

# Cultivating Values



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## 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. Amir Shehzad**  
Nominiee 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. Amir Shehzad**  
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

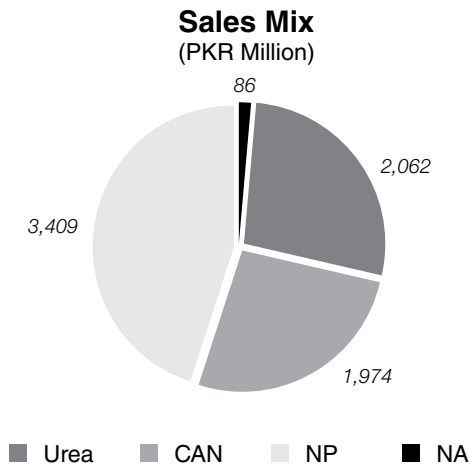
## Directors' Report to the Members

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 first quarter ended March 31, 2013 along with a brief overview of operational and financial performance of the Company.

Year 2013 has started on a positive note for the fertilizer industry in terms of offtake. During the quarter under review, your Company reported net revenue of PKR 7.53 billion showing an increase of 125% over same quarter last year. Major contributor towards revenue was NP with 45% on back of strong demand of the product reflecting results of robust promotional and educational campaign of the Company while Urea and CAN contribution remained as 27% and 26% respectively. Nitric Acid (NA) sales registered 1% contribution, another milestone reflecting acceptance and demand of NA in local market. Increased revenue transformed into 84% increase in gross profit over last year to PKR 4.44 billion while distribution cost increased in line with the volume.

Finance cost reduced to 14% of the revenue as compared to 43% last year showing a decline of 29% YOY mainly due to effective utilization of cash generated through operations. Consequently, before and after tax profit was recorded at PKR 2.52 billion and PKR 1.68 billion, respectively. The net profit ratio and EPS improved to 22% and PKR 0.80, compared to 13% and PKR 0.14 in the same quarter last year.



## Directors' Report to the Members

Sales for the quarter were buoyant in both nitrogen and phosphates. The increase in support price announced by the Government for wheat provided the farmer with the hope of improved returns and hence both nitrogen and phosphate offtake was far better compared to last year. Consequently Urea sales were up 84% and CAN increased by 94%. However this significant increase was primarily because of a very weak performance in first quarter last year compared to the industry averages.

The product-wise sales during the quarter were as follows:

<b>Product</b>	<b>Jan to Mar - 2013 "000" Tons</b>	<b>Jan to Mar - 2012 "000" Tons</b>
Urea	73	40
CAN	87	45
NP	82	22

During the quarter all the plants performed smoothly and achieved the production targets. The Company revised its Annual Turn Around schedule from mid-March 2013 to April 2013. Annual Turn Around was not only concentrated on the maintenance of the plants but also to eliminate any bottlenecks in the production cycle. On overall basis, this quarter has been the best in the history of the plant. Also the HSE performance of the site has been very good. The manufacturing has achieved over 9.0 Million safe working hours target in the quarter.

The product-wise production during the first quarter of the year is as under:

<b>Product</b>	<b>Jan to Mar - 2013 "000" Tons</b>	<b>Jan to Mar - 2012 "000" Tons</b>
Urea	90	103
CAN	117	110
NP	82	61
Ammonia	121	120
NA	116	102

### Future outlook

Cotton prices continue to be good and hence farmers should be encouraged to invest in fertilizers. However an extended winter has delayed sowing, particularly in BT cotton. By the end of March it is estimated that 52% of the area on early BT had not been sown. This could impact the overall consumptions of Kharif. However we anticipate that demand will be firm and sales of our products will be strong. The Company will continue with its aggressive branding campaign and has plans to further strengthen targeting the farmer directly through its outreach program.

Studies for increasing Ammonia capacity from 1500 to 1800 tons per day have been completed. Basic Engineering contract for 1800 MT is being awarded and Detail Engineering contractors are also being engaged in parallel. Ammonia Plant Revamp is expected to be complete in 2015; this will help in utilization of full production capacities of Urea, CAN and NP.

### 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 Board

Lahore  
April 24, 2013

Sd/-  
Arif Habib  
Chairman

## Condensed Interim Balance Sheet as at March 31, 2013

	Note	Un audited March 31, 2013 (Rupees in thousand)	Audited December 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized capital 2,100,000,000 (2012: 2,100,000,000) ordinary shares of Rs 10 each		21,000,000	21,000,000
400,000,000 (2012: 400,000,000) preference shares of Rs 10 each		4,000,000	4,000,000
Issued, subscribed and paid up capital 2,100,000,000 (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		3,641,210	6,160,354
		26,431,210	28,950,354
<b>NON CURRENT LIABILITIES</b>			
Long term finance	4	27,427,482	27,023,742
Dividend and markup payable to related parties		-	2,917,615
Deferred Liabilities	5	5,661,367	4,841,255
		33,088,849	34,782,612
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,441,991	4,996,727
Accrued finance cost		1,350,203	499,478
Short term finance-secured	6	3,865,864	2,690,246
Current portion of long term finance		4,085,379	4,085,379
Dividend payable		4,200,000	-
		17,943,437	12,271,830
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	7		
		77,463,496	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 March 31, 2013 (Rupees in thousand)	Audited December 31, 2012
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	65,703,890	65,882,892
Intangible assets	9	48,964	33,881
Capital work in progress	10	1,725,920	1,662,461
		67,478,774	67,579,234
Long term Investments		85,190	85,190
Long term deposits		7,661	11,361
		67,571,625	67,675,785
<b>CURRENT ASSETS</b>			
Stores and spares	11	3,583,967	3,230,805
Stock in trade	12	3,305,877	2,507,927
Trade debtors		537,193	138,480
Loans, advances, deposits, prepayments and other receivables		1,629,064	1,467,655
Cash and bank balances		835,770	984,144
		9,891,871	8,329,011
		77,463,496	76,004,796

Sd/-  
Director

## Condensed Interim Profit and Loss Account (Un Audited)

### For the first quarter ended March 31, 2013

	Note	March 31, 2013 (Rupees in thousand)	March 31, 2012
Sales	13	7,530,662	3,346,600
Cost of sales	14	(3,090,144)	(961,784)
<b>Gross profit</b>		<b>4,440,518</b>	<b>2,384,816</b>
Distribution cost		(317,817)	(133,366)
Administrative expenses		(293,793)	(115,543)
		<b>3,828,908</b>	<b>2,135,907</b>
Finance cost	15	(1,030,330)	(1,452,531)
Other operating expenses		(344,871)	(36,408)
		<b>2,453,707</b>	<b>646,968</b>
Other operating income		73,880	26,194
<b>Profit before tax</b>		<b>2,527,587</b>	<b>673,162</b>
Taxation	16	(846,731)	(235,549)
<b>Profit for the period</b>		<b>1,680,856</b>	<b>437,613</b>
<b>Earnings per share - basic (Rupees)</b>	17	<b>0.80</b>	<b>0.14</b>
- diluted (Rupees)		0.80	0.14

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 first quarter ended March 31, 2013

	March 31, 2013 (Rupees in thousand)	March 31, 2012
Profit for the period	1,680,856	437,613
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>1,680,856</b>	<b>437,613</b>

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 first quarter ended March 31, 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
Profit for the period	-	-	-	437,613	437,613
Other comprehensive income	-	-	-	-	-
	-	-	-	437,613	437,613
Dividend on preference shares	-	-	-	(149,788)	(149,788)
<b>Balance as at March 31, 2012 (Un audited)</b>	<b>20,000,000</b>	<b>4,000,000</b>	<b>790,000</b>	<b>3,552,690</b>	<b>28,342,690</b>
Balance as at December 31, 2012 (Audited)	21,000,000	-	1,790,000	6,160,354	28,950,354
Profit for the period	-	-	-	1,680,856	1,680,856
Other comprehensive income	-	-	-	-	-
	-	-	-	1,680,856	1,680,856
Transactions with owners:					
- Final dividend for the year ended December 31, 2012 @ Rs 2 per share	-	-	-	(4,200,000)	(4,200,000)
<b>Balance as at March 31, 2013 (Un audited)</b>	<b>21,000,000</b>	<b>-</b>	<b>1,790,000</b>	<b>3,641,210</b>	<b>26,431,210</b>

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 first quarter ended March 31, 2013

	Note	March 31, 2013	March 31, 2012
(Rupees in thousand)			
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	19	1,700,524	(2,440,561)
Finance cost paid		(1,760,006)	(1,428,800)
Taxes paid		(97,459)	(73,653)
Employee retirement benefits paid		(968)	(3,710)
<b>Net cash used in operating activities</b>		<b>(157,909)</b>	<b>(3,946,724)</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(276,904)	(176,447)
Net proceeds from disposal of short term investments		39,147	-
Net decrease / (increase) in long term deposits		3,700	(12,744)
Profit received on saving accounts		4,156	46,364
<b>Net cash used in investing activities</b>		<b>(229,901)</b>	<b>(142,827)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term finance		403,740	-
Dividend paid			-
- ordinary shares		(2,708)	-
- preference shares		(1,337,214)	-
Increase in short term finance - net		1,175,618	1,753,536
<b>Net cash from financing activities</b>		<b>239,436</b>	<b>1,753,536</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(148,374)</b>	<b>(2,336,015)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>984,144</b>	<b>3,839,361</b>
<b>Cash and cash equivalents at end of the period</b>		<b>835,770</b>	<b>1,503,346</b>

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 Statements (Un Audited) For the first quarter ended March 31, 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 first quarter ended March 31, 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 an audited condensed interim financial information for the quarter ended March 31, 2012.
- 2.3 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

### 3 Accounting policies 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 March 31, 2013 (Rupees in thousand)	Audited December 31, 2012
<b>4 Long term finance</b>			
These are composed of:			
Secured loans from Banking companies / Financial institutions	4.1	31,512,861	31,109,121
Less: Current portion shown under current liabilities		4,085,379	4,085,379
		27,427,482	27,023,742
<b>4.1 Movement in secured loans from banking Companies / Financial Institutions</b>			
Opening balance		31,109,121	32,974,486
Finance availed during the period	4.2	403,740	10,097,667
		31,512,861	43,072,153
Less: repayments during the period		-	11,963,032
		31,512,861	31,109,121

4.2 During the period the Company has received disbursements of Rs 403.740 million from the remaining un disbursed portion of Rs 902.333 million in accordance to Syndicated Term Finance Agreement - II (STFA - II) entered into with a consortium of commercial banks / financial institutions led by Allied Bank of Pakistan aggregating to Rs 5,400 million.

	Note	Un audited March 31, 2013 (Rupees in thousand)	Audited December 31, 2012
<b>5 Deferred liabilities</b>			
Deferred taxation	5.1	5,516,316	4,706,656
Employee retirement benefits	5.2	145,051	134,599
		5,661,367	4,841,255

## Notes to and Forming Part of the Condensed Interim Financial Statements (Un Audited) For the first quarter ended March 31, 2013

	Un audited March 31, 2013	Audited December 31, 2012
	(Rupees in thousand)	
<b>5.1 Deferred taxation</b>		
This is composed of the following:		
<b>Taxable temporary difference:</b>		
Accelerated tax depreciation	13,675,566	13,421,764
<b>Deductible temporary difference:</b>		
Carry forward tax depreciation losses	(7,790,582)	(8,421,979)
Provision for retirement benefits	(18,602)	(17,208)
Tax credit u/s 113c	(350,066)	(275,921)
	(8,159,250)	(8,715,108)
	5,516,316	4,706,656
<b>5.2 Employee retirement benefits</b>		
Gratuity	91,902	84,348
Accumulating compensated absences	53,149	50,251
	145,051	134,599
<b>6 Short term finance-secured</b>		
Cash finance	1,856,000	329,137
Running finance	1,586,427	596,709
Finance against Imported Merchandise	423,437	1,764,400
	3,865,864	2,690,246

## 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 aggregating to Rs 13.975 million (December 31, 2012: Rs 13.975 million).



- (ii) 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 is in the process of filing an appeal with the Commissioner Inland Revenue Appeals (CIR(A)).
- (iii) 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. Proceedings have been initiated by the Department.

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 30.304 million (December 31, 2012: Rs 33.966 million).
- (ii) Contracts for other than capital expenditure Rs 714.668 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 March 31, 2013 (Rupees in thousand)	Audited December 31, 2012
Not later than one year	58,115	51,381
Later than one year but not later than five years	94,185	87,580
	152,300	138,961

## Notes to and Forming Part of the Condensed Interim Financial Statements (Un Audited) For the first quarter ended March 31, 2013

	Un audited March 31, 2013	Audited December 31, 2012
	(Rupees in thousand)	
<b>8 Property, plant and equipment</b>		
Opening book value	65,882,892	66,827,913
Add: additions during the period	196,054	537,531
Less: book value of disposals during the period	-	9
	66,078,946	67,365,435
Less: depreciation charged during the period	375,056	1,482,543
Closing book value	65,703,890	65,882,892
<b>Additions during the period</b>		
Freehold land	-	1,629
Building	3,146	40,275
Plant and machinery	136,473	390,497
Furniture and fixtures	3,045	9,775
Office equipment	1,550	5,376
Electric installations and appliances	34,894	40,634
Computers	11,437	40,273
Vehicles	5,509	9,072
	196,054	537,531
<b>9 Intangible assets</b>		
Opening book value	33,881	-
Add: additions during the period	17,393	36,961
	51,274	36,961
Less: amortization charged during the period	2,310	3,080
Closing book value	48,964	33,881

	Note	Un audited March 31, 2013 (Rupees in thousand)	Audited December 31, 2012
<b>10 Capital work in progress</b>			
- Civil works		353,559	315,493
- Plant and machinery		1,285,944	1,258,987
- Advances	10.1	86,417	87,981
		1,725,920	1,662,461
<b>10.1 Advances</b>			
- Freehold land		1,711	1,712
- Civil works		3,356	671
- Plant and machinery		81,350	85,598
		86,417	87,981
<b>11 Stores and spares</b>			
Stores		245,703	242,815
Spares		2,258,629	1,991,825
Catalyst and chemicals		1,079,635	996,165
		3,583,967	3,230,805
<b>12 Stock in trade</b>			
Raw material		2,733,231	2,286,655
Packing material		19,262	7,162
<b>Mid Products</b>			
Ammonia		23,784	10,594
Nitric Acid		4,585	6,675
Others		566	200
		28,935	17,469
<b>Finished goods</b>			
Urea		163,905	3,901
NP		59,131	48,459
CAN		296,824	144,059
Emission reductions		4,589	222
		524,449	196,641
		3,305,877	2,507,927

## Notes to and Forming Part of the Condensed Interim Financial Statements (Un Audited) For the first quarter ended March 31, 2013

### 13 Sales

Sales are exclusive of sales tax and trade allowances of Rs 1,194.067 million and Rs 113.730 million (March 31, 2012: Rs 538.329 million and Rs 19.186 million) respectively.

	For the quarter ended	
	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
<b>14 Cost of sales</b>		
Raw material consumed	1,440,964	868,875
Packing material consumed	175,262	115,935
Salaries, wages and other benefits	295,339	189,929
Fuel and power	679,545	682,819
Chemicals and catalyst consumed	80,047	44,487
Stores and spares consumed	189,686	76,980
Technical assistance	16,237	26,325
Repair and maintenance	32,591	32,865
Insurance	107,958	79,807
Travelling and conveyance	9,977	9,563
Equipment rental	19,982	19,206
Vehicle running and maintenance	8,183	9,720
Depreciation	359,207	355,926
Others	14,441	13,349
<b>Manufacturing cost</b>	<b>3,429,419</b>	<b>2,525,786</b>
Opening stock of mid products	17,469	27,975
Closing stock of mid products	(28,935)	(8,556)
<b>Cost of goods manufactured</b>	<b>3,417,953</b>	<b>2,545,205</b>
Opening stock of finished goods	196,641	719,168
Closing stock of finished goods	(524,450)	(2,302,589)
	<b>3,090,144</b>	<b>961,784</b>
<b>15 Finance cost</b>		
Markup on long term loans	919,991	1,247,249
Markup on loans from associated company	5,765	167,231
Markup on short term loans	93,513	34,831
Bank charges and others	11,061	3,220
	<b>1,030,330</b>	<b>1,452,531</b>
<b>16 Taxation</b>		
Current	37,073	33,650
Deferred	809,658	201,899
	<b>846,731</b>	<b>235,549</b>

	For the quarter ended	
	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
<b>17 Earnings per share - basic and diluted</b>		
The calculation of the basic and diluted earnings per share is based on the following data:		
<b>Profit</b>		
Profit for the period	1,680,856	437,613
Preference dividend for the period	-	(149,788)
Profit attributable to ordinary shareholders	1,680,856	287,825

	(Number of shares)	
<b>Weighted average number of shares</b>		
Ordinary shares for the purposes of basic earnings per share	2,100,000,000	2,000,000,000
Dilutive effect of potential ordinary shares on conversion of preference shares	-	100,000,000
Ordinary shares for the purposes of diluted earnings per share	2,100,000,000	2,100,000,000

Basic and diluted earnings per share have been computed by dividing profit as stated above with weighted average number of ordinary shares. There is no dilution effect in the current period.

	(Restated)	
Basic earnings per share (Rupees)	0.80	0.14
Diluted earnings per share (Rupees)	0.80	0.14

## 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:

Relationship with the Company	Nature of transaction	For the quarter ended	
		March 31, 2013	March 31, 2012
		(Rupees in thousand)	
Associated companies	Purchase of packing material	170,327	356,486
	Finance cost	5,765	163,909
	Dividend on Preference Shares	-	149,788
	Miscellaneous expenses	97,081	56,926
	Sale of stores and spares	11,101	861
Directors and key management personnel	Remuneration including benefits and perquisites	31,839	14,820
Retirement benefit plans	Retirement benefit expense	18,441	15,149

## Notes to and Forming Part of the Condensed Interim Financial Statements (Un Audited) For the first quarter ended March 31, 2013

	For the quarter ended	
	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
<b>19 Cash generated from operations</b>		
Profit before tax	2,527,587	673,162
Adjustments for :		
Retirement benefits accrued	11,420	9,271
Depreciation on property, plant and equipment	375,056	369,263
Amortization of intangible assets	2,310	-
Finance cost	1,030,330	1,452,531
Gain of sale of short term investment	(39,147)	-
Profit on saving accounts	(28,306)	(24,356)
	1,351,663	1,806,709
Operating cash flows before working capital changes	3,879,250	2,479,871
Effect on cash flow due to working capital changes: (Increase)/decrease in current assets:		
Stores and spares	(353,162)	(229,155)
Stock in trade	(797,950)	(2,314,284)
Trade debtors	(398,713)	(214,227)
Loans, advances, deposits, prepayments and other receivables	(76,873)	(104,892)
Decrease in trade and other payables	(552,028)	(2,057,874)
	(2,178,726)	(4,920,432)
	1,700,524	(2,440,561)

### 20 Date of Authorization of Issue

These financial statements have been authorized for issue on April 24, 2013 by the Board of Directors of the Company.

### 21 General

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

Sd/-  
Chief Executive

Sd/-  
Director



www.fatima-group.com



**Fatima Fertilizer Company Limited**

E 110, Khayaban-e-Jinnah,  
Lahore Cantt. Lahore 54000  
Pakistan.

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