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Company Information

BOARD OF DIRECTORS

Syed Hasan Irtiza Kazmi
Chairman
Mr. Ahmed Jaudet Bilal
Chief Executive Officer
Mian Asif Said
Mr. Farooq Ahmed Khan
Mr. Nauman Ansari
Mr. Ahsan Raza Durrani
Mr. Khadim Hussain
Mr. Muhammad Faisal Muzammil

CHIEF FINANCIAL OFFICER

Syed Taneem Haider

COMPANY SECRETARY

Mr. Affan Sajjad

AUDIT COMMITTEE

Mian Asif Said
Chairman
Mr. Nauman Ansari
Mr. Ahsan Raza Durrani

HR & REMUNERATION COMMITTEE

Mr. Farooq Ahmed Khan
Chairman
Mr. Ahmed Jaudet Bilal
Mr. Nauman Ansari

LEGAL ADVISOR

Mr. Babar Shahzad Imran

SHARES REGISTRAR

Hameed Majeed Associates
(Private) Limited

AUDITORS

KPMG Taseer Hadi & Co.

Chartered Accountants, Lahore

BANKERS

JS Bank Limited

Faysal Bank Limited

National Bank of Pakistan

Albaraka 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

Soneri Bank Limited

Citi Bank N.A.

HSBC Bank Middle East Limited

United Bank Limited

Habib Bank Limited

Dubai Islamic Bank Pakistan Limited

Pak Liyba Holding Company Limited

Standard Chartered Bank (Pakistan) Limited

REGISTERED OFFICE

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

Unit I
Iskanderabad, District Mianwali.

Unit II
Hattar Road, Haripur.

Directors' Review

The Board of Directors of Agritech Limited ("the Company") hereby presents the reviewed interim financial statements for the nine months ended March 31, 2013.

The principal business of the Company is the manufacturing and marketing of fertilizers. The Company owns and operates the country's newest and most efficient urea manufacturing plant at Mianwali. The company also manufactures SSP (Single Super Phosphate) at Haripur Hazara plant, which is the largest Single Super Phosphate (SSP) manufacturing plant in the country.

Having achieved the Company's strategic goal to become a diversified fertilizer manufacturer producing both nitrogenous and phosphatic fertilizers, the Company's products are sold under one of the most celebrated and trusted brand name "Tara" in the fertilizer market.

The gas load shedding and curtailment continued to affect the business during this period. The urea plant produced 33,649 tons as compared to 110,742 tons urea which is 33% compared with the same period last year and 11% of plant capacity.

The long term Gas agreements for continuous supply of Gas to the four badly affected fertilizer plants (Including Agritech) have been signed. As a consequence, it is expected that the company will get a regular nonstop supply of gas starting from Sept 13. The long term allocation of gas to the consortium of fertilizer plants was approved by the GOP Vide ECC decision dated December 18, 2012. The company's performance is likely to improve in a major way with a physical flow of gas through the long term agreement of supply of Gas.

SSP continued to post a solid performance in this period on the back of initiatives of cost reduction, increased market price and technology changes.

Operating Financial Results

	Nine months ended 31 March 2013	Nine months ended 31 March 2012
Sales - Net	1,933,320,109	4,175,933,225
Operating Profit / (Loss)	(769,164,782)	785,115,544
Finance cost	(2,475,129,947)	(1,901,195,599)
Loss before taxation	(3,244,294,729)	(1,116,080,055)
Loss after taxation	(2,681,081,600)	(712,748,212)
Loss per share	(7.11)	(1.70)

Directors' Review

The Company in previous year as well as in current period faced operational issues due to 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. However, the company is fully confident that with the changed shareholding and implementation of direct gas arrangements, the Company will earn healthy profits in the future and meet its operational and financial obligations on timely basis.

Future Outlook

The fertilizer sector continues to enjoy a positive outlook in Pakistan, which is a major consumer of fertilizer with area under cultivation of approximately 23 million HA. The strategic importance of fertilizer usage and its related benefits to the agriculture sector cannot be ignored in the long run. However, the recent devaluation in Pakistan Rupee will make fertilizer imports more expensive for the GOP in terms of foreign exchange spent and subsidy on imports. Consequently, it is likely that the GOP will do its best effort to provide gas to the local Industry for local production of fertilizers before the long term supply agreements are fully implemented. Post long term gas supply agreements implementation, the fertilizer plants on SNGPL network are likely to run at minimum of 78% of capacity all year around.

Hazara Phosphate is expected to deliver staggering performance in the next period on the back of lowest cost technology, strong pricing and premium brand.

Acknowledgment

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

Chief Executive Officer

Lahore
Date : 29 April 2013

Condensed Interim Balance Sheet (Un-audited)

As at 31 March 2013

	Note	31 March 2013 Un-Audited Rupees	30 June 2012 Audited Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid up capital		**5,517,642,690**	5,517,642,690
Reserves		**9,000,000**	9,000,000
Accumulated profit		**720,828,491**	3,392,413,553
		6,247,471,181	8,919,056,243
Surplus on revaluation of fixed assets		**3,825,807,470**	3,944,247,724
Non-current liabilities			
Subordinated loan		**-**	340,000,000
Redeemable capital - Secured	*7*	**10,380,273,557**	11,226,126,643
Long term finances - Secured	*8*	**5,699,777,568**	7,193,887,786
Liabilities against assets subject to finance lease - Secured		**80,610,703**	76,194,996
Long term payables - Unsecured		**31,135,199**	31,135,199
Staff retirement benefits		**44,184,241**	10,987,413
Deferred taxation - net		**2,156,369,802**	2,701,490,476
		18,392,351,070	21,579,822,513
Current liabilities			
Current maturity of non current liabilities		**3,062,792,918**	655,060,293
Short term borrowings		**3,591,685,514**	3,338,017,160
Trade and other payables		**2,365,943,581**	2,109,103,222
Interest/mark-up accrued on borrowings		**5,100,808,976**	3,126,619,464
Preference dividend payable		**196,577,565**	87,633,848
		14,317,808,554	9,316,433,987
Contingencies and commitments	*9*		
		42,783,438,275	43,759,560,467
ASSETS			
Non-current assets			
Property, plant and equipment	*10*	**36,548,251,550**	37,197,945,111
Intangible asset		**2,592,194,100**	2,598,253,663
Long term advances		**22,844,315**	25,297,091
Long term deposits - Unsecured, considered good		**40,383,009**	41,619,209
		39,203,672,974	39,863,115,074
Current assets			
Stores, spares and loose tools		**2,089,187,652**	2,106,731,093
Stock-in-trade		**532,195,838**	667,938,748
Trade receivables		**22,568,603**	12,739,838
Advances, deposits, prepayments and other receivables		**790,854,364**	836,411,259
Current taxation		**90,582,012**	55,189,910
Cash and bank balances		**54,376,832**	217,434,545
		3,579,765,301	3,896,445,393
		42,783,438,275	43,759,560,467

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

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

Condensed Interim Profit and Loss Account (Un-audited)

For the nine months ended 31 March 2013

		2013		2012	
		July to March	**Jan. to March**	July to March	Jan. to March
		Un-Audited Rupees	**Un-Audited Rupees**	Un-Audited Rupees	Un-Audited Rupees
Sales - net		**1,933,320,109**	**502,462,012**	4,175,933,225	1,059,024,071
Cost of sales		**(2,403,579,254)**	**(816,575,912)**	(3,007,366,949)	(974,903,047)
Gross profit		**(470,259,145)**	**(314,113,900)**	1,168,566,276	84,121,024
Administrative expenses		**(300,493,248)**	**(170,416,305)**	(353,328,769)	(80,513,043)
Selling and distribution expenses		**(58,991,205)**	**(16,327,904)**	(171,327,868)	(43,833,999)
Net other income		**60,578,816**	**7,079,621**	141,205,905	128,913,810
Profit/(loss) from operations		**(769,164,782)**	**(493,778,488)**	785,115,544	88,687,792
Finance cost		**(2,475,129,947)**	**(742,083,663)**	(1,901,195,599)	(911,070,421)
Loss before taxation		**(3,244,294,729)**	**(1,235,862,151)**	(1,116,080,055)	(822,382,629)
Taxation		**563,213,129**	**438,202,882**	403,331,843	220,728,811
Profit / (loss) after taxation		**(2,681,081,600)**	**(797,659,269)**	(712,748,212)	(601,653,818)
Earning / (loss) per share basic and diluted	*Rupees*	**(7.11)**	**(2.14)**	(1.70)	(1.42)

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

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

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months ended 31 March 2013

	2013		2012	
	July to March	**Jan. to March**	July to March	Jan. to March
	Rupees	**Rupees**	Rupees	Rupees
loss after taxation	**(2,681,081,600)**	**(797,659,269)**	(712,748,212)	(601,653,818)
Other comprehensive income	**118,440,255**	**39,480,085**	112,134,660	37,378,218
Total comprehensive income (loss) for the period	**(2,562,641,345)**	**(758,179,184)**	(600,613,552)	(564,275,600)

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

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

Condensed Interim Cash flow Statement (Un-audited)

For the nine months ended 31 March 2013

	Note	**July to March 2013 Rupees**	July to March 2012 Rupees
Cash flows from operating activities			
Cash generated from operations	*12*	**484,063,065**	1,091,596,027
Finance cost paid		**(564,020,171)**	(1,738,263,356)
Tax paid		**117,312,902**	15,468,060
Interest Received		**87,846,396**	106,272,042
Net cash (used in)/generated from operating activities		**125,202,192**	(524,927,227)
Cash flows from investing activities			
Capital expenditure including purchase of property, plant and equipment		**(19,050,614)**	(1,081,483,087)
Long Term advances		**2,452,776**	1,104,172
Long term deposits		**1,236,200**	(26,380,998)
Proceeds from disposal of property, plant and equipment		**4,817,342**	3,486,386
Net cash used in investing activities		**(10,544,296)**	(1,103,273,527)
Cash flows from financing activities			
Long term finances obtained/(paid)		**(500,000,000)**	124,708,213
Issuance of Preference shares		**-**	1,593,342,690
Redemption of redeemable capital		**169,874,996**	(667,251)
Repayment of liabilities against assets subject to finance lease		**(14,588,678)**	(38,168,871)
Transaction costs incurred on restructuring process		**-**	(96,022,226)
Net increase in short term borrowings		**28,994,468**	77,735,139
Net cash generated from financing activities		**(315,719,214)**	1,660,927,694
Net increase/(decrease) in cash and cash equivalents		**(201,061,318)**	32,726,940
Cash and cash equivalents at the beginning of period		**(1,733,238,797)**	(1,759,436,572)
Cash and cash equivalents at the end of period	*13*	**(1,934,300,115)**	(1,726,709,632)

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

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

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

For the nine months ended 31 March 2013

	Share Capital		Reserves		
	Ordinary Shares	**Preference Shares**	**Revenue reserve**	**Accumulated profit**	**Total equity**
	Rupees	**Rupees**	**Rupees**	**Rupees**	**Rupees**
Balance as at 30 June 2011 - Audited	3,924,300,000		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
Transfer from surplus on revaluation of	-		-		-
property, plant and equipment incremental depreciation	-				-
for the period - net of differed tax				112,134,660	112,134,660
					-
Preference shares dividend for the period				(43,816,924)	(43,816,924)
Balance as at 31 March 2012 - Unaudited	**3,924,300,000**	**1,593,342,690**	**9,000,000**	**4,302,652,643**	**9,829,295,333**
Total comprehensive income for the period				(915,710,956)	(915,710,956)
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of differed tax				49,288,790	49,288,790
Preference shares dividend for the period				(43,816,924)	(43,816,924)
Balance as at 30 June 2012 - Audited	**3,924,300,000**	**1,593,342,690**	**9,000,000**	**3,392,413,553**	**8,919,056,243**
Total comprehensive income for the period				(2,681,081,600)	(2,681,081,600)
Transfer from surplus on revaluation of	-		-		
property, plant and equipment incremental depreciation	-		-		
for the period - net of differed tax				118,440,255	118,440,255
Preference shares dividend for the period				(108,943,717)	(108,943,717)
Balance as at 31 March 2013 - Unaudited	**3,924,300,000**	**1,593,342,690**	**9,000,000**	**720,828,491**	**6,247,471,181**

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

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

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

For the nine months ended 31 March 2013

1 Status and nature of business

Agritech Limited was incorporated on 15 December 1959 as an unlisted Public Limited Company under the Company act 1913(Companies Ordinance, 1984) and was a wholly owned subsidiary of National Fertilizer Corporation of Pakistan (Private) Limited ('NFC'), a Government owned Corporation, until 15 July 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 15 July 2006. On 12 April 2010 the Company was listed on Karachi Stock Exchange ("KSE") vide KSE Notification No. KSE/N-1940. ANL entered into a Share Transfer and Debt Swap Agreement dated April 12, 2012 whereof sold and transferred 293,423,184 Class A Ordinary Shares of the Company comprising of 74.77% (approximately) of the issued and paid up share capital of the Company to various financial institutions. 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 and Granulated single Super Phosphate ("GSSP") fertilizer.

2 Basis of preparation

2.1 Statement of compliance

This condensed interim financial information of the Company for the nine months period ended 31 March 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

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 statement for the year ended 30 June 2012.

This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

2.2 Financial liabilities and continuing operations

The Company, in previous year as well as in current year, 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 which has perpetuated temporary liquidity issues resulted in over dues as referred in note 14 to the financial statements. Due to these factors, the Company has incurred a loss before tax of Rs. 3,244.30 million during the Nine months period ended 31 March 2013 and, as of that date, its current liabilities exceeded current assets by Rs. 10,738.04 million. These conditions cast significant doubt about the Company's ability to continue as a going concern. These financial statements have however been prepared on a going concern basis. The assumption that the Company would continue as a going concern is based on the fact that the Economic Coordination Committee (“ECC”) of the Cabinet in its meeting held on 18 December 2012 has approved a Dedicated Long Term Gas Supply Solution for Fertilizer Industry by virtue of which a consortium of Four Fertilizer Manufacturers (“FFM”) including AGL, which are currently on SNGPL system, has been allowed to purchase gas directly from alternate dedicated gas supply sources after the respective agreements are signed between FFM and dedicated gas supply producers (“GSP”). Agreement with GSPs and SNGPL has already been signed by FFM. Remaining agreements and necessary augmentation of existing pipelines are in the process of signing. The Company is expected to be profitable in future and generate positive cash flows from operating activities once the remaining agreements and necessary augmentation of existing pipelines takes place which is expected to be completed by 30 September 2013.

Further, the Company has planned to convert its existing total long term and short term debts including mark-up into new long term debt / equity instrument. The necessary steps for the said conversion have already been initiated by the Company. With the aforesaid conversion and other measures mentioned in the above paragraph, the management of the Company envisages that sufficient financial resources will be available for the continuing operations and it is expected to operate profitably.

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

For the nine months ended 31 March 2013

2.3 Financial liabilities

The Company could not make timely repayments of principal and interest / markup related to long term debts as referred to in note 14. Further, as at the reporting date, the Company could not comply with certain financial and other covenants imposed by the lenders. As per the agreed terms of long term debts the lenders have unconditional right to call the loans if timely repayments are not made or covenants are not complied with.International Accounting Standard on Presentation of financial statements (IAS - 1) requires that if an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it should classify the liability as current.

However, the long term debts in the amount of Rs. 16,455.23 million as detailed below have continued to be classified as long term as per the repayment schedules in these financial statements as the management considers that event of default was not declared by the lenders at the reporting date:

	Principal net of current maturity
	Rupees
Redeemable capital	
Term Finance Certificates (TFCs) - I	1,402,263,300
Term Finance Certificates (TFCs) - II	6,007,878,497
Term Finance Certificates (TFCs) - III	447,579,400
Term Finance Certificates (TFCs) - IV	276,912,500
Term Finance Certificates (TFCs) - V	618,066,315
Sukkuks	1,394,111,429
Privately Placed Term Finance Certificates (PPTFCs)	509,874,996
	10,656,686,437

	Principal net of current maturity
	Rupees
Long term finances	
Syndicate Term Finance - I	2,807,142,857
Syndicate Term Finance - III	2,345,451,900
KASB Bank Limited - Term Finance	261,428,571
National Bank of Pakistan - Term Finance	51,458,735
Dubai Islamic Bank Limited - Term Finance	333,062,500
	5,798,544,563
	16,455,231,000

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

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

For the nine months ended 31 March 2013

- 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 the same as those applied in preparation of the annual financial statements for the year ended 30 June 2012.

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 2013, 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.

- IAS 1 (amendment) - Presentation of items of Other Comprehensive Income
- IAS 1 (amendment) - Presentation of Financial Statements
- IFRS 7 (amendment) - Offsetting Financial assets and Financial Liabilities
- IAS 16 Property, Plant and Equipment
- IAS 19 (amendment) - Employee Benefits
- IAS 27 (amendment) - Separate Financial Statements
- IAS 28 (amendment) - Investments in Associates and Joint Ventures
- IAS 32 (amendment) - Offsetting Financial assets and Financial liabilities
- IAS 32 (amendment) - Financial Instruments: Presentation
- IAS 34 Interim Financial Reporting

5 Issued, subscribed and paid up capital

5.1 313,423,184 number of shares of the Company were held by ANL as at 30 June 2012. However, during the period, ANL sold 313,423,184 number of shares to a consortium of banks and financial institutions.

5.2 The preference shares (the shares) have been treated as part of equity on the following basis:

- The shares were issued under the provisions of section 86 of the Companies Ordinance, 1984 (the Ordinance) read with section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The financial capital of the Company and the issue of the shares were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on 29 August 2011.
- Return of allotment of shares was filed under section 73(1) of the Ordinance.
- The Company is required to set-up a reserve for the redemption of Preference shares, under section 85 of the Ordinance, in respect of the shares redeemed which effectively makes Redeemable Preference shares a part of equity.
- The requirements of the Ordinance takes precedence over the requirements of International Accounting Standards.
- The preference shareholders have the right to convert these shares into Ordinary shares.

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

For the nine months ended 31 March 2013

Further, the matter regarding the classification of Redeemable Preference share capital as either debt or equity instrument has been examined by the Institute of Chartered Accountants of Pakistan (ICAP) as a result of which the ICAP has advised the Securities and Exchange Commission of Pakistan (SECP) to make necessary amendments in the Companies Ordinance, 1984, and / or to issue a clarification in order to remove the inconsistency between the Companies Ordinance, 1984 and the International Accounting Standards. Pending the decision of the SECP in this matter, the Preference share capital has been classified as equity in these financial statements.

6 Subordinated loan

It represented loan obtained by the Company from JS Infocom Limited ("JS") to finance the acquisition of HPFL. The loan was subordinated to all long term and short term finances obtained by the Company. The Company, during the period, has restructured the principal along with the outstanding mark-up as stated in note 7.1.

	Note	**31 March 2013 Un-audited Rupees**	30 June 2012 Audited Rupees
7 Redeemable Capital - Secured			
Term Finance Certificates - I		**1,498,602,000**	1,498,602,000
Term Finance Certificates - II		**6,894,286,800**	6,894,286,800
Term Finance Certificates - III		**495,345,100**	495,345,100
Privately Placed Term Finance Certificates - IV		**553,825,000**	553,825,000
Privately Placed Term Finance Certificates - V		**618,685,000**	618,685,000
Sukkuks		**1,599,800,000**	1,599,800,000
Privately Placed Term Finance Certificates - VI	7.1	**509,874,996**	-
		12,170,418,896	11,660,543,900
Deferred notional income		**(64,383,587)**	(104,991,352)
Transaction costs		**(212,029,293)**	(236,787,449)
		11,894,006,016	11,318,765,099
Current maturity presented under current liabilities		**(1,513,732,459)**	(92,638,456)
		10,380,273,557	11,226,126,643

7.1 This represents restructuring of subordinated loan as referred in note 6 to this condensed interim financial information along with the outstanding mark-up amounting to Rs. 509.87 million in to a fresh issue of Privately Place Term Finance Certificates (PPTFCs) by way of Settlement Agreement ("Agreement") entered on 22 October 2012 effective from 1 July 2012. As per terms of the agreement the principal redemption of PPTFCs is structured to be in twelve equal semi-annual installments of Rs. 42.49 million each starting from 31 December 2014 and carries mark-up at six months KIBOR plus 1.95% per annum payable semi-annually.

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

For the nine months ended 31 March 2013

		31 March 2013 Un-audited Rupees	30 June 2012 Audited Rupees
8	**Long term finances**		
	Syndicate Term Finance - I	**3,000,000,000**	3,000,000,000
	Syndicate Term Finance - II	**475,000,000**	475,000,000
	Syndicate Term Finance - III	**3,026,389,549**	3,026,389,549
	KASB Bank Limited - Term Finance	**300,000,000**	300,000,000
	National Bank of Pakistan - Term Finance	**132,083,735**	632,083,735
	Dubai Islamic Bank Limited - Term Finance	**365,000,000**	365,000,000
		7,298,473,284	7,798,473,284
	Transaction Cost	**(98,766,996)**	(110,299,784)
		7,199,706,288	7,688,173,500
	Current maturity presented under current liabilities	**(1,024,928,720)**	(19,285,714)
	Reclassification of Syndicate Term Finance - I to short term	**(475,000,000)**	(475,000,000)
		(1,499,928,720)	(494,285,714)
		5,699,777,568	7,193,887,786

9 Contingencies and commitments

9.1 Contingencies

There is no material change in contingencies from the preceding annual publish financial statements of the company for the year ended 30 June 2012.

		Note	31 March 2013 Un-audited Rupees	30 June 2012 Audited Rupees
9.2	**Commitments**			
9.2.1	Commitments under irrevocable letters of			
	- purchase of stores, spares and loose tools		**4,037,248**	-
	- purchase of plant and machinery		**-**	-
			4,037,248	-
10	**Fixed assets**			
	Property, plant and equipment	10.1	**36,512,827,287**	37,156,269,276
	Capital work in progress		**35,424,263**	41,675,835
			36,548,251,550	37,197,945,111

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

For the nine months ended 31 March 2013

		Note	31 March 2013 Un-audited Rupees	30 June 2012 Audited Rupees
10.1	**Property, plant and equipment**			
	Opening book value		**37,156,269,281**	24,479,320,011
Add:	Additions during the period/ year	10.1.1	**25,302,183**	12,841,975,789
	Reclassification to assets held for sale		**-**	713,092,558
			25,302,183	13,555,068,347
Less:	Disposals during the period/ year - net book value		**2,483,132**	66,735,726
	Depreciation charged during the period/ year		**666,261,045**	811,383,356
			668,744,177	878,119,082
	Closing book value		**36,512,827,287**	37,156,269,276

10.1.1 Additions during the period/ year

	31 March 2013	30 June 2012
Owned assets		
Buildings on freehold land	**-**	96,869,812
Plant and machinery	**7,901,183**	12,570,630,300
Residential colony assets	**-**	4,603
Furniture, fixtures and office equipment	**272,768**	16,635,142
Vehicles and rail transport	**-**	2,917,000
Tools and other equipment	**-**	182,890
Electrical and other installations	**-**	154,488
Catalyst	**17,128,232**	16,694,624
Leased assets		
Plant and machinery	**-**	137,816,930
Vehicles	**-**	70,000
	25,302,183	12,841,975,789

11 Transactions with related parties

Related parties comprise holding company, subsidiary company, subsidiaries, 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:

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

For the nine months ended 31 March 2013

	31 March 2013	31 March 2012
	Rupees	Rupees
11.1 Transactions with related parties		
11.1.1 *National Bank of Pakistan*		
Long term finances (repaid) / obtained	**(500,000,000)**	-
Markup expense on short term borrowing	**14,249,077**	-
Markup expense on long term finances	**270,779,207**	234,381,718
Markup expense on redeemable capital	**33,420,023**	38,574,102
Preference dividend	**50,994,402**	8,374,993
11.1.2 *Post employment benefit plans*		
Contribution to employees provident fund	**12,415,404**	13,030,407
Contribution to employees gratuity fund	**8,196,828**	6,986,666
Advance received	**75,200,000**	-
11.1.3 *Key management personnel*		
Short term employee benefits	**2,688,000**	71,890,711
Post employment benefits	**153,510**	176,970,751

	31 March 2013 Un-audited	30 June 2012 Audited
	Rupees	Rupees
11.2 Balances with related parties		
11.2.1 *National Bank of Pakistan*		
Long term finances	**2,467,083,735**	2,967,083,735
Short term borrowing	**350,088,346**	42,000,000
Redeemable capital	**341,921,654**	341,921,654
Bills payable	**187,031,000**	187,031,000
Preference shares	**617,487,560**	617,549,990
Mark-up payable on short term borrowing	**14,467,832**	-
Mark-up payable on long term finances	**715,485,885**	444,706,678
Mark-up payable on redeemable capital	**81,100,766**	47,680,743
Preference dividend payable	**76,050,733**	25,056,332
11.2.2 *Post employment benefit plans*		
Payable to provident fund	**84,072,307**	5,253,674
Payable to gratuity trust	**44,184,241**	10,987,413

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

For the nine months ended 31 March 2013

		31 March 2013 Un-audited	30 June 2012 Audited
		Rupees	Rupees
12	**Cash flow from operating activities**		
	Profit & (Loss) before tax	**(3,244,294,729)**	(1,116,080,055)
	Adjustment for non-cash and other items:		
	- Depreciation on property, plant and equipment	**666,261,044**	559,837,655
	- Profit on disposal of property, plant and equipment	**(2,946,177)**	61,684,161
	- 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 computer software	**6,059,563**	-
	- Amortization of transaction costs	**76,898,710**	59,172,399
	- Markup income	**(19,267,189)**	(48,299,401)
	- Finance cost	**2,398,231,238**	1,933,009,486
	Operating profit before changes in working capital	**(119,057,540)**	1,347,953,814
	Changes in working capital		
	(Increase) / decrease in current assets:		
	- Stores, spares and loose tools	**30,806,435**	(77,812,952)
	- Stock-in-trade	**122,479,916**	(223,900,118)
	- Trade debts	**(9,828,765)**	(32,572,778)
	- Advances, deposits, prepayments and other receivables	**(23,022,312)**	109,735,026
	- Staff Retirement benefits	**32,200,000**	6,473,882
		152,635,274	(218,076,940)
	Increase / (decrease) in current liabilities		
	- Trade and other payables	**450,485,331**	(38,280,847)
	Cash generated from operations	**484,063,065**	1,091,596,027
13	**Cash and cash equivalents**		
	Short term borrowings - secured	**(1,988,676,947)**	(1,779,101,352)
	Cash and bank balances	**54,376,832**	52,391,720
		(1,934,300,115)	(1,726,709,632)

14 Overdue financial liabilities

The Company in previous year as well as in current period faced operational issues 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 Notes to the Financial Information (Un-audited)

For the nine months ended 31 March 2013

	Principal	Interest / mark up	Total
	Rupees	Rupees	Rupees
Nature of Liability			
Redeemable capital	92,754,107	2,349,185,245	2,441,939,352
Long term finances	381,250,000	1,721,144,531	2,102,394,531
Short term borrowings	1,034,771,000	330,154,276	1,364,925,276
Bills payable	839,293,886	171,333,879	1,010,627,765
	2,348,068,993	**4,571,817,931**	**6,919,886,924**

In lieu of the prevailing situation, AGL signed a mandate agreement with the banks dated October 4, 2012 for the coversion of complete debt in to preference share. With the aforesaid restructuring and other measures as set out in note 2.2 to the financial statements the management envisages that sufficient financial resources will be available for the repayment of abovementioned overdue liabilities.

15 Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on April 30, 2013

16 General

16.1 Figures have been rounded off to the nearest thousand of Rupees.

16.2 The following re-arrangement has been made for the purpose of better presentation.

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