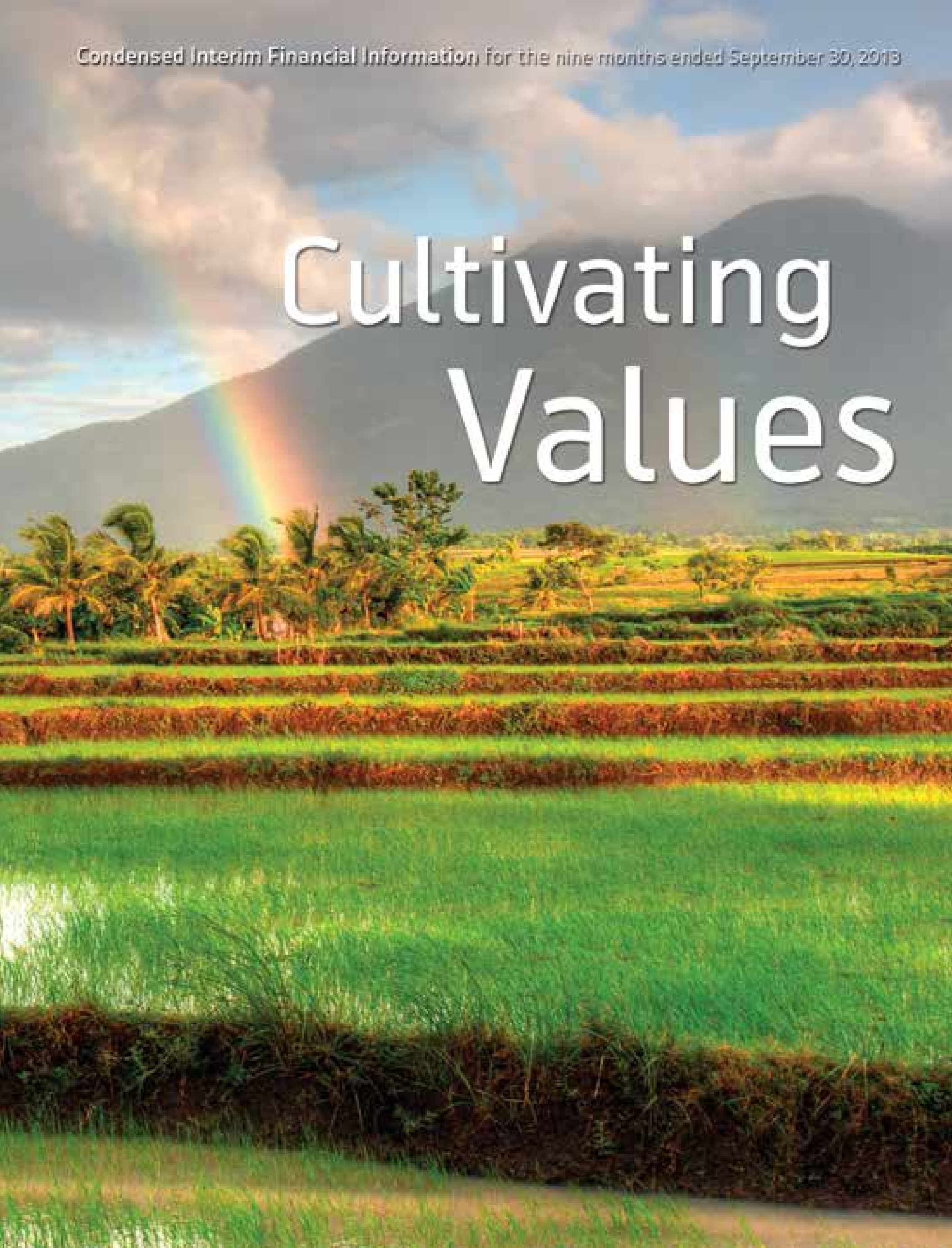
Condensed Interim Financial Information for the nine months ended September 30, 2013

Cultivating Values



Fatima
Fertilizer Company Limited

Contents

02 Company Information
04 Directors' Report to the Members
08 Condensed Interim Balance Sheet
10 Condensed Interim Profit and Loss Account
11 Condensed Interim Statement of Comprehensive Income
12 Condensed Interim Statement of Changes in Equity
13 Condensed Interim Cash Flow Statement
14 Notes to and Forming Part of the Condensed Interim Financial Information

Company Information

Board of Directors

Mr. Arif Habib
Chairman

Mr. Fawad Ahmed Mukhtar
Chief Executive Officer

Mr. Fazal Ahmed Sheikh
Mr. Faisal Ahmed Mukhtar
Mr. M. Abad Khan
Mr. Muhammad Kashif Habib
Mr. Jørgen Nergaard Gøl
Mr. Syed Hasan Irtiza Kazmi
Nominee Director-NBP

Chief Financial Officer

Mr. Mohammad Abdul Wahab

Company Secretary

Mr. Ausaf Ali Qureshi

Key Management

Mr. Arif-ur-Rehman
Director Operations

Mr. Muhammad Zahir
Director Marketing

Mr. Qadeer Ahmed Khan
Director Special Projects

Mr. Ahsen-ud-Din
Director Technology Division

Mr. Haroon Waheed
Group Head of Human Resource

Mr. Iftikhar Mahmood Baig
General Manager Business Development

Mr. Asad Murad
Head of Internal Audit

Mr. Javed Akbar
Head of Procurement

Mr. Fuad Imran Khan
Chief Information Officer

Audit Committee

Mr. Muhammad Kashif Habib
Chairman

Mr. Fazal Ahmed Sheikh
Member

Mr. Faisal Ahmed Mukhtar
Member

Mr. Syed Hasan Irtiza Kazmi
Member

Mr. M. Abad Khan
Member

Human Resource and Remuneration Committee

Mr. M. Abad Khan
Chairman

Mr. Jørgen Nergaard Gøl
Member

Mr. Muhammad Kashif Habib
Member

Mr. Faisal Ahmed Mukhtar
Member

Legal Advisors

M/s. Chima & Ibrahim
Advocates
1-A/ 245, Tufail Road
Lahore Cantt.

Auditors

M. Yousuf Adil Saleem & Company Chartered Accountants
Lahore.
(A member firm of Deloitte Touche Tohmatsu)
134-A, Abubakar Block,
New Garden Town, Lahore.
Tel: No. 92-42-35913595-7
Fax: No. 92-42-35864021

Registrar & Share Transfer Agent

Central Depository Company of Pakistan Limited
Share Registrar Department
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Karachi-74400.
Tel: Customer Support Services
(Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcpak.com
Website: www.cdcpakistan.com

Bankers

Askari Bank Limited
Al Barka Bank (Pakistan) Limited
Allied Bank Limited
Bank Alfalah Limited
The Bank of Punjab
BankIslami Pakistan Limited
Burj Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
Silk Bank Limited
Sindh Bank Limited
United Bank Limited
The Bank of Khyber
Pak China Investment Company Limited ("NBFI")
Pak Libya Holding Company (Pvt) Limited ("NBFI")
Saudi Pak Industrial & Agricultural Investment Company Limited ("NBFI")

Registered Office / Head Office

E-110, Khayaban-e-Jinnah,
Lahore Cantt., Pakistan.
UAN: 111-FATIMA (111-328-462)
Fax: 042-36621389

Plant Site

Mukhtar Garh, Sadiqabad,
Distt. Rahim Yar Khan,
Pakistan.
Tel: 068-5786910
Fax: 068-5786909

Directors' Report to the Members

Dear Shareholders,

On behalf of the Board of Directors of Fatima Fertilizer Company Limited, I am pleased to present the un-audited financial statements of the Company for the nine months ended September 30, 2013.

Market Overview

The global market remained sluggish during the third quarter of the year. Practically all segments saw significant softening of prices in the wake of weakened global demand. The major impact was triggered by the decline of imports by India. This was pronounced in the phosphate segment where Indian imports were severely impacted as the Indian rupee weakened during the quarter. South American demand remained flat also. The global urea market and prices came under pressure during the quarter as the excess supply in China and Iran impacted trade.

In Pakistan the urea market having lower prices than international market was buoyant during the quarter showing a 46% growth over the same period last year. Sales were good with strong demand in kharif as cotton prices remained attractive and the floods that impacted sales last year were comparatively very mild and limited to a small area. This was particularly evident in both August and September. On the other hand DAP sales slackened and dropped by 11% compared to last year. This was not so much due to drop in agronomic demand but the planned reduction in inventory being carried by the trade as international prices continued to tumble during the quarter and dealers did not want to carry any stocks. On the year to date basis the urea market grew by 10.5% and the DAP market by 19.4%.

Company Performance

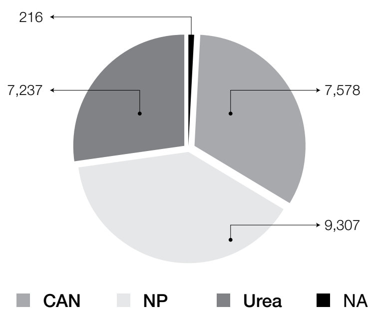
Sales of all products were good throughout the quarter. Urea sales grew by a significant 162% and CAN by 67%. Nitric Acid sales also continued to improve. The Company focused on upgrading its services as the dealer network program continued to be rolled out with improvement in the call center operations. The farmer outreach initiative was on course as trials in cotton, sugar cane and potatoes were conducted during the quarter.

During the period under review, your Company reported net revenue of PKR 24 billion showing an increase of 33% over the same period last year. NP remained the major contributor towards revenue, with a 38 % contribution while the contribution of Urea and CAN remained at 30% and 31%, respectively. Nitric Acid (NA) sales reported 1% contribution, reflecting a strengthened and positive increase in demand and acceptance of the product within the local industry. Production expenses had mainly escalated due to inflationary trends. The gross profit margin for the period under review increased to PKR 14.3 billion, registering an increment of 24% over last year, while distribution expenses moved in accordance with the increase in volume.

Improvement in Finance cost was evident by a reduction of 11% year on year to 13% of the revenue as compared to 24% last year mainly due to effective utilization of cash generation through operations and reduction in markup rates. Consequently, before and after tax profit was recorded at PKR 8.58 billion and PKR 5.80 billion, respectively, as compared to PKR 5.59

billion and PKR 4.01 billion last year, correspondingly registering an increase of 53% and 45%. The EPS improved by 49% to PKR 2.76, compared to PKR 1.85 for the same period last year.

Sales Mix
(PKR Million)



Product wise sales during the nine months remained as under:

Product	Jan to Sep - 2013 "000" Tons	Jan to Sep - 2012 "000" Tons
Urea	253	208
CAN	331	247
NP	232	161

Since the successful completion of Annual Turn Around (ATA) in April, all the plants have been operating without any disruptions at their planned/targeted production levels. The production for the period under review increased by 33% compared to last year.

The production achieved during the period is as under:

Product	Jan to Sep - 2013 "000" Tons	Jan to Sep - 2012 "000" Tons
Ammonia	331	314
Nitric Acid	326	284
Urea	255	260
CAN	309	266
NP	216	186

Directors' Report to the Members

Future Outlook

Global markets are expected to remain soft with recovery to commence by the end of the fourth quarter. The government's timely announcement in an increase in the support price of wheat will have a salutary effect on demand in Rabi. However the concurrent announcement of importing 500kt of urea for Rabi create over supply in early Rabi.

Our sales are expected to remain positive during the quarter with the continued improvement in our branding and strengthening of the retail network. An effective Rabi promotional campaign will be launched along with a focus on farmer out reach program.

Acknowledgements

The Board places on record its gratitude for the hard work and dedication of every employee of the Company. The Board also appreciates and acknowledges the assistance, guidance and cooperation of all stakeholders including the Government of Pakistan, financial institutions, commercial banks, business associates, customers and all others whose efforts and contributions strengthened the Company.

For and on behalf of the Board

-Sd/-

Arif Habib
Chairman

Lahore
October 28, 2013

Condensed Interim Financial Statements

Fatima Fertilizer Company Limited

for the nine months ended September 30, 2013

Condensed Interim Balance Sheet
As at September 30, 2013

	Note	Un audited September 30, 2013	Audited December 31, 2012
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital			
2,500,000,000 (December 31, 2012: 2,500,000,000) shares of Rs 10 each		25,000,000	25,000,000
Issued, subscribed and paid up capital			
2,100,000,000 (December 31, 2012: 2,100,000,000) ordinary shares of Rs 10 each		21,000,000	21,000,000
Share premium		1,790,000	1,790,000
Accumulated profit		7,763,020	6,160,354
		30,553,020	28,950,354
NON CURRENT LIABILITIES			
Long term finance	4	25,797,739	27,023,742
Dividend and markup payable to related parties		-	2,917,615
Deferred liabilities	5	7,488,402	4,841,255
		33,286,141	34,782,612
CURRENT LIABILITIES			
Trade and other payables		5,841,651	4,996,727
Accrued finance cost		1,350,197	499,478
Short term finance-secured	6	2,571,880	2,690,246
Current maturity of long term finance	4	4,880,472	4,085,379
Dividend payable		1,756,855	-
		16,401,055	12,271,830
CONTINGENCIES & COMMITMENTS	7		
		80,240,216	76,004,796

The annexed explanatory notes from 1 to 21 form an integral part of this condensed interim financial information.

Sd/-
Chief Executive

	Note	Un audited September 30, 2013	Audited December 31, 2012
		(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	65,865,765	65,882,892
Intangible assets	9	42,524	33,881
Capital work in progress	10	1,936,651	1,662,461
		67,844,940	67,579,234
Long term loan to associated company		2,867,161	-
Long term investments		85,310	85,190
Long term deposits		10,771	11,361
		70,808,182	67,675,785
CURRENT ASSETS			
Stores and spares	11	3,818,025	3,230,805
Stock in trade	12	2,931,649	2,507,927
Trade debtors		134,606	138,480
Loans, advances, deposits, prepayments and other receivables		2,227,340	1,467,655
Cash and bank balances		320,414	984,144
		9,432,034	8,329,011
		80,240,216	76,004,796

Sd/-
Director

Condensed Interim Profit and Loss Account (Un Audited)
For the nine months ended September 30, 2013

	Note	Three months ended		Nine months ended	
		September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
		(Rupees in thousand)			
Sales	13	8,538,651	5,679,941	24,338,442	18,288,368
Cost of sales	14	(3,016,760)	(2,331,630)	(10,016,869)	(6,759,791)
Gross profit		5,521,891	3,348,311	14,321,573	11,528,577
Distribution cost		(308,887)	(133,126)	(959,856)	(811,034)
Administrative expenses		(278,247)	(202,789)	(865,100)	(532,867)
		4,934,757	3,012,396	12,496,617	10,184,676
Finance cost	15	(1,016,434)	(1,366,796)	(3,161,412)	(4,363,079)
Other operating expenses		(371,019)	(48,644)	(933,524)	(274,800)
		3,547,304	1,596,956	8,401,681	5,546,797
Other operating income		70,446	1,844	178,126	43,012
Profit before taxation		3,617,750	1,598,800	8,579,807	5,589,809
Taxation	16	(1,179,157)	(182,290)	(2,777,141)	(1,579,533)
Profit for the period		2,438,593	1,416,510	5,802,666	4,010,276
Earnings per share					
- basic and diluted (Rupees)	17	1.16	0.67	2.76	1.85

The annexed explanatory notes from 1 to 21 form an integral part of this condensed interim financial information.

Sd/-
Chief Executive

Sd/-
Director

Condensed Interim Statement of Comprehensive Income (Un Audited)
For the nine months ended September 30, 2013

	Note	Three months ended		Nine months ended	
		September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
		(Rupees in thousand)			
Profit for the period		2,438,593	1,416,510	5,802,666	4,010,276
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		2,438,593	1,416,510	5,802,666	4,010,276

The annexed explanatory notes from 1 to 21 form an integral part of this condensed interim financial information.

Sd/-
Chief Executive

Sd/-
Director

Condensed Interim Statement of Changes in Equity
For the nine months ended September 30, 2013

	Ordinary share capital	Preference share capital	Share premium	Accumulated profit	Total
			(Rupees in thousand)		
Balance as at December 31, 2011 (audited)	20,000,000	4,000,000	790,000	3,264,865	28,054,865
Transactions with owners:					
- Final dividend for the year ended December 31, 2011 @ Rs. 1.5 per share	-	-	-	(3,000,000)	(3,000,000)
- Conversion of 200,000,000 preference shares into ordinary shares @ Rs. 20 per share	1,000,000	(2,000,000)	1,000,000	-	-
- Redemption of 200,000,000 preference shares at par	-	(2,000,000)	-	-	(2,000,000)
Profit for the period	-	-	-	4,010,276	4,010,276
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,010,276	4,010,276
Dividend on preference shares	-	-	-	(215,630)	(215,630)
Balance as at September 30, 2012 (un audited)	**21,000,000**	**-**	**1,790,000**	**4,059,511**	**26,849,511**
Balance as at December 31, 2012 (audited)	**21,000,000**	**-**	**1,790,000**	**6,160,354**	**28,950,354**
Transactions with owners:					
- Final dividend for the year ended December 31, 2012 @ Rs 2 per share	-	-	-	(4,200,000)	(4,200,000)
Profit for the period	-	-	-	5,802,666	5,802,666
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,802,666	5,802,666
Balance as at September 30, 2013 (un audited)	**21,000,000**	**-**	**1,790,000**	**7,763,020**	**30,553,020**

The annexed explanatory notes from 1 to 21 form an integral part of this condensed interim financial information.

Sd/-
Chief Executive

Sd/-
Director

Condensed Interim Cash Flow Statement (Un Audited)

For the nine months ended September 30, 2013

	Note	September 30, 2013	September 30, 2012
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	19	12,293,450	5,110,433
Finance cost paid		(3,891,094)	(5,230,977)
Taxes paid		(499,485)	(245,934)
Employee retirement benefits paid		(8,672)	(8,931)
Net cash from / (used in) operating activities		7,894,199	(375,409)
Cash flows from investing activities			
Fixed capital expenditure		(1,410,429)	(662,412)
Long term loan to associated company		(2,867,161)	-
Long term investment		(120)	(85,190)
Proceeds from disposal of property, plant and equipment		92	3
Net proceeds from disposal of short term investments		39,147	-
Net decrease / (increase) in long term loans and deposits		590	(7,261)
Interest income received		9,587	70,503
Net cash used in investing activities		(4,228,294)	(684,357)
Cash flows from financing activities			
Redemption of preference shares		-	(2,000,000)
Repayment of long term finance		(1,992,697)	(10,770,335)
Proceeds from long term finance		1,561,787	6,000,000
Dividend paid			
- ordinary shares		(2,443,145)	(2,284,984)
- preference shares		(1,337,214)	-
(Decrease) / Increase in short term finance - net		(118,366)	6,477,804
Net cash used in financing activities		(4,329,635)	(2,577,515)
Net decrease in cash and cash equivalents		(663,730)	(3,637,281)
Cash and cash equivalents at the beginning of the period		984,144	3,839,361
Cash and cash equivalents at the end of the period		320,414	202,080

The annexed explanatory notes from 1 to 21 form an integral part of this condensed interim financial information.

Sd/-
Chief Executive

Sd/-
Director

Notes to and Forming Part of the Condensed Interim Financial Information (Un Audited)
For the nine months ended September 30, 2013

1. Legal status and nature of business

Fatima Fertilizer Company Limited (the Company), was incorporated in Pakistan on December 24, 2003 as a public company under the Companies Ordinance, 1984. On March 08, 2010 the Company got Listed on Karachi, Lahore and Islamabad Stock Exchanges.

The principal activity of the Company is manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals. Registered office of the Company is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt. The manufacturing facility of the Company is located at Sadiqabad.

2. Basis of preparation

2.1 This condensed interim financial information of the Company for the nine months ended September 30, 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 or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2012. Comparative condensed interim balance sheet is extracted from annual audited financial statements for the year ended December 31, 2012 and comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement are stated from un audited condensed interim financial information for the nine months ended September 30, 2012.

2.3 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

3. Accounting polices and estimates

The accounting policies, related judgments, estimates and related assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of annual financial statements of the Company for the year ended December 31, 2012.

	Note	Un audited September 30, 2013	Audited December 31, 2012
		(Rupees in thousand)	
4. Long term finance			
Secured loans from Banking Companies / Financial Institutions	4.1	30,678,211	31,109,121
Less: Current portion shown under current liabilities		4,880,472	4,085,379
		25,797,739	27,023,742
4.1 Movement of secured loans from Banking Companies / Financial Institutions			
Opening balance		31,109,121	37,490,051
Finance availed during the period	4.2	1,561,787	10,497,667
		32,670,908	47,987,718
Less: repayments during the period	4.3	1,992,697	16,878,597
		30,678,211	31,109,121

4.2 This includes the following:

4.2.1 During the period the Company has received disbursements of Rs. 1,061.787 million from the remaining un disbursed portion of Rs. 1,502.333 million in accordance with Syndicated Term Finance Agreement - II (STFA - II) entered into with a consortium of commercial banks / financial institutions led by Allied Bank Limited aggregating to Rs. 6,000 million.

4.2.2 During the year the Company has also received disbursement of Rs. 500 million out of Syndicated Term Finance Agreement - III (STFA - III) entered into with a consortium of commercial banks / financial institutions led by Allied Bank Limited aggregating to Rs. 3,000 million for the purpose of financing ongoing funding requirements of the Company.

The facility carries markup rate of 6 months Karachi Interbank Offered Rate (KIBOR) plus 1% per annum. It is payable over a period of five years with one year grace period in eight half yearly installments starting from December 26, 2014.

The facility is secured by first pari passu charge over all present and future fixed assets of the Company amounting to Rs. 3,750 million.

4.3 The installment of Rs. 1,192.697 million and Rs. 800 million falling due on Senior Facility and Syndicated Term Finance Agreement - I (STFA - I) respectively were paid during the period.

Notes to and Forming Part of the Condensed Interim Financial Information (Un Audited)
For the nine months ended September 30, 2013

		Un audited September 30, 2013	Audited December 31, 2012
		(Rupees in thousand)	
5. Deferred liabilities			
Deferred taxation	5.1	7,326,456	4,706,656
Employee retirement benefits	5.2	161,946	134,599
		7,488,402	4,841,255
5.1 Deferred taxation			
This is composed of the following:			
Taxable temporary difference			
Accelerated tax depreciation		13,799,625	13,421,764
Deductible temporary difference			
Carry forward tax depreciation losses		(6,020,004)	(8,421,979)
Provision for retirement benefits		(19,901)	(17,208)
Tax credit u/s 113c		(433,264)	(275,921)
		(6,473,169)	(8,715,108)
		7,326,456	4,706,656
5.2 Employee retirement benefits			
Gratuity		103,414	84,348
Accumulating compensated absences		58,532	50,251
		161,946	134,599
6. Short term finance-secured			
Cash finance	6.1	600,000	329,137
Running finance	6.2	895,595	596,709
Finance against Imported Merchandise	6.3	1,076,285	1,764,400
		2,571,880	2,690,246

6.1 These facilities have been obtained from various banks for working capital requirements and are secured by pledge of raw materials and finished goods.

These carry mark up ranging from 9.88% to 11.18% (December 31, 2012: 10.31% to 14.10%) per annum.

6.2 These facilities have been obtained from various banks for working capital requirements and are secured by Pari Passu charge of Rs. 5,137 million (December 31, 2012: Rs. 3,403 million) on current assets of the Company.

These carry mark up ranging from 10.02% to 11.43% (December 31, 2012: 10.61% to 14.14%) per annum.

6.3 These facilities have been obtained from various banks against imported merchandise. These carry mark up ranging from 10.02% to 11.69% (December 31, 2012: 11.26% to 14.04%) per annum.

6.4 The aggregate unavailed short term borrowing facilities amount to Rs. 7,754.40 million (December 31, 2012: 6,124.14 million).

7. Contingencies and commitments

7.1 Contingencies

(i) Post dated cheques not accounted for in the financial statements, submitted by the Company to the Collector of Customs to cover excess import levies on plant and machinery amounting to Rs. 13.935 million (December 31, 2012: Rs 13.975 million).

(ii) The Company has issued guarantee amounting to Rs. 200 million (December 31, 2012: Nil) in favor of Government of the Punjab for contribution towards Fatima Fertilizer Welfare Trust.

(iii) The application under section 65 of the Sales Tax Act, 1990 to the Commissioner Inland Revenue, Multan regarding exemption of sales tax estimating Rs. 690 million inadvertently short levied / paid on its fertilizer product, Calcium Ammonium Nitrate for the period from April 18, 2011 to December 31, 2011 is still pending.

The show cause notice issued by Deputy Commissioner Inland Revenue, Multan on the aforementioned subject, without considering the pending application of the Company under section 65 of the Sales Tax Act, 1990, is pending adjudication at Lahore High Court, Multan Bench.

(iv) The Assistant Commissioner Inland Revenue has passed a judgment against the Company alleging that the Company has adjusted the excess input tax amounting to Rs. 12.68 million in January 2012 sales tax return. The Company has filed an appeal with the Commissioner Inland Revenue Appeals (CIR(A)).

Notes to and Forming Part of the Condensed Interim Financial Information (Un Audited)
For the nine months ended September 30, 2013

(v) Company filed an appeal with CIR(A), against the Order in Original passed by Deputy Commissioner Inland Revenue (E&C) directing the Company to pay an amount of Rs. 9.60 million on account of sales tax withheld on advertising services. CIR(A) has annulled the impugned order and remanded the matter to department for consideration afresh.

The Deputy Commissioner Inland Revenue has passed a revised order of Rs. 7.752 million against which the Company has filed an appeal with the Commissioner Inland Revenue Appeals (CIR(A)). Management is confident that no financial liability will arise in all the above referred cases, therefore no provision has been made in these financial statements.

7.2 Commitments in respect of

(i) Contracts for capital expenditure Rs. 40.974 million (December 31, 2012: Rs. 33.966 million).

(ii) Contracts for other than capital expenditure Rs. 894.135 million (December 31, 2012: Rs. 514.519 million).

(iii) The amount of future payments under non cancellable operating leases and the period in which these payments will become due are as follows:

	Un audited September 30, 2013	Audited December 31, 2012
	(Rupees in thousand)	
Not later than one year	55,972	51,381
Later than one year but not later than five years	106,267	87,580
	162,239	138,961

8. Property, plant and equipment

Opening book value	65,882,892	66,827,913
Add: additions during the period	1,118,855	537,531
Less: book value of disposals during the period	141	9
	67,001,606	67,365,435
Less: depreciation charged during the period	1,135,841	1,482,543
Closing book value	65,865,765	65,882,892

	Note	Un audited September 30, 2013	Audited December 31, 2012
		(Rupees in thousand)	
8.1 Additions during the period			
Freehold land		-	1,629
Building		108,470	40,275
Plant and machinery		854,302	390,497
Furniture and fixtures		7,432	9,775
Office equipment		5,118	5,376
Electric installations and appliances		102,625	40,634
Computers		21,450	40,273
Vehicles		19,458	9,072
		1,118,855	537,531
9. Intangible assets			
Opening book value		33,881	-
Add: additions during the period		17,384	36,961
		51,265	36,961
Less: amortization charged during the period		8,741	3,080
Closing book value		42,524	33,881
10. Capital work in progress			
Civil works		422,715	315,493
Plant and machinery		1,352,066	1,258,987
Advances	10.1	161,870	87,981
		1,936,651	1,662,461
10.1 Advances			
Freehold land		1,712	1,712
Civil works		8,785	671
Plant and machinery		151,373	85,598
		161,870	87,981

Notes to and Forming Part of the Condensed Interim Financial Information (Un Audited)
For the nine months ended September 30, 2013

	Un audited September 30, 2013	Audited December 31, 2012
	(Rupees in thousand)	
11. Stores and spares		
Stores	196,763	242,815
Spares	2,441,788	1,991,825
Catalyst and chemicals	1,179,474	996,165
	3,818,025	3,230,805
12. Stock in trade		
Raw material	2,640,115	2,286,655
Packing material	21,143	7,162
Mid Products		
Ammonia	20,925	10,594
Nitric Acid	7,933	6,675
Others	4,573	200
	33,431	17,469
Finished goods		
Urea	16,108	3,901
NP	190,074	48,459
CAN	7,763	144,059
Emission reductions	23,015	222
	236,960	196,641
	2,931,649	2,507,927

13. Sales

Sales are exclusive of sales tax and trade allowances of Rs. 4,012.614 million and Rs. 383.359 million (September 30, 2012: Rs. 2,913.837 million and Rs. 514.212 million) respectively.

	Three months ended		Nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	(Rupees in thousand)			
14. Cost of sales				
Raw material consumed	1,239,530	866,186	3,905,317	3,085,950
Packing material consumed	190,189	101,059	519,500	398,197
Salaries, wages and other benefits	249,105	255,086	879,228	730,294
Fuel and power	695,594	558,339	1,948,179	1,904,665
Chemicals and catalyst consumed	96,308	62,223	242,047	288,495
Stores and spares consumed	223,673	205,205	704,247	402,478
Technical assistance	2,080	9,497	64,838	43,326
Repair and maintenance	4,270	37,880	210,574	119,742
Insurance	114,147	94,431	332,877	267,492
Travelling and conveyance	10,658	11,373	33,006	36,389
Equipment rental	14,652	19,748	81,348	57,263
Vehicle running and maintenance	8,306	7,473	23,451	28,294
Depreciation	364,849	357,149	1,086,022	1,069,231
Others	3,995	4,355	42,516	23,165
Manufacturing cost	3,217,356	2,590,004	10,073,150	8,454,981
Opening stock of mid products	13,285	23,136	17,469	27,975
Closing stock of mid products	(33,431)	(23,599)	(33,431)	(23,599)
Cost of goods manufactured	3,197,210	2,589,541	10,057,188	8,459,357
Opening stock of finished goods	56,510	2,160,823	196,641	719,168
Closing stock of finished goods	(236,960)	(2,418,734)	(236,960)	(2,418,734)
	3,016,760	2,331,630	10,016,869	6,759,791

Notes to and Forming Part of the Condensed Interim Financial Information (Un Audited)
For the nine months ended September 30, 2013

	Three months ended		Nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	(Rupees in thousand)			
15. Finance cost				
Markup on long term loans	925,128	1,045,691	2,763,518	3,453,259
Markup on loans from associated company	-	158,243	5,756	475,953
Markup on short term loans	79,025	146,975	269,055	322,238
Markup on Workers Profit Participation Fund	-	-	79,950	-
Bank charges and others	12,281	15,887	43,133	111,629
	1,016,434	1,366,796	3,161,412	4,363,079
16. Income tax				
Current	78,088	(128,035)	157,343	-
Deferred	1,101,069	310,325	2,619,798	1,579,533
	1,179,157	182,290	2,777,141	1,579,533
17. Earnings per share - basic and diluted				
Profit for the period	2,438,593	1,416,510	5,802,666	4,010,276
Preference dividend for the period	-	-	-	(215,630)
Profit attributable to ordinary shareholders	2,438,593	1,416,510	5,802,666	3,794,646
	(Number of shares)			
Weighted average number of shares in issue during the period	2,100,000,000	2,100,000,000	2,100,000,000	2,052,554,745

Basic and diluted earnings per share has been computed by dividing profit as stated above with weighted average number of ordinary shares. There is no dilutive effect on the basic earnings per share of the Company.

				(Restated)
Basic and diluted earnings per share (Rupees)	1.16	0.67	2.76	1.85

18. Transactions with related parties

The related parties comprise the associated undertakings, directors and other key management personnel of the Company.

The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Other significant transactions with related parties are as follows:

		Nine months ended	
		September 30, 2013	September 30, 2012
Relationship with the Company	Nature of transaction	(Rupees in thousand)	
Associated companies	Toll manufacturing	794,769	9,542
	Purchase of packing material	527,086	-
	Purchase of raw material	107,888	300,153
	Sale of product	29,165	13,145
	Finance cost	5,756	475,953
	Finance income	59,941	-
	Dividend on Preference Shares	-	215,630
	Miscellaneous expenses	180,601	340,237
	Sale of stores and spares	33,551	12,120
Directors and key management personnel	Remuneration including benefits and perquisites	89,493	49,382
Retirement benefit plans	Retirement benefit expense	58,993	47,101

Notes to and Forming Part of the Condensed Interim Financial Information (Un Audited)
For the nine months ended September 30, 2013

	Nine months ended September 30, 2013	Nine months ended September 30, 2012
	(Rupees in thousand)	
19. Cash generated from operations		
Profit before tax	8,579,807	5,589,809
Adjustments for :		
Retirement benefits accrued	36,019	28,093
Depreciation and amortization	1,144,582	1,109,946
Finance costs	3,161,412	4,363,079
Loss on disposal of property, plant and equipment	51	7
Gain on sale of short term investment	(39,147)	-
Interest income	(96,539)	(43,012)
	4,206,378	5,458,113
Operating cash flows before working capital changes	12,786,185	11,047,922
Effect on cash flow due to working capital changes:		
Decrease / (Increase) in current assets		
Loans, advances, deposits, prepayments and other receivables	(330,591)	(381,200)
Stock in trade	(423,722)	(2,998,124)
Stores and spares	(587,220)	(834,058)
Trade debtors	3,874	54,844
Increase / (Decrease) in creditors, accrued and other liabilities	844,924	(1,778,951)
	(492,735)	(5,937,489)
	12,293,450	5,110,433

20. Date of Authorization of Issue

This condensed interim financial information has been approved and authorized for issue by the Board of Directors of the Company on October 28, 2013.

21. General

Figures have been rounded off to the nearest thousand of rupees unless stated otherwise.

Sd/-
Chief Executive

Sd/-
Director

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