

Ref. No. 11.8/Sectt/C

Dated: 22 Apr 2014

The General Manager
Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building, Stock Exchange Road,
Karachi

Fax No. 021-111-573-329
E-mail:- aqfs@kse.com.pk

The General Manager
Lahore Stock Exchange (Guarantee) Limited
19-Khayaban-e-Iqbal,
Lahore

Fax No. 042-111 441 441
financial_accounts@lse.com.pk

The General Manager
Islamabad Stock Exchange (Guarantee) Limited
ISE Towers, 55-B, Jinnah Avenue,
Islamabad

Fax No. +92(51)111-473-329
Email: info@ise.com.pk

Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area
Islamabad

Subject: **Financial Results – First Quarter (Jan-Mar 2014)**

Dear Sir,

1. We have to inform you that the Board of Directors of our Company in their meeting, held at 68 – Tipu Road, Rawalpindi on 22 Apr 2014 at 0930 hrs, recommended the following:-

- | | | | |
|------------------|---|---|-----|
| a. Cash Dividend | } | - | NIL |
| b. Bonus Issue | | | |
| c. Right Shares | | | |

2. Copy of subject accounts is attached.

3. Printed copies of subject accounts as per the requirement of stock exchanges will be forwarded for distribution amongst the members in due course, please.

Regards



Brig Shaukat Yaqub Malik, SI(M), (Retd)
Company Secretary

FAUJI FERTILIZER BIN QASIM LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2014

	Un - audited March 31, 2014	Audited December 31, 2013	Note	Un - audited March 31, 2014	Audited December 31, 2013	Note
EQUITY AND LIABILITIES						
ISSUED SHARE CAPITAL AND RESERVES						
Share capital	9,341,100	9,341,100		12,869,466	13,059,509	8
Capital reserve	228,350	228,350		10,064,279	9,864,133	9
Statutory reserve	6,380	6,380		78,643	78,643	
Translation reserve	1,139,140	1,041,870		23,012,388	23,002,285	
Accumulated profit	1,116,858	3,170,674				
	11,831,828	13,788,374				
NON-CURRENT LIABILITIES						
Long term loan and deferred Government assistance	584,119	584,119	5	528,799	1,603,643	
Deferred liabilities	3,387,255	3,460,397	6	528,701	572,966	
	3,971,374	4,044,516		100,020	29,877	
CURRENT LIABILITIES						
Trade and other payables	8,959,044	8,371,789		18,351	19,729	
Mark - up accrued	167,847	236,052		867,428	705,513	
Short term borrowings	11,501,829	7,985,128		444,484	190,691	
Current portion of long term loan	2,008,682	2,008,682	5	5,279,237	5,323,136	
Provision for income tax - net	505,453	727,582		3,302,496	2,477,533	
	23,142,855	19,329,233		15,933,659	14,159,838	
	<u>38,946,057</u>	<u>37,162,123</u>		<u>38,946,057</u>	<u>37,162,123</u>	
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment				2,059,016	2,107,493	
Long term investments				2,807,137	1,129,257	
Long term deposits				528,799	1,603,643	
				528,701	572,966	
				100,020	29,877	
				18,351	19,729	
				867,428	705,513	
				444,484	190,691	
				5,279,237	5,323,136	
				3,302,496	2,477,533	
				15,933,659	14,159,838	
				<u>38,946,057</u>	<u>37,162,123</u>	

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

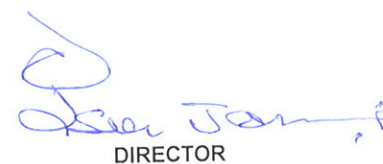
FAUJI FERTILIZER BIN QASIM LIMITED
 CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE QUARTER ENDED MARCH 31, 2014

	Note	2014 (Rupees '000)	2013
Sales - net		6,040,576	7,694,498
Cost of sales	10	<u>(5,210,549)</u>	<u>(6,046,534)</u>
Gross profit		830,027	1,647,964
Selling and distribution expenses		(449,515)	(521,896)
Administrative expenses		<u>(262,766)</u>	<u>(182,758)</u>
		117,746	943,310
Finance costs		(42,139)	(265,563)
Other operating expenses		<u>(11,865)</u>	<u>(58,828)</u>
		63,742	618,919
Other income			
Share of (loss) / profit of joint venture and associates - net	9	<u>(162,408)</u>	<u>(48,239)</u>
Others		<u>172,556</u>	<u>176,526</u>
		10,148	128,287
Profit before taxation		73,890	747,206
Taxation		<u>(25,958)</u>	<u>(255,146)</u>
Profit after taxation		<u>47,932</u>	<u>492,060</u>
Earnings per share - basic and diluted (Rupees)		<u>0.05</u>	<u>0.53</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


 CHAIRMAN


 CHIEF EXECUTIVE


 DIRECTOR

FAUJI FERTILIZER BIN QASIM LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014

	2014	2013
	(Rupees '000)	
Profit after taxation	47,932	492,060
Other comprehensive income		
Exchange difference on translating a joint venture	97,588	181,764
Effect of translation - share of Askari Bank Limited under equity method	(318)	-
Total comprehensive income	<u>145,202</u>	<u>673,824</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

FAUJI FERTILIZER BIN QASIM LIMITED
 CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
 FOR THE QUARTER ENDED MARCH 31, 2014

	Note	2014 (Rupees '000)	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	11	(385,022)	(727,764)
Income tax paid		(349,644)	(414,718)
Payment to Gratuity Fund		(51,301)	-
Finance cost paid		(293,326)	(329,664)
Compensated absences paid		(7,947)	(6,096)
Payment to Workers' (Profit) Participation Fund		(49,808)	(17,042)
Net cash used in operating activities		(1,137,048)	(1,495,284)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(155,126)	(216,732)
Long term investment		(279,346)	(1,411,675)
Sale proceeds of property, plant and equipment		13,650	4,140
Short term investments		(70,791)	69,562
Profit received on bank balances and term deposits		82,434	117,471
Net cash (used in) / generated from investing activities		(409,179)	(1,437,234)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowing - net		(1,250,000)	5,300,000
Dividend paid		(1,335,511)	(1,161,698)
Net cash generated from financing activities		(2,585,511)	4,138,302
Net increase in cash and cash equivalents		(4,131,738)	1,205,784
Cash and cash equivalents at the beginning of the quarter		3,042,405	4,717,307
Cash and cash equivalents at the end of the quarter		(1,089,333)	5,923,091

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprises the following balance sheet amounts:

- Cash and bank balances	3,302,496	7,713,203
- Short term highly liquid investments	1,010,000	1,680,000
- Short term running finance	(5,401,829)	(3,470,112)
	(1,089,333)	5,923,091

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


 CHAIRMAN


 CHIEF EXECUTIVE


 DIRECTOR

FAUJI FERTILIZER BIN QASIM LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE QUARTER ENDED MARCH 31, 2014

	Share capital	Capital reserves			Accumulated profit / (loss)	Total
		Capital reserve	Statutory reserve	Translation reserve		
(Rupees '000)						
Balance as at January 01, 2013	9,341,100	228,350	6,380	712,205	2,342,794	12,630,829
Total comprehensive income						
Profit for the period after taxation	-	-	-	-	492,060	492,060
Other comprehensive income for the period	-	-	-	181,764	-	181,764
Total comprehensive income for the period	-	-	-	181,764	492,060	673,824
Transactions with owners, recorded directly in equity						
Distributions to owners						
Final dividend 2012 (Rs. 2.25 per ordinary share)	-	-	-	-	(2,101,748)	(2,101,748)
Total transactions with owners	-	-	-	-	(2,101,748)	(2,101,748)
Balance as at March 31, 2013	9,341,100	228,350	6,380	893,969	733,106	11,202,905
Balance as at January 01, 2014	9,341,100	228,350	6,380	1,041,870	3,170,674	13,788,374
Total comprehensive income						
Profit for the period after taxation	-	-	-	-	47,932	47,932
Other comprehensive income for the period	-	-	-	97,270	-	97,270
Total comprehensive income for the period	-	-	-	97,270	47,932	145,202
Transactions with owners, recorded directly in equity						
Distributions to owners						
Final dividend 2013 (Rs. 2.25 per ordinary share)	-	-	-	-	(2,101,748)	(2,101,748)
Total transactions with owners	-	-	-	-	(2,101,748)	(2,101,748)
Balance as at March 31, 2014	9,341,100	228,350	6,380	1,139,140	1,116,858	11,831,828

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


 CHAIRMAN


 CHIEF EXECUTIVE


 DIRECTOR

1. Fauji Fertilizer Bin Qasim Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges in Pakistan. The registered office of the Company is situated at Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi, Pakistan. The principal objective of the Company is manufacturing, purchasing and marketing of fertilizers. The Company commenced its commercial production effective January 1, 2000. The Company is a subsidiary of Fauji Fertilizer Company Limited (the holding company) with shareholding of 50.88%.
2. This condensed interim financial information of the Company for the quarter ended March 31, 2014 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 for the year ended December 31, 2013. Comparative balance sheet is extracted from annual financial statements as of December 31, 2013 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 for the quarter ended March 31, 2013.

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

3. The accounting policies and method of computation adopted for the preparation of this condensed interim financial information is same as those applied in preparation of financial statements for the preceding year ended December 31, 2013.
4. Status of significant shareholding as at March 31, 2014 is given below:

	Shares	Percentage
Fauji Fertilizer Company Limited	475,232,996	50.88
Fauji Foundation	161,501,286	17.29

Un - audited	Audited
March 31,	December 31,
2014	2013
(Rupees '000)	

5. LONG TERM LOAN AND DEFERRED GOVERNMENT ASSISTANCE

Government of Pakistan (GoP) loan	2,514,867	2,514,867
Less: Current portion shown under current liabilities	2,008,682	2,008,682
	<u>506,185</u>	<u>506,185</u>
Deferred Government assistance	77,934	77,934
	<u>584,119</u>	<u>584,119</u>

	Un - audited March 31, 2014	Audited December 31, 2013
Note	(Rupees '000)	
6. DEFERRED LIABILITIES		
Compensated leave absences	386,469	358,052
Deferred tax	6.1 3,000,786	3,102,345
	<u>3,387,255</u>	<u>3,460,397</u>
6.1 The balance of deferred tax is in respect of the following major temporary differences:		
Accelerated depreciation	3,085,317	3,155,906
Share of (loss) / profit of associates	(28,244)	2,726
Provision for inventory obsolescence	(56,287)	(56,287)
	<u>3,000,786</u>	<u>3,102,345</u>
7. CONTINGENCIES AND COMMITMENTS		
Contingencies		
i) Indemnity bonds and undertakings given to the customs authorities for the machinery imported by the Company for installation at plant site.	119,650	119,650
ii) Guarantees issued by banks on behalf of the Company.	43,567	29,898
iii) Company's share of contingent liabilities of Fauji Cement Company Limited as at December 31, 2013.	21,764	21,764
iv) Company's share of contingent liabilities of Foundation Wind Energy - I Limited as at December 31, 2013.	69,619	69,619
v) Company's share of contingent liabilities of Foundation Wind Energy - II (Pvt) Limited as at December 31, 2013.	60,975	60,975
vi) Company's share of contingent liabilities of Askari Bank Limited as at December 31, 2013.	36,112,560	35,378,051
Commitments		
i) Capital expenditure - contracted.	741,538	614,631
ii) Letters of credit for purchase of stores, spares and raw materials.	1,665,870	1,759,208
iii) Commitments with Fauji Foundation for investment in wind power projects.	2,842,809	3,022,155
iv) Company's share of commitments of PMP as at December 31, 2013.	282,604	271,442
8. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	13,059,509	13,832,122
Additions	155,126	619,069
Disposals	(33,052)	(30,454)
Depreciation	(343,777)	(1,386,791)
Depreciation on disposed off items	31,660	25,563
Closing written down value	<u>12,869,466</u>	<u>13,059,509</u>

	Un - audited March 31, 2014	Audited December 31, 2013
	(Rupees '000)	
9. LONG TERM INVESTMENTS		
Investment in joint venture - equity method		
Pakistan Maroc Phosphore S.A. Morocco (PMP)		
Balance brought forward	2,346,725	2,225,794
Share of profit / (loss)	147,584	(205,972)
Gain during the year on translation of net assets	97,588	326,903
Closing balance	2,591,897	2,346,725
Investment in associates - equity method		
Fauji Cement Company Limited (FCCL)		
Balance brought forward	358,313	351,588
Share of profit	8,748	30,162
Dividend	(14,062)	(23,437)
Closing balance	352,999	358,313
Foundation Wind Energy - I Limited (FWE-I)		
Opening balance	923,941	329,390
Advance paid during the year against issue of shares	83,120	603,664
Share of loss	(937)	(9,113)
Closing balance	1,006,124	923,941
Foundation Wind Energy - II (Pvt) Limited (FWE-II)		
Opening balance	971,100	620,290
Advance paid during the year against issue of shares	96,226	357,546
Share of profit / (loss)	11,901	(6,736)
Closing balance	1,079,227	971,100
Askari Bank Limited (AKBL)		
Opening balance	5,262,054	5,230,990
Share of (loss) / profit	(329,704)	28,302
Effect of translation	(318)	2,762
Closing balance	4,932,032	5,262,054
Investment in subsidiaries		
Advance paid against issue of shares - Fauji Meat Limited (FML)	101,000	1,000
Advance paid against issue of shares - Fauji Foods Limited (FFL)	1,000	1,000
	102,000	2,000
Investment - available for sale - unquoted		
Arabian Sea Country Club Limited (ASCCL)		
300,000 ordinary shares of Rs. 10 each	3,000	3,000
Less: Impairment in value of investment	3,000	3,000
	-	-
	<u>10,064,279</u>	<u>9,864,133</u>

For the quarter ended March 31,

	2014	2013
	(Rupees '000)	
10. COST OF SALES		
Raw materials consumed	3,978,737	6,579,592
Packing materials consumed	75,207	116,409
Fuel and power	446,498	501,062
Chemicals and supplies consumed	41,465	52,587
Salaries, wages and benefits	388,737	408,666
Rent, rates and taxes	5,673	5,916
Insurance	24,725	29,040
Travel and conveyance	37,534	25,302
Repairs and maintenance	347,254	467,724
Communication, establishment and others	31,362	44,773
Depreciation	335,094	352,835
Opening stock -work in process	26,936	13,615
Closing stock -work in process	(81,039)	(57,682)
Cost of goods manufactured	5,658,183	8,539,839
Opening stock - finished goods	547,596	1,993,998
Closing stock - finished goods	(995,230)	(4,487,303)
Cost of sales	5,210,549	6,046,534
11. CASH GENERATED FROM OPERATIONS		
Profit before taxation from ordinary activities	73,890	747,206
Adjustment for:		
Provision for gratuity	17,950	14,757
Exchange (gains) / losses	(183,327)	47,210
Provision for compensated absences	36,364	20,694
Provision for Workers' (Profit) Participation Fund	4,271	40,285
Provision for Workers' Welfare Fund	7,264	18,213
Depreciation	343,777	358,696
Finance cost	225,466	218,353
Profit on bank balances and term deposits	(81,057)	(101,347)
Share of loss / (profit) of joint venture and associates	162,408	48,239
Gain on sale of investments	(75,310)	(69,562)
Gain on sale of property, plant and equipment	(12,258)	(3,534)
Operating profit before working capital changes	519,438	1,339,210
Changes in working capital		
Stores and spares	48,477	14,957
Stock in trade	(1,677,880)	(3,500,604)
Trade debts	1,074,844	1,815,149
Advances	46,265	(191,261)
Trade deposits and short term prepayments	(70,143)	(89,757)
Other receivables	(147,852)	894,313
Sales tax receivable	(253,794)	-
Trade and other payables	75,623	(1,009,771)
	(904,460)	(2,066,974)
Cash used in operations	(385,022)	(727,764)

For the quarter ended March 31,

2014 2013

(Rupees '000)

12. RELATED PARTY TRANSACTIONS

Transactions with the holding company

Services and material acquired	106,196	98,748
Services and material provided	-	5,933
Commission charged to the Company	2,217	2,904
Dividend paid	1,069,274	1,069,274
Balance receivable -unsecured	635,589	572,623 *

Transactions with subsidiary companies

Services provided	6,207	-
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Transactions with associated undertakings due to common directorship

Rent charged to the Company	324	300
Dividend paid	363,378	363,378
Investment	279,346	1,411,675

Transactions with joint venture company

Purchase of raw materials	4,351,800	6,292,881
Expenses incurred on behalf of joint venture company	4,340	5,517
Balance payable - secured	3,545,569	3,370,005 *
Balance receivable - unsecured	21,776	19,989 *

Other related parties

Contribution to Provident Fund	14,519	11,480
Contribution to Gratuity Fund	17,951	14,757
Remuneration including benefits and perquisites of Chief Executive Officer and executives		
No of persons 2014 : 1 and 18. (2013 : 1 and 15)	79,748	59,611
Payment to Workers' (Profit) Participation Fund	49,808	17,042
Balance payable - unsecured	960,632	998,559 *
Payable to Gratuity Fund	140,302	173,653 *

* Balance of accounts appearing as comparatives are as at December 31, 2013

13. GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

13.2 Corresponding figures have been re-arranged / restated, wherever necessary, for the purpose of comparison.

13.3 This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on April 22, 2014.

CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR