2.25% per annum, payable semi-annually.

7.3 The finance has been obtained from a consortium of various banking companies to finance the acquisition of HPFL and is secured by charge over property, plant and equipment of the Company. The finance carries mark-up at three months KIBOR plus a spread of 3.25% per annum, payable quarterly. The finance is repayable in equal quarterly installments with the first installment due after fifteen months from the date of disbursement on February 28, 2010. At the reporting date the installments of principal amounting to Rs. 256 million were overdue and accordingly the entire outstanding has been classified as current liability.

7.4 The finance represents restructuring of various short term facilities and overdue letters of credit amounting to Rs. 3,026 million in to long term facility. This facility has been rescheduled during the period by way of First Supplemental Syndicated Term Finance Agreement entered on August 26, 2011 effective from July 01, 2011. The finance is secured by charge over property, plant and equipment. The finance carries mark-up at six months KIBOR plus a spread of 2.25% per annum, payable semi-annually. As per rescheduling terms, the loan is repayable in eight unequal semi annual installments starting from September 25, 2013.

7.5 This term finance facility has been obtained from KASB Bank Limited to meet working capital requirements and is secured against ranking charge over fixed assets of the Company including Plant, Machinery & equipment (excluding land and building). This facility has been again rescheduled during the period by way of First Supplemental Term Finance Agreement entered on August 26, 2011 effective from July 31, 2011. As per rescheduling terms the principal is repayable in fourteen unequal semi annual installments starting from June 30, 2013. The finance carries mark-up at six months KIBOR plus a spread of 2.50% per annum, payable semi annually.

7.6 This facility has been obtained from National Bank of Pakistan to finance cost overrun for successful completion and commissioning of revamp project and is secured against ranking charge over fixed assets of the Company including Plant, Machinery & equipment (excluding land, building). This facility has been again rescheduled during the period effective from August 20, 2011. As per financing agreement terms the principal is repayable in eight equal semi annual installments starting from November 08, 2013. The finance carries mark-up at six months KIBOR plus a spread of 2.25% per annum, payable semi-annually.

7.7 This Term Finance represents restructuring of short term Istisna facility amounting of Rs. 365 million into long term facility during last year under the restructuring agreement entered on June 07, 2011. The finance is secured by charge over property, plant and equipment. The finance carries mark-up at six months KIBOR plus a spread of 2.25% per annum, payable semi-annually. The loan is repayable in six unequal semi annual installments starting from December 01, 2013.

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8 Contingencies and commitments

8.1 Contingencies

There is no material change in contingencies from the preceding annual publish financial statements of the company for the year ended June 30, 2011.

	Note	31 March 2012 Un-audited Rupees	30 June 2011 Audited Rupees
8.2 Commitments			
8.2.1 Commitments under irrevocable letters of credit for:			
- purchase of raw material, stores, spares and loose tools		**84,118,505**	-
- purchase of plant and machinery		**-**	-
		84,118,505	-

9 Fixed assets

	Note	31 March 2012 Un-audited Rupees	30 June 2011 Audited Rupees
Property, plant and equipment	*9.1*	**34,698,115,987**	22,447,995,000
Capital work in progress		**6,519,341**	11,775,036,751
		34,704,635,328	34,223,031,751

9.1 Property, plant and equipment

	Note	31 March 2012	30 June 2011
Opening book value		**22,447,995,000**	23,740,198,529
Add: Additions during the period/ year	*9.1.1*	**178,513,453**	7,427,704
Transfer in during the period/ year		**12,651,608,140**	-
		12,830,121,593	7,427,704
Less: Disposals during the period/ year - net book value		**64,745,460**	716,610,621
Depreciation charged during the period/ year		**515,255,146**	583,020,612
		580,000,606	1,299,631,233
Closing book value		**34,698,115,987**	22,447,995,000

9.1.1 Additions during the period/ year

	31 March 2012	30 June 2011
Owned assets		
Buildings on freehold land	**-**	997,898
Plant and machinery	**7,931,342**	764,233
Residential colony assets	**4,603**	-
Furniture, fixtures and office equipment	**15,982,164**	1,923,012
Vehicles and rail transport	**7,000**	1,462,000
Tools and other equipment	**76,790**	1,109,995
Electrical and other installations	**-**	375,566
Catalyst	**16,694,624**	-
Leased assets		
Plant and machinery	**137,816,930**	-
Vehicles	**-**	795,000
	178,513,453	7,427,704

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	31 March 2012 Un-audited Rupees	30 June 2011 Audited Rupees
10 Investments		
Cost of investments	**1,385,564,400**	1,385,564,400
Add: Fair value adjustments	**3,117,688,038**	3,117,688,038
	4,503,252,438	4,503,252,438

11 Transactions with related parties

Related parties comprise holding company, subsidiary company, associated undertakings, key management personnel (including chief executive and directors) and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out at arm's length with the exceptionsas approved by the Board of Directors.

Detail of transactions and balances with related parties are as follows:

	01 July 2011 to 31 March 2012 Un-audited Rupees	01 July 2010 to 31 March 2011 Un-audited Rupees
11.1 Transactions with related parties		
11.1.1 *Holding company*		
Mark-up income	**47,886,696**	119,884,136
Mark-up expense	**30,018,201**	88,555,218
Temporary loan	**(21,527,256)**	(20,100,697)
11.1.2 *Subsidiary company*		
Temporary loan	**228,992,453**	(220,445,524)
11.1.3 *Associated company*		
Mark-up on long term loan	**41,228,595**	40,756,033
Mark-up expense on redeemable capital	**59,605,676**	10,942,068
11.1.4 *Post employment benefit plans*		
Contribution to employees provident fund	**12,688,309**	12,201,102
Contribution to employees gratuity fund	**6,986,666**	10,349,567
11.1.5 *Key management personnel*		
Short term employee benefits	**68,465,710**	30,042,864
Post employment benefits	**176,788,375**	1,158,822

	31 March 2012 Un-audited Rupees	30 June 2011 Audited Rupees
11.2 Balances with related parties		
11.2.1 *Holding company*		
Temporary loan	**295,631,313**	317,158,570
Redeemable capital	**266,081,964**	266,081,964
Mark-up receivable	**67,549,055**	125,521,696
11.2.2 *Subsidiary company*		
Temporary loan	**(666,645,033)**	(437,652,580)
11.2.3 *Associated company*		
Mark-up on Redeemable capital	**113,343,615**	76,926,502
Mark-up on long term loan	**156,600,460**	115,371,594

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

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		31 March 2012 Un-audited	30 June 2011 Audited
		Rupees	Rupees
11.2.4	***Post employment benefit plans***		
	Payable to provident fund	**12,867,702**	-
	Payable to gratuity trust	**26,846,429**	20,372,547

		01 July 2011 to 31 March 2012 Un-audited	01 July 2010 to 31 March 2011 Un-audited
		Rupees	Rupees
12	**Cash flow from operating activities**		
	Loss before taxation	**(1,463,144,926)**	(899,739,153)
	Adjustments for non-cash and other items:		
	Interest / markup expense charged to profit and loss	**1,931,937,435)**	2,542,139,720
	Amortization of transaction costs	**59,172,399**	22,351,839
	Depreciation	**515,255,146**	449,798,830
	Provision for doubtful balances	**10,721,857**	-
	Recoveries from doubtful balances	**(4,490,887)**	-
	Notional income	**(133,876,208)**	-
	Gain on disposal of fixed assets	**62,088,074**	(274,909)
	Net mark-up expense related parties balances	**(48,299,401)**	(53,138,883)
		2,392,508,415	2,960,876,597
	Operating profit before changes in working capital	**929,363,489**	2,061,137,444
	Changes in working capital		
	(Increase) / decrease in current assets:		
	Stores, spares and loose tools	**(64,170,420)**	4,749,427
	Stock in trade	**(109,016,977)**	(94,733,943)
	Trade receivables	**(38,261,735)**	225,261,977
	Advances, deposits, prepayments and other receivables	**(7,124,415)**	(187,859,091)
		(218,573,547)	(52,581,630)
	Increase / (decrease) in current liabilities:		
	Trade and other payables	**(40,773,810)**	(691,210,913)
	Staff retirement benefits	**6,473,881**	-
	Cash used in operations	**676,490,013**	1,317,344,901
13	**Cash and cash equivalents**		
	Short term borrowings - secured	**(1,779,101,352)**	(3,177,510,384)
	Cash and bank balances	**36,611,518**	42,934,038
		(1,742,489,834)	(3,134,576,346)

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14 Overdue financial liabilities

The Company in previous year as well as in current period faced operational issues due to revamp of existing plant and machinery and extended gas load shedding from SNGPL. As a result, the Company is facing liquidity shortfall due to which it was unable to meet its obligations in respect of various debt finances. The details are as follows:

	Principal	Interest / mark up	Total
	Rupees	Rupees	Rupees
Nature of Liability			
Redeemable capital	234,502	850,312,873	850,547,375
Long term finances	256,250,000	746,480,227	1,002,730,227
Short term borrowings	782,497,000	129,385,016	911,882,016
Bills payable	548,275,460	70,995,620	619,271,080
	1,587,256,962	**1,797,173,736**	**3,384,430,698**

15 Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on April 30, 2012.

16 General

16.1 Figures have been rounded off to the nearest of Rupee.

Lahore **CHIEF EXECUTIVE** **DIRECTOR**