



NATIONAL ACCOUNTABILITY BUREAU
ATTA TURK AVENUE, G-5/2
ISLAMABAD
(AWARENESS & PREVENTION DIVISION)

NAB/PC/II/M/FFCL
November 05 2012

To The Chairman
Fauji Fertilizer Company Ltd. (FFCL)
The Mall, Rawalpindi
Tel: (051) 8450001
Fax (051) 8459925

Subject: Violation of SECP Directives and Corporate ethics by FFCL

In pursuance of Prevention Regime Initiative under purview of the National Accountability Ordinance 1999, it has been reported that a number of Board meetings of Fauji Fertilizer including latest in Rio De Janeiro Brazil (alongwith family members) are being held in violation of Securities and Exchange Commission of Pakistan (SECP) directives (copy enclosed) and against the norms of financial discipline demanded by present economic state of affairs of country.

2. In this regard review of your audit reports confirm excessive external tours/visits and other actions entailing exorbitant and unwarranted expenditures.

3. SECP has been advised to enquire into these financial misdemeanors and excesses (copy to SECP enclosed). NAB is also independently probing the veracity of the reports. In this context following information is urgently needed:

- a. Details of Board meetings held abroad in last three years along with names of members (including families who attended along with locations and expenditures.
- b. Details of Chairman and other members of FFCL for purpose of training or business development or any other reason along with organizations visited and number of days with expenditure.
- c. Details of acquisition of transport and other facilities for senior management.
- d. Details of current emoluments and enhancement of financial dues including bonuses and revised TA/DAs for Directors and senior members.

4. Please be advised that your status of corporate entity listed in the stock exchange does not preclude you from investigations of NAB for financial excesses unethical corporate governance on the basis of either the Board approvals or any other reason that are against the spirit of good corporate functioning and financial discipline. Your reply on above be submitted latest by November 15, 2012.

5. This issues with the approval of Director General (A&P), President Prevention Committee constituted under Section 33C of NAO by Chairman, National Accountability Bureau against corruption and corrupt practices.

Tariq Hamid Butt
Deputy Director (I)
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Cc: Securities and Exchange Commission of Pakistan, Islamabad