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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. Mueen Afzal
Mr. Irfan Nazir Ahmad
Mr. Muhammad Faisal Muzammil
Mr. Khaleeque Ur Rehman

COMPANY SECRETARY

Mr. Muhammad Ijaz Haider

CHIEF FINANCIAL OFFICER

Mr. Abid Amin

AUDIT COMMITTEE

Mr. Mueen Afzal
Mr. Ahmed H. Shaikh
Mr. Khalid A. H. Al Sagar
Mr. Irfan Nazir Ahmad
Mr. Muhammad Faisal Muzammil

LEGAL ADVISORS

Mr. Ghulam Muhammad Kundi

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

BANKERS

Js Bank Limited
Faysal Bank Limited
National Bank of Pakistan

BANKERS (Cont'd)

Standard Chartered Bank (Pakistan) Limited
Al Baraka Bank Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Summit Bank Limited
Silk Bank Limited
KASB Bank Limited
My Bank Limited
Allied Bank Limited
HSBC Bank Middle East 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.
(formerly Pak American Fertilizers Ltd.)
Iskanderabad,
District Mainwali.
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 Board of Directors of Agritech Limited ("the Company") hereby presents the un-audited interim financial statements for the nine months ended March 31, 2011.

The Company's principal business is the manufacture and marketing of Fertilizer products. It is now a diversified manufacturer of both nitrogenous and phosphate fertilizers. The Company's market share in the national urea market is 7% through its operation of the newest and most efficient urea plant in the country. The Company, through its 100% owned subsidiary Hazara Phosphate Fertilizers (Pvt.) Limited (HPFL), is also engaged in the manufacturing and marketing of Phosphate fertilizers and is the largest manufacturer of Single Super Phosphate (SSP) fertilizer in Pakistan.

A major revamp project was completed during the period and commissioned on Feb 23rd. Initial tests indicate that the project has been successful in all aspects, and is expected to produce at the projected capacity. However the actual verified results of the revamp project are yet to be ascertained, pending normalization of gas supply.

Gas curtailment throughout most of the last quarter resulted in a significant loss of Urea plant operating days and this will be reflected in the period accounting. The typical winter gas curtailment period of 15-20 days was increased to 45 days without notice but subsequently extended to 63 days. Actual production during this period was 169 K tonnes vs. planned 292 K tonnes for this period. At the writing of this report, the gas supply was inadequate for commercial operations. Discussions are underway with relevant authorities in order to ensure a sustainable and long term gas supply policy.

GOP imposed a GST of 17% on fertilizer products in March. The resulting increase in sale price will be borne by the end user or an increase in Government subsidy or a combination of both.

On a positive side SSP sales are robust and continue to touch the highest levels in company's history. SSP plant has consistently operated at peak capacity. The increase in SSP demand is due to a general escalation in DAP prices which has made use of SSP relatively more cost effective for the farmer to meet their phosphate needs. This trend is expected to continue through 2011 and SSP market should remain strong for the foreseeable future with better pricing.

Operating Financial Results of Agritech Limited (Stand Alone)

	Nine Months Ended March 31, 2011	Nine Months Ended March 31, 2010
Sales - net	2,742,730,650	8,230,565,403
Operating profit	433,565,526	1,621,920,674
Finance cost	(1,333,304,679)	(1,943,425,469)
Loss before tax	(899,739,153)	(321,504,795)
Loss after tax	(382,303,710)	(63,780,137)
Loss per share	(0.97)	(0.16)

Directors' Review

Consolidated Results

	Nine Months Ended March 31, 2011	Nine Months Ended March 31, 2010
Sales - net	3,972,332,783	9,544,557,473
Operating profit	536,899,800	1,667,030,036
Finance cost	(1,316,780,062)	(1,948,578,640)
(Loss) before tax	(779,880,262)	(281,548,604)
Profit after tax	(101,762,549)	(5,579,487)
Earnings per share	(0.26)	(0.01)

Future Outlook

It is expected that urea and phosphates will continue to be in short supply in the short term. The international price of urea is at USD 400/ton indicating strong international demand. International phosphate market is also likely to be in short supply through most of the year 2011. DAP prices are at US \$ 640 per ton translating to Rs. 4100 per bag in local market. This helps in maintaining a healthy price of the Company's SSP products at Rs. 960/Bag for 18% and Rs. 810/Bag for 14% GSSP.

Gas curtailment has impacted the cost of Urea for the farmers. It is expected that the prices will eventually go up by about 20% as result of the new supply demand conditions. The Company expects that a viable long term solution governing gas supply will be formulated by the GOP in the near future.

A major financial reprofiling exercise was completed successfully during the period. This represents a significant breakthrough for The Company and its providers of debt finances. The financial reprofiling has allowed The Company to managed its immediate financial needs and to continue operations as planned.

Subject to a successful and sustained solution for the supply of gas, the future outlook for the Fertilizer business is expected to be stable. Agricultural demand and production is expected to be strong in the upcoming quarters, with good support prices anticipated for the major crops.

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

**Condensed
Interim
Financial
Information**

Condensed Interim Unconsolidated Balance Sheet (Un-audited)
as at 31 March 2011

	Note	31 March 2011 Un-Audited Rupees	30 June 2010 Audited Rupees
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital		<u>12,000,000,000</u>	<u>12,000,000,000</u>
Issued, subscribed and paid up capital		3,924,300,000	3,924,300,000
Reserves		3,086,504,807	3,086,504,807
Accumulated profit		<u>3,471,161,859</u>	<u>3,788,703,321</u>
Surplus on revaluation		10,481,966,666	10,799,508,128
Loan from associates - Unsecured, Subordinated		4,198,829,267	4,263,591,515
		<u>340,000,000</u>	<u>340,000,000</u>
NON-CURRENT LIABILITIES			
Redeemable capital - Secured	5	9,744,509,309	8,186,009,933
Long term finances - Secured	6	6,973,182,176	2,643,985,482
Liabilities against assets subject to finance lease - Secured		147,386,045	171,786,793
Long term payables		31,135,199	31,135,199
Deferred taxation		<u>3,117,939,454</u>	<u>3,670,264,056</u>
		<u>20,014,152,183</u>	<u>14,703,181,463</u>
CURRENT LIABILITIES			
Current portion of non-current liabilities - Secured		820,218,933	2,811,717,740
Short term borrowing - Secured		3,177,510,384	4,787,718,650
Accrued markup		2,710,878,191	1,266,233,127
Due to Related parties-Unsecured, considered good		118,586,357	-
Trade and other payables		<u>2,035,868,328</u>	<u>3,245,423,196</u>
		8,863,062,193	12,111,092,713
CONTINGENCIES AND COMMITMENTS			
	7	<u>43,898,010,309</u>	<u>42,217,373,819</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets		34,979,881,972	32,622,125,567
Intangible asset		2,567,310,828	2,567,310,828
Investments		4,463,069,207	4,463,069,207
Long term advances - Unsecured, considered good	8	30,925,376	30,881,917
Long term deposits - Unsecured, considered good		<u>14,745,017</u>	<u>15,048,517</u>
		<u>42,055,932,400</u>	<u>39,698,436,036</u>
CURRENT ASSETS			
Stores, spares and loose tools		1,211,516,324	1,216,265,750
Stock-in-trade		118,306,692	23,572,749
Trade debts		4,198,250	229,460,227
Advances, deposits, prepayments and other receivables		387,562,306	296,014,054
Due from related parties - Unsecured, considered good		-	525,865,626
Taxation		77,560,299	151,517,334
		<u>42,934,038</u>	<u>76,242,043</u>
		<u>1,842,077,909</u>	<u>2,518,937,783</u>
		<u>43,898,010,309</u>	<u>42,217,373,819</u>

The annexed notes 1 to 14 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 nine months ended 31 March 2011

	2011		2010	
	July to March Rupees	January to March Rupees	July to March Rupees	January to March Rupees
Sales - net	2,742,730,650	236,427,254	8,230,565,403	1,480,098,367
Cost of sales	(1,937,179,072)	(387,465,357)	(6,214,116,614)	(1,053,287,309)
Gross profit	805,551,578	(151,038,103)	2,016,448,789	426,811,058
Administrative expenses	(239,532,904)	(89,870,332)	(175,738,624)	(47,218,941)
Selling and distribution expenses	(189,810,539)	(56,894,221)	(337,115,939)	(66,614,866)
Net other income	57,357,391	21,013,434	118,326,448	56,050,169
Profit from operations	433,565,526	(276,789,222)	1,621,920,674	369,027,420
Finance cost	(1,333,304,679)	(472,935,260)	(1,943,425,469)	(615,736,886)
Loss before taxation	(899,739,153)	(749,724,482)	(321,504,795)	(246,709,466)
Taxation	517,435,443	170,700,627	257,724,658	(45,779,629)
Profit / (loss) after taxation	(382,303,710)	(579,023,855)	(63,780,137)	(292,489,095)
Earning / (loss) per share basic and diluted	<i>Rupees</i> (0.97)	(1.48)	(0.16)	(0.75)

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



CHIEF EXECUTIVE



DIRECTOR

Lahore

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)
for nine months ended 31 March 2011

	2011		2010	
	July to March Rupees	January to March Rupees	July to March Rupees	January to March Rupees
Profit / (loss) after taxation	(382,303,710)	(579,023,855)	(63,780,137)	(292,489,095)
Other comprehensive income				
Change in fair value of available for sale financial asset	-	-	-	-
Incremental depreciation - net of tax	64,762,248	15,097,444	-	-
Other comprehensive income for the period	64,762,248	15,097,444	-	-
Total comprehensive income				
(loss) for the period	(317,541,462)	(563,926,411)	(63,780,137)	(292,489,095)

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

Condensed Interim Unconsolidated Cash flow Statement (Un-audited) for nine months ended 31 March 2011

	Note	July to March 2011 Rupees	July to March 2010 Rupees
Cash flows from operating activities			
Cash generated from operations	10	1,317,604,941	6,045,577,592
Finance cost paid		(1,097,494,657)	(2,236,816,431)
Tax paid		39,067,876	(76,566,619)
Net cash (used in)/generated from operating activities		259,178,160	3,732,194,542
Cash flows from investing activities			
Capital expenditure including purchase of property, plant and equipment		(2,811,415,901)	(6,980,352,792)
Proceeds from disposal of property, plant and equipment		4,930,572	-
Interest received		149,449,723	641,874
Loan to related party		126,108,031	(784,247,691)
Net cash used in investing activities		(2,530,927,575)	(7,763,958,609)
Cash flows from financing activities			
Long term finances obtained		4,016,696,694	1,362,587,180
Redemption of term finance certificates		(704,499)	(7,534,750)
Repayment of liabilities against assets subject to finance lease		(38,916,235)	(35,168,557)
Transaction costs incurred on restructuring process		(128,426,284)	30
Net cash generated from financing activities		3,848,649,676	1,319,883,903
Net increase/(decrease) in cash and cash equivalents		1,576,900,261	(2,711,880,164)
Cash and cash equivalents at the beginning of period		(4,711,476,607)	(1,825,492,510)
Cash and cash equivalents at the end of period	11	(3,134,576,346)	(4,537,372,674)

The annexed notes 1 to 14 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 nine months ended 31 March 2011

	Reserves		Total reserves		Accumulated profit		Total equity	
	Share Capital	Revenue reserve	Available for sale financial assets	Total reserves	Total reserves	Total reserves	Total equity	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2009 - Audited	3,924,300,000	9,000,000	290,221,269	299,221,269	2,906,671,536	2,906,671,536	7,130,192,805	7,130,192,805
Total comprehensive income for the period								
Net change in fair value of available-for-sale financial assets			2,787,283,538	2,787,283,538		(63,780,137)	2,787,283,538	2,787,283,538
- Profit for the period	-	-		-		-	(63,780,137)	(63,780,137)
- Other comprehensive income for the period	-			-				-
Balance as at 31 March 2010 - Unaudited	3,924,300,000	9,000,000	3,077,504,807	3,086,504,807	2,842,891,399	2,842,891,399	9,853,696,206	9,853,696,206
Total comprehensive income for the period								
- Profit for the period					917,028,701	917,028,701	917,028,701	917,028,701
- Other comprehensive income for the period						28,783,221	28,783,221	28,783,221
Balance as at 30 June 2010 - Audited	3,924,300,000	9,000,000	3,077,504,807	3,086,504,807	3,788,703,321	3,788,703,321	10,799,508,128	10,799,508,128
Total comprehensive income for the period								
- Profit for the period	-	-	-	-	(382,303,710)	(382,303,710)	(382,303,710)	(382,303,710)
- Other comprehensive income for the period	-	-		-		64,762,248	64,762,248	64,762,248
Balance as at 31 March 2011 - Unaudited	3,924,300,000	9,000,000	3,077,504,807	3,086,504,807	3,471,161,859	3,471,161,859	10,481,966,666	10,481,966,666

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

A. J. Khan

M. J. Khan

Lahore

CHIEF EXECUTIVE

DIRECTOR

Condensed Interim Unconsolidated Notes to the Financial Information (Un-audited) for nine months ended 31 March 2011

1 Status and nature of business

Agritech Limited (formerly Pak American Fertilizers Limited) was incorporated on June 11, 1985 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. The Company obtained listing on Karachi Stock Exchange on April 12, 2010. The registered office of the company is situated at Ismail Aiwane-Science, Off Sharah -e-Roomi, Lahore. The principal business of the Company is the production and sale of urea fertilizer.

2 Basis of preparation

Statement of compliance

The condensed interim financial statements have 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 30 June 2010.

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 30 June 2010.
- 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 2011, 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.

- IFRS 7 (amendment) - Disclosures - Transfers of Financial Assets
- IAS 12 (amendment) - Deferred Tax on Investment Property
- IAS 24 (Revised) - Related Party Disclosures
- IAS 32 (amendment) - Financial Instruments: Presentation - Classification of Right Issues
- IFRIC 14 (amendment) - The Limit on a Defined Benefit Assets - Minimum Funding Requirements
- IFRIC 19 - Extinguishing financial liabilities with equity instruments

5 Redeemable capital - Secured

	2011 Un-audited Rupees	2010 Audited Rupees
	31 March	30 June
Privately Placed Term Finance Certificates (PPTFCs) - I	6,894,480,000	6,894,480,000
Privately Placed Term Finance Certificates (PPTFCs) - II	1,498,800,000	1,498,800,000
Privately Placed Term Finance Certificates (PPTFCs) - III	495,460,751	496,165,250
Sukuk	<u>1,600,000,000</u>	<u>1,600,000,000</u>
	<u>10,488,740,751</u>	<u>10,489,445,250</u>
Transaction costs	<u>(233,623,762)</u>	<u>(127,549,317)</u>
	<u>10,255,116,989</u>	<u>10,361,895,933</u>
Current maturity presented under current liabilities	<u>(510,607,680)</u>	<u>(2,175,886,000)</u>
	<u><u>9,744,509,309</u></u>	<u><u>8,186,009,933</u></u>

Condensed Interim Unconsolidated Notes to the Financial Information (Un-audited) for nine months ended 31 March 2011

- 5.1 PPTFCs - I have been rescheduled during the period. As per terms of the rescheduling agreement the principal redemption of PPTFCs is structured to be in twelve semi-annual installments starting from January 2012.
- 5.2 PPTFCs - II have been rescheduled during the period. As per terms of the rescheduling agreement the principal redemption of PPTFCs is structured to be in twelve semi-annual installments starting from May 2012.
- 5.3 PPTFCs - III have been rescheduled during the period. As per terms of the rescheduling agreement the principal redemption of PPTFCs is structured to be in twenty four quarterly installments starting from March 2012..
- 5.4 Sukkuks have been rescheduled during the period. As per terms of the rescheduling agreement the principal redemption of PPTFCs is structured to be in twelve semi-annual installments starting from February 2012.

	31 March 2011 Un-audited Rupees	30 June 2010 Audited Rupees
6 Long term finances		
Syndicate Term Finance - I	475,000,000	481,250,000
Syndicate Term Finance - II	3,000,000,000	2,431,485,482
Syndicate Term Finance - III	3,026,048,397	-
Term Finance - II	728,383,779	300,000,000
	<u>7,229,432,176</u>	<u>3,212,735,482</u>
Current maturity presented under current liabilities	<u>(256,250,000)</u>	<u>(568,750,000)</u>
	<u>6,973,182,176</u>	<u>2,643,985,482</u>

- 6.1 Syndicate Term Finance - I (STF-I) has been rescheduled during the period. As per terms of the rescheduling agreement the principal redemption of STF-I is structured to be in twelve semi-annual installments starting from June 2012.
- 6.2 Syndicate Term Finance - II (STF-II) represents restructuring of various short term facilities into long term facility during the period. As per terms of the restructured agreement the principal redemption of STF-II is structured to be in six semi-annual installments starting from June 2012.
- 6.3 Term Finance - II (TF-II) represents restructuring of various short term facilities into long term facility during the period. As per terms of the restructured agreement the principal redemption of TF-II is structured to be in twelve semi-annual installments starting from June 2012.

7 Contingencies and commitments

7.1 Contingencies

- 7.1.1 Counter guarantees given by the Company to its bankers as at the reporting date amount to Rs. 196.3 million (June 30, 2010: Rs. 196.3 million).
- 7.1.2 There is no change in the status of contingencies since 30 June 2010.

7.2 Commitments

- 7.2.1 Commitments under irrevocable letters of credit for:

	31 March 2011 Un-audited Rupees	30 June 2010 Audited Rupees
- purchase of stores, spares and loose tools	124,724,395	17,567,001
- purchase of plant and machinery	125,972,532	77,679,222
	<u>250,696,927</u>	<u>95,246,223</u>

Note

Condensed Interim Unconsolidated Notes to the Financial Information (Un-audited) for nine months ended 31 March 2011

	31 March 2011 Un-audited Rupees	30 June 2010 Audited Rupees
8 Investments		
Cost of investments	1,385,564,400	1,385,564,400
Add: Fair value adjustments	3,077,504,807	3,077,504,807
	4,463,069,207	4,463,069,207

9 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.

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

	July to March 2011 Rupees	July to March 2010 Rupees
9.1 Transactions with related parties		
9.1.1 Holding company		
Markup income	119,884,136	138,430,639
Markup expense	88,555,218	65,586,246
9.1.2 Associated company		
Mark-up on long term loan	40,756,033	41,510,587
Mark-up expense on redeemable capital	10,942,068	19,972,756
Transaction Cost		70,000,000
9.1.3 Post employment benefit plans		
Contribution to employees provident fund	12,201,102	9,551,063
Contribution to employees gratuity fund	10,349,567	9,471,680
9.1.4 Key management personnel		
Short term employee benefits	30,042,864	9,540,000
Post employment benefits	1,158,822	543,355
	31 March 2011 Un-audited Rupees	30 June 2010 Audited Rupees
9.2 Balances with related parties		
9.2.1 Holding company		
Temporary loan	390,899,435	451,007,466
Redeemable capital	266,081,964	599,520,000
Markup receivable	108,174,775	204,485,615
9.2.2 Associated company		
Long term loan	340,000,000	340,000,000
Redeemable capital	89,928,000	89,928,000
Markup payable	91,185,352	68,717,258
Transaction Cost	70,000,000	70,000,000

Condensed Interim Unconsolidated Notes to the Financial Information (Un-audited) for nine months ended 31 March 2011

	31 March 2011 Un-audited Rupees	30 June 2010 Audited Rupees
9.2.3 Post employment benefit plans		
Payable to provident fund	6,052,851	84,210,584
Payable to gratuity trust	24,418,523	14,073,414

All transactions with related parties have been carried out on commercial terms and conditions.

	July to March 2011 Rupees	July to March 2010 Rupees
10 Cash flow from operating activities		
Loss before tax	(899,739,153)	(321,504,795)
Adjustment for :		
- Depreciation on property, plant and equipment	449,798,830	285,755,237
- Profit on disposal of property, plant and equipment	(274,909)	-
- Amortization of transaction costs	22,351,839	14,901,225
- Markup income	(53,138,883)	(143,731,254)
- Finance cost	2,542,139,720	2,371,664,659
Profit before working capital changes	2,061,137,444	2,207,085,072
Effect on cash flow due to working capital changes:		
- Stores, spares and loose tools	4,749,427	(547,986,588)
- Stock-in-trade	(94,733,943)	1,647,752,954
- Trade debts	225,261,977	678,997,151
- Advances, deposits, prepayments and other receivables	(187,859,091)	(83,940,720)
- Decrease in due from subsidiary	518,343,952	239,142,835
- Increase in long term advances	(43,459)	(1,583,913)
- Increase in long term deposits	303,500	(1,872,245)
- Trade and other payables	(1,209,554,866)	1,907,983,046
	(743,532,503)	3,838,492,520
Cash generated from operations	1,317,604,941	6,045,577,592
11 Cash and cash equivalents		
Short term borrowings - secured	(3,177,510,384)	(4,787,718,650)
Cash and bank balances	42,934,038	76,242,043
	(3,134,576,346)	(4,711,476,607)

Condensed Interim Unconsolidated Notes to the Financial Information (Un-audited) *for nine months ended 31 March 2011*

12 Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on April 30, 2011.

13 Overdue debt finances

Due to temporary liquidity problems faced by the Company, as mentioned in the annual report of the Company, principal and mark-up payments amount to Rs. 2.3 billion are overdue. However following the restructuring of the Company's debt finances, the management of the Company expects that the liquidity position of the Company will improve and the Company will be able to pay the overdue debt finances.

14 General

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

**Condensed
Interim
Consolidated
Financial
Information**

Condensed Interim Consolidated Balance Sheet (Un-audited)

as at 31 March 2011

	Note	31 March 2011 Un-Audited Rupees	30 June 2010 Audited Rupees
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital		<u>12,000,000,000</u>	<u>12,000,000,000</u>
Issued, subscribed and paid up capital		3,924,300,000	3,924,300,000
Reserves		9,000,000	9,000,000
Accumulated profit		<u>4,701,565,469</u>	<u>4,738,565,770</u>
		8,634,865,469	8,671,865,770
Surplus on revaluation		4,198,829,267	4,263,591,515
Loan from associates - Unsecured, Subordinated		340,000,000	340,000,000
NON-CURRENT LIABILITIES			
Redeemable capital - Secured	5	9,744,509,309	8,186,009,933
Long term finances - Secured	6	6,973,182,176	2,643,985,482
Liabilities against assets subject to finance lease - Secured		150,903,862	176,659,033
Long term payables		31,135,199	31,135,199
Deferred taxation		<u>3,355,091,825</u>	<u>4,080,394,717</u>
		20,254,822,371	15,118,184,364
CURRENT LIABILITIES			
Current portion of non-current liabilities - Secured		822,000,489	2,813,312,542
Short term borrowing - Secured		3,177,510,384	4,787,718,650
Accrued markup		2,710,878,191	1,266,233,127
Trade and other payables		<u>2,622,755,317</u>	<u>3,682,738,510</u>
		9,333,144,381	12,550,002,829
CONTINGENCIES AND COMMITMENTS			
	7	<u>42,761,661,488</u>	<u>40,943,644,478</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	8	37,047,995,155	34,723,122,289
Intangible asset		2,567,310,828	2,567,310,828
Long term advances - Unsecured, considered good		30,925,376	30,881,917
Long term deposits - Unsecured, considered good		<u>17,381,842</u>	<u>18,237,248</u>
		39,663,613,201	37,339,552,282
CURRENT ASSETS			
Stores, spares and loose tools		1,260,760,132	1,273,258,490
Stock-in-trade		187,844,597	413,608,320
Trade debts		117,228,964	311,346,429
Advances, deposits, prepayments and other receivables		1,004,697,297	908,736,284
Due from related parties - Unsecured, considered good		390,899,435	451,007,466
Taxation		75,715,538	159,638,163
Cash and bank balances		<u>60,902,324</u>	<u>86,497,044</u>
		3,098,048,287	3,604,092,196
		<u>42,761,661,488</u>	<u>40,943,644,478</u>

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

A. T. Buzan

CHIEF EXECUTIVE



DIRECTOR

Lahore

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

for nine months ended 31 March 2011

	2011		2010	
	July to March Rupees	January to March Rupees	July to March Rupees	January to March Rupees
Sales - net	3,972,332,783	659,968,603	9,544,557,473	1,759,093,148
Cost of sales	(3,025,862,705)	(685,560,906)	(7,386,630,748)	(1,260,868,209)
Gross profit	946,470,078	(25,592,303)	2,157,926,725	498,224,939
Administrative expenses	(272,967,649)	(100,402,739)	(214,175,633)	(58,799,230)
Selling and distribution expenses	(194,578,750)	(57,386,901)	(394,241,409)	(78,079,197)
Net other income	57,976,121	21,388,803	117,520,353	59,247,991
Profit from operations	536,899,800	(161,993,140)	1,667,030,036	420,594,503
Finance cost	(1,316,780,062)	(473,131,995)	(1,948,578,640)	(616,230,723)
Loss before taxation	(779,880,262)	(635,125,135)	(281,548,604)	(195,636,220)
Taxation	678,117,713	330,776,647	275,969,117	(44,433,999)
Profit / (loss) after taxation	(101,762,549)	(304,348,488)	(5,579,487)	(240,070,219)
Earning / (loss) per share basic and diluted	(0.26)	(0.78)	(0.01)	(0.61)

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

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)
for nine months ended 31 March 2011

	2011		2010	
	July to March Rupees	January to March Rupees	July to March Rupees	January to March Rupees
Profit / (loss) after taxation	(101,762,549)	(304,348,488)	(5,579,487)	(240,070,219)
Other comprehensive income				
Change in fair value of available for sale financial asset	-	-	-	-
Incremental depreciation - net of tax	64,762,248	15,097,444	-	-
Other comprehensive income for the period	64,762,248	15,097,444	-	-
Total comprehensive income				
(loss) for the period	(37,000,301)	(289,251,044)	(5,579,487)	(240,070,219)

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

Lahore


CHIEF EXECUTIVE


DIRECTOR

Condensed Interim Consolidated Cash flow Statement (Un-audited) for nine months ended 31 March 2011

	Note	July to March 2011 Rupees	July to March 2010 Rupees
Cash flows from operating activities			
Cash generated from operations	9	1,338,921,920	6,360,419,085
Finance cost paid		(1,098,652,012)	(2,237,816,099)
Tax paid		36,737,449	(77,390,174)
Net cash (used in)/generated from operating activities		277,007,357	4,045,212,812
Cash flows from investing activities			
Capital expenditure including purchase of property, plant and equipment		(2,820,364,144)	(7,293,670,396)
Proceeds from disposal of property, plant and equipment		4,930,572	786,480
Interest received		149,449,723	641,874
Loan to related party		126,108,031	(784,247,691)
Net cash used in investing activities		(2,539,875,818)	(8,076,489,733)
Cash flows from financing activities			
Long term finances obtained		4,016,696,694	1,362,587,180
Redemption of term finance certificates		(704,499)	(7,534,750)
Repayment of liabilities against assets subject to finance lease		(40,083,904)	(38,643,031)
Transaction costs incurred on restructuring process		(128,426,284)	30
Net cash generated from financing activities		3,847,482,007	1,316,409,429
Net increase/(decrease) in cash and cash equivalents		1,584,613,546	(2,714,867,492)
Cash and cash equivalents at the beginning of period		(4,701,221,606)	(1,809,599,154)
Cash and cash equivalents at the end of period	10	(3,116,608,060)	(4,524,466,646)

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

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

for nine months ended 31 March 2011

	Reserves				Total equity	
	Share Capital		Reserves			Total equity
	Rupees	Rupees	Rupees	Rupees		
		Revenue reserve	Available for sale financial assets	Total reserves	Accumulated profit	
		Rupees	Rupees	Rupees	Rupees	
Balance as at 30 June 2009 - Audited	3,924,300,000	9,000,000	-	9,000,000	3,824,131,963	
Total comprehensive income for the period						
- Profit for the period	-	-	-	-	-	
- Other comprehensive income for the period	-	-	-	-	(5,579,487)	
Balance as at 31 March 2010 - Unaudited	3,924,300,000	9,000,000	-	9,000,000	3,818,552,476	
Total comprehensive income for the period						
- Profit for the period	-	-	-	-	891,230,073	
- Other comprehensive income for the period	-	-	-	-	28,783,221	
Balance as at 30 June 2010 - Audited	3,924,300,000	9,000,000	-	9,000,000	4,738,565,770	
Total comprehensive income for the period						
- Profit for the period	-	-	-	-	(101,762,549)	
- Other comprehensive income for the period	-	-	-	-	64,762,248	
Balance as at 31 March 2011 - Unaudited	3,924,300,000	9,000,000	-	9,000,000	4,701,565,469	

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

A. T. J. J. J.

[Signature]

Condensed Interim Consolidated Notes to the Financial Information (Un-audited) for nine months ended 31 March 2011

1 Status and nature of business

The Group comprises the following Companies:

Agritech Limited ('AGL') - Parent Company

Agritech Limited (formerly Pak American Fertilizers Limited) was incorporated on June 11, 1985 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. The Company obtained listing on Karachi Stock Exchange on April 12, 2010. 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 Phosphate 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 Hariapur. The principal business of HPFL is the production and sale of Granulated Single Super Phosphate fertilizer.

2 Basis of preparation

Statement of compliance

The condensed interim financial statements have 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 30 June 2010.

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 30 June 2010.

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 2011, 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.

- IFRS 7 (amendment) - Disclosures - Transfers of Financial Assets
- IAS 12 (amendment) - Deferred Tax on Investment Property
- IAS 24 (Revised) - Related Party Disclosures
- IAS 32 (amendment) - Financial Instruments: Presentation - Classification of Right Issues
- IFRIC 14 (amendment) - The Limit on a Defined Benefit Assets - Minimum Funding Requirements
- IFRIC 19 - Extinguishing financial liabilities with equity instruments

Condensed Interim Consolidated Notes to the Financial Information (Un-audited) for nine months ended 31 March 2011

	31 March 2011 Un-audited Rupees	30 June 2010 Audited Rupees
5 Redeemable capital - Secured		
Privately Placed Term Finance Certificates (PPTFCs) - I	6,894,480,000	6,894,480,000
Privately Placed Term Finance Certificates (PPTFCs) - II	1,498,800,000	1,498,800,000
Privately Placed Term Finance Certificates (PPTFCs) - III	495,460,751	496,165,250
Sukuk	1,600,000,000	1,600,000,000
	10,488,740,751	10,489,445,250
Transaction costs	(233,623,762)	(127,549,317)
	10,255,116,989	10,361,895,933
Current maturity presented under current liabilities	(510,607,680)	(2,175,886,000)
	9,744,509,309	8,186,009,933

- 5.1 PPTFCs - I have been rescheduled during the period. As per terms of the rescheduling agreement the principal redemption of PPTFCs is structured to be in twelve semi-annual installments starting from January 2012.
- 5.2 PPTFCs - II have been rescheduled during the period. As per terms of the rescheduling agreement the principal redemption of PPTFCs is structured to be in twelve semi-annual installments starting from May 2012
- 5.3 PPTFCs - III have been rescheduled during the period. As per terms of the rescheduling agreement the principal redemption of PPTFCs is structured to be in twenty four quarterly installments starting from March 2012..
- 5.4 Sukkus have been rescheduled during the period. As per terms of the rescheduling agreement the principal redemption of PPTFCs is structured to be in twelve semi-annual installments starting from February 2012.

	31 March 2011 Un-audited Rupees	30 June 2010 Audited Rupees
6 Long term finances		
Syndicate Term Finance - I	475,000,000	481,250,000
Syndicate Term Finance - II	3,000,000,000	2,431,485,482
Syndicate Term Finance - III	3,026,048,397	-
Term Finance - II	728,383,779	300,000,000
	7,229,432,176	3,212,735,482
Current maturity presented under current liabilities	(256,250,000)	(568,750,000)
	6,973,182,176	2,643,985,482

- 6.1 Syndicate Term Finance - I (STF-I) has been rescheduled during the period. As per terms of the rescheduling agreement the principal redemption of STF-I is structured to be in twelve semi-annual installments starting from June 2012.
- 6.2 Syndicate Term Finance - II (STF-II) represents restructuring of various short term facilities into long term facility during the period. As per terms of the restructured agreement the principal redemption of STF-II is structured to be in six semi-annual installments starting from June 2012.
- 6.3 Term Finance - II (TF-II) represents restructuring of various short term facilities into long term facility during the period. As per terms of the restructured agreement the principal redemption of TF-II is structured to be in twelve semi-annual installments starting from June 2012.

Condensed Interim Consolidated Notes to the Financial Information (Un-audited) for nine months ended 31 March 2011

7 Contingencies and commitments

7.1 Contingencies

7.1.1 Counter guarantees given by the Company to its bankers as at the reporting date amount to Rs. 196.3 million (June 30, 2010: Rs. 196.3 million).

7.1.2 There is no change in the status of contingencies since 30 June 2010.

7.2 Commitments

	31 March	30 June
	2011	2010
	Un-audited	Audited
	Rupees	Rupees
7.2.1 Commitments under irrevocable letters of credit for:		
- purchase of stores, spares and loose tools	124,724,395	17,567,001
- purchase of plant and machinery	125,972,532	77,679,222
	250,696,927	95,246,223

8 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.

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

	July to March 2011	July to March 2010
	Rupees	Rupees
8.1 Transactions with related parties		
8.1.1 Holding company		
Markup income	119,884,136	138,430,639
Markup expense	88,555,218	65,586,246
8.1.2 Associated company		
Mark-up on long term loan	40,756,033	41,510,587
Mark-up expense on redeemable capital	10,942,068	19,972,756
Transaction Cost	-	70,000,000
8.1.3 Post employment benefit plans		
Contribution to employees provident fund	13,466,003	10,465,242
Contribution to employees gratuity fund	10,349,567	9,471,680
8.1.4 Key management personnel		
Short term employee benefits	32,208,957	10,262,031
Post employment benefits	1,273,095	581,446

Condensed Interim Consolidated Notes to the Financial Information (Un-audited) for nine months ended 31 March 2011

	31 March 2011 Un-audited Rupees	30 June 2010 Audited Rupees
8.2 Balances with related parties		
8.2.1 Holding company		
Temporary loan	390,899,435	451,007,466
Redeemable capital	266,081,964	599,520,000
Markup receivable	108,174,775	204,485,615
8.2.2 Associated company		
Long term loan	340,000,000	340,000,000
Redeemable capital	89,928,000	89,928,000
Markup payable	91,185,352	68,717,258
Transaction Cost	70,000,000	70,000,000
8.2.3 Post employment benefit plans		
Payable to provident fund	6,326,427	84,551,940
Payable to gratuity trust	24,418,523	14,073,414
All transactions with related parties have been carried out on commercial terms and conditions.		
9 Cash flow from operating activities		
Loss before tax	(784,167,585)	(281,548,604)
Adjustment for :		
- Depreciation on property, plant and equipment	491,630,612	325,646,014
- Profit on disposal of property, plant and equipment	(274,909)	(786,472)
- Amortization of transaction costs	22,351,839	14,901,225
- Markup income	(53,138,883)	(143,731,254)
- Finance cost	2,525,605,108	2,366,511,488
Profit before working capital changes	2,202,006,182	2,280,992,397
Effect on cash flow due to working capital changes:		
- Stores, spares and loose tools	12,498,360	(560,925,166)
- Stock-in-trade	227,304,467	2,007,396,851
- Trade debts	194,117,465	445,330,163
- Advances, deposits, prepayments and other receivables	(193,184,813)	(54,655,677)
- Decrease in due from subsidiary	(220,215,523)	420,514,385
- Increase in long term advances	(43,459)	(1,583,913)
- Increase in long term deposits	855,406	(3,012,624)
- Trade and other payables	(884,416,165)	1,826,362,669
	(863,084,262)	4,079,426,688
Cash generated from operations	1,338,921,920	6,360,419,085

Condensed Interim Consolidated Notes to the Financial Information (Un-audited)
for nine months ended 31 March 2011

	July to March 2011	July to March 2010
	Rupees	Rupees
10 Cash and cash equivalents		
Short term borrowings - secured	(3,177,510,384)	(4,787,718,650)
Cash and bank balances	60,902,324	86,497,044
	<u>(3,116,608,060)</u>	<u>(4,701,221,606)</u>

11 Date of authorization

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12 Overdue debt finances

Due to temporary liquidity problems faced by the Company, as mentioned in the annual report of AGL, principal and mark-up payments amount to Rs. 2.3 billion are overdue. However following the restructuring of the Company's debt finances, the management of AGL expects that the liquidity position of the Company will improve and the Company will be able to pay the overdue debt finances.

13 General

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