Half Yearly of Pakarab Fertilizers Limited for the period ended June 30, 2010

pakarab
FERTILIZERS LIMITED

Towards a better future of our Country with more enthusiasm and balanced nutrients...

Contents

Corporate Information

BOARD OF DIRECTORS

Mr. Arif Habib
Chairman

Mr. Fawad Ahmed Mukhtar
Chief Executive Officer

Mr. Fazal Ahmed Sheikh
Executive Director

Mr. Nasim Beg
Mr. Faisal Ahmed Mukhtar
Mr. Rehman Naseem
Mr. Abdus Samad
Mr. Muhammad Kashif

KEY MANAGEMENT

Mr. M. Abad Khan
Advisor to the CEO

Mr. Qadeer Ahmed Khan
Director Operations

Mr. Muhammad Zahir
Director Marketing

Mr. Arif Hamid Dar
Chief Financial Officer
arif.dar@fatima-group.com

Mr. Ausaf Ali Qureshi
Company Secretary

Mr. Tanvir H. Qureshi
Group Head Human Resourses

Brig (R) Muhammad Ali Asif Sirhindi
General Manager Administrative Services

Mr. Muhammad Saleem Zafar
General Manager Projects

AUDIT COMMITTEE

Mr. Nasim Beg
Chairman

Mr. Fazal Ahmed Sheikh
Member

Mr. Rehman Naseem
Member

Mr. Muhammad Kashif
Member

LEGAL ADVISORS

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

AUDITORS

A. F. Ferguson & Co.,
Chartered Accountants, Lahore.

TFCs & PPTFCs REGISTRAR

THK Associates (Pvt) Limited
Ground Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road
Karachi - 75530
Tel: No. 92-21-111-000-322
Fax: No. 92-21-35655595

BANKERS

National Bank of Pakistan Limited
Habib Bank Limited
Allied Bank Limited
MCB Bank Limited
United Bank Limited
Dubai Islamic Bank Limited
Standard Chartered Bank (Pakistan) Limited
Habib Metropolitan Bank Limited
Bank Alfalah Limited
Askari Bank Limited
Summit Bank Limited
Meezan Bank Limited
Faysal Bank Limited
Al-Baraka Islamic Bank Limited
Soneri Bank Limited
Bank Islami Pakistan
Deutsche Bank Limited

REGISTERED OFFICE

2nd Floor, Trust Plaza, L.M.Q. Road,
Multan.
Ph # 061-4512031
Fax # 061-4511677, 4584288
E-mail: mail@fatima-group.com

LAHORE OFFICE

E-110, Khayaban-e-Jinnah,
Lahore Cantt., Pakistan.
UAN: 111-FATIMA
Fax # 042-3662189, 042-3662190

KARACHI OFFICE

21-Oil Installation Area, Keamari,
Karachi.
Ph # 021-2855444-5
Fax # 021-2855446

PLANT SITE

Khanewal Road, Multan.
Ph # 061-9220022
Fax # 061-9220021

Dear Shareholders

On behalf of the Board of Directors of Pakarab Fertilizers Limited, I am pleased to present the unaudited financial statements of the Company for the Half Year ended June 30, 2010.

Financial Review

For the half year ended June 30, 2010, your company earned a pre-tax profit of Rs. 1,577.2 million and after tax profit of Rs. 1,145.8 million as against pre-tax profit of Rs. 1,856.9 million and after tax profit of Rs. 1,450.3 million for the half year ended June 30, 2009. Although the gross margins in relative terms have shown upward trend over the corresponding period last year but decline in overall sales have reduced the gross margin in absolute (rupee) terms. Increased finance cost and loss on re-measurement of financial assets at fair value have also contributed to decreased profitability besides decrease in sales revenue.

Summary of financial results for the half year ended June 30, 2010 & 2009 is given below:-

	June 30, 2010	June 30, 2009
Sales (Rs. in millions)	7,351.4	9,380.2
Gross Profit (%)	49	44
Profit before tax to sales (%)	21	20
EBITDA (Rs. in millions)	3,656.2	3,656.9
EBITDA Per Share (Rupees)	8.1	8.1
Earnings Per Share (Rupees)	2.55	3.22
Breakup value per share (Rupees)	33	35.3

The consolidation with FATIMA is no more required as now being an associated company.

Production Review

Production of CAN and NP remained higher by 2 % and 9 % respectively as compared to the corresponding period last year, however, production of Urea remained lower by 22 % mainly due to stoppage and subsequent curtailment of gas supply.

The product wise fertilizer production during the period as compared to last corresponding period is as under:

Products	Jan. 10 to June 10		Jan. 09 to June 09		Variance	
	Metric Ton	Nutrient Ton	Metric Ton	Nutrient Ton	Metric Ton	Nutrient Ton
Calcium Ammonium Nitrate (CAN)	162,885	42,350	159,267	41,409	3,618	941
Nitro Phosphate (NP)	149,029	62,592	136,667	57,400	12,362	5,192
Urea	39,507	18,173	50,745	23,343	(11,238)	(5,170)
Total	351,421	123,115	346,679	122,152	(4,742)	(963)

Review

Sale of CAN fertilizer in quantitative terms increased by 15 % and NP and UREA sales decreased by 44 % and 43 % respectively as compared to corresponding period of last year.

NP sales were significantly lower as compared to the corresponding period. In beginning of 2009 the company had piled up stocks due to low demand at the end of 2008. Hence the company was able to sell larger volumes in the first half of the year of 2009. However, the total Pakistan phosphate market declined in the current period as compared to corresponding period of last year due to increasing trend in prices of phosphate products. Sales of Urea declined due to lower production of Urea during the half year ended June 30, 2010 because of gas curtailment during Rabi season.

The sales figures were as follows:

Products	Jan. 10 to June 10		Jan. 09 to June 09		Variance	
	Metric Ton	Nutrient Ton	Metric Ton	Nutrient Ton	Metric Ton	Nutrient Ton
Calcium Ammonium Nitrate (CAN)	186,058	48,375	161,608	42,018	24,450	6,357
Nitro Phosphate (NP)	118,791	49,892	215,117	90,349	(96,326)	(40,457)
Urea	29,215	13,439	51,164	23,535	(21,949)	(10,096)
Total	334,064	111,706	427,889	155,902	(93,825)	(44,196)

Near Future Outlook

Your company is promoting balanced use of fertilizers amongst the farmers and it has the capability and strength to reach out to the farmers to educate and guide them keeping in view their needs. The demand of fertilizers was expected to grow due to increase in demand of agricultural commodities. However, recent floods and overall instability in growth of the agricultural sector could negatively impact the near term prospects. Despite of the difficult situation anticipated ahead, our team is determined to achieve improved performance for the remaining year.

The directors would like to place on record their appreciation for the assistance, guidance and cooperation that your company received from all the stakeholders including the Customers, Business Associates, Financial Institutions, GOP and all the employees of the Company.

On behalf of the Board

Karachi
August 27, 2010

Arif Habib
Chairman

TO ALL MEMBERS OF THE COMPANY

Dear Sir / Madam,

ABSTRACT OF THE TERMS OF APPOINTMENT UNDER SECTION 218 OF THE COMPANIES ORDINANCE, 1984

In pursuance of section 218 of the Companies Ordinance, 1984, this is to inform you that the Board of Directors of the Company on January 01, 2010 has reappointed Mr. Fawad Ahmed Mukhtar as Chief Executive Officer of the Company for the next three years commencing from January 01, 2010 to December 31, 2012 on the same terms and conditions as already approved by the Board of Directors which are as follows:

Monthly remuneration	Rs. 700,000/- net of taxes

In addition to the above he shall also be entitled to Company maintained cars and reimbursement of utility bills, travelling / medical expenses for him and his family. He shall also be entitled to all the other allowances, benefits and perquisites as per the rules / policies of the Company and / or which may become applicable in the future and / or any other allowances, perquisites as the Board may from time to time decide.

MEMORANDUM UNDER SECTION 218 OF THE COMPANIES ORDINANCE, 1984

Mr. Fawad Ahmed Mukhtar is concerned/interested in the appointment to the extent mentioned above and upto the extent of his shareholding in Pakarab Fertilizers Limited. No other directors are concerned/interested in this appointment.

Auditors' Report to the Membrs on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Pakarab Fertilizers Limited as at June 30, 2010 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended June 30, 2009 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2010.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion

Results of the associated company, Fatima Fertilizer Company Limited, for the period April 14, 2010 to June 30, 2010 included in this interim financial information are based on its un-audited financial statements.

Qualified Conclusion

Based on our review, except for the matter referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants,
Lahore,

Engagement Partner: Muhammad Masood

Condensed Interim Balance Sheet

As at June 30, 2010

	Note	Un-audited June 2010	Audited December 2009
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
1,000,000,000 (December 31, 2009: 1,000,000,000) ordinary shares of Rs 10 each		10,000,000	10,000,000
Issued, subscribed and paid up capital			
450,000,000 (December 31, 2009: 450,000,000) ordinary shares of Rs 10 each		4,500,000	4,500,000
Reserves		4,995,352	4,995,352
Share deposit money		200,000	200,000
Un-appropriated profit		2,869,724	4,643,516
		12,565,076	14,338,868
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		2,475,847	2,475,847
NON-CURRENT LIABILITIES			
Long term finances - secured	6	15,295,724	16,190,741
Liabilities against assets subject to finance lease		143,808	106,720
Payable against mining rights		-	52,500
Long term deposits		771,022	732,241
Deferred liabilities		55,643	45,760
Deferred taxation		5,071,697	4,987,221
		21,337,894	22,115,183
CURRENT LIABILITIES			
Current portion of long term liabilities		3,215,724	1,338,502
Short term borrowings - secured		6,177,783	5,555,693
Payable to Privatization Commission of Pakistan		2,197,901	2,197,901
Trade and other payables		2,742,959	2,276,833
Accrued finance cost		1,210,681	989,422
Provision for taxation		287,544	132,780
		15,832,592	12,491,131
CONTINGENCIES AND COMMITMENTS	7		
		52,211,409	51,421,029

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

-Sd-

Chief Executive

	Note	Un-audited June 2010	Audited December 2009
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	21,356,296	21,285,201
Assets subject to finance lease		193,252	147,524
Intangibles		194,520	205,693
Goodwill		3,305,163	3,305,163
Investments	9	8,771,003	7,881,744
Long term loans - unsecured		3,531,818	2,196,320
Security deposits		29,957	17,546
		37,382,009	35,039,191
CURRENT ASSETS			
Stores and spare parts		1,863,486	1,880,195
Stock-in-trade		4,154,317	2,810,923
Trade debts		1,028,261	704,555
Advances, deposits, prepayments and other receivables		3,568,858	6,813,295
Derivative financial instruments		12,834	7,882
Investments	10	3,612,460	3,930,000
Cash and bank balances		589,184	234,988
		14,829,400	16,381,838
		52,211,409	51,421,029

-Sd-
Director

Condensed Interim Profit and Loss Account (Un-audited)

For the quarter and half year ended June 30, 2010

	Note	Quarter ended		Half year ended	
		June 2010	June 2009	June 2010	June 2009
		(Rupees in thousand)			
Sales	11.1	4,185,436	4,927,429	7,351,484	9,380,231
Cost of sales	11.2	(2,201,781)	(2,932,560)	(3,712,344)	(5,233,137)
Gross profit		1,983,655	1,994,869	3,639,140	4,147,094
Administrative expenses		(198,128)	(167,466)	(383,552)	(299,777)
Selling and distribution expenses		(64,154)	(228,148)	(306,524)	(390,891)
Other operating expenses		(96,854)	(66,739)	(125,634)	(145,349)
Other operating income		527,212	68,590	645,386	89,712
Profit from operations		2,151,731	1,601,106	3,468,816	3,400,789
Finance cost		(921,158)	(784,404)	(1,761,624)	(1,528,814)
Share of loss of associated company		(14,453)	(7,492)	(14,453)	(14,984)
Loss on re-measurement of financial assets at fair value through profit or loss		(61,540)	–	(115,540)	–
Profit before taxation		1,154,580	809,210	1,577,199	1,856,991
Taxation		(327,427)	(266,176)	(431,427)	(406,681)
Profit for the period		827,153	543,034	1,145,772	1,450,310
Earnings per share - basic and diluted	12	1.84	1.21	2.55	3.22

The annexed notes 1 to 17 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 quarter and half year ended June 30, 2010

	Quarter ended		Half year ended	
	June 2010	June 2009	June 2010	June 2009
	(Rupees in thousand)			
Profit after taxation	827,153	543,034	1,145,772	1,450,310
Other comprehensive income				
Hedging reserve transferred to cost of plant and machinery in capital work in progress on expiry of foreign currency options - net of tax	–	9,545	–	9,545
Total comprehensive income for the period	827,153	552,579	1,145,772	1,459,855

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Sd/-
Chief Executive

Sd/-
Director

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

For the half year ended June 30, 2010

(Rupees In Thousand)

	Share Capital	Share Premium	Hedging Reserve	General reserve	Share Deposit Money	Un-appropriated Profit	Total
Balance as on January 01, 2009 (audited)	3,000,000	1,048,652	(9,545)	606,700	240,000	7,090,638	11,976,445
Share deposit money refunded	–	–	–	–	(40,000)	–	(40,000)
Issuance of bonus shares	1,500,000	(1,048,652)	–	(451,348)	–	–	–
Transferred to general reserve	–	–	–	7,090,000	–	(7,090,000)	–
Total comprehensive income for the half year ended June 30, 2009	–	–	9,545	–	–	1,450,310	1,459,855
Balance as on June 30, 2009 (un-audited)	4,500,000	–	–	7,245,352	200,000	1,450,948	13,396,300
Specie dividend	–	–	–	(2,250,000)	–	–	(2,250,000)
Total comprehensive income for the half year ended December 31, 2009	–	–	–	–	–	3,192,568	3,192,568
Balance as on December 31, 2009 (audited)	4,500,000	–	–	4,995,352	200,000	4,643,516	14,338,868
Specie dividend	–	–	–	–	–	(2,919,564)	(2,919,564)
Total comprehensive income for the half year ended June 30, 2010	–	–	–	–	–	1,145,772	1,145,772
Balance as on June 30, 2010 (un-audited)	4,500,000	–	–	4,995,352	200,000	2,869,724	12,565,076

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Sd/-
Chief Executive

Sd/-
Director

Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended June 30, 2010

	Note	January 1 to June 30 2010	2009
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	2,254,568	8,012,145
Finance cost paid		(1,540,365)	(1,560,539)
Taxes paid		(192,187)	(149,660)
Retirement benefits paid		(8,770)	(19,053)
Long term deposits received		38,782	19,000
Net cash inflow from operating activities		552,028	6,301,893
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(354,771)	(680,833)
Security deposits		(12,411)	(8,670)
Sale proceeds of property, plant and equipment disposed		7,391	407
Investments purchased		(20,000)	(4,754,772)
Long term loan to related party		(1,335,498)	–
Profit on bank deposits received		2,659	3,935
Net cash outflow from investing activities		(1,712,630)	(5,439,933)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of redeemable capital		(1,000)	(1,000)
Proceeds from bridge finance		–	56,838
Repayment of bridge finance		–	(25,113)
Proceeds from long term loans		1,005,311	186,548
Repayment of long term loans		(25,494)	–
Share deposit money refunded		–	(40,000)
Payment of liability against mining rights		(52,500)	–
Repayment of finance lease liability		(33,609)	(21,078)
Net cash inflow from financing activities		892,708	156,195
Net (decrease)/increase in cash and cash equivalents		(267,894)	1,018,155
Cash and cash equivalents at the beginning of the period		(5,320,705)	(5,146,498)
Cash and cash equivalents at the end of the period	14	(5,588,599)	(4,128,343)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Sd/-
Chief Executive

Sd/-
Director

For the quarter and half year ended June 30, 2010

1. THE COMPANY AND ITS ACTIVITIES

Pakarab Fertilizers Limited ('the company') was incorporated as a private limited company in Pakistan under the Companies Act, 1913, (now Companies Ordinance, 1984). The company's status changed to a non-listed public company from June 7, 2007. The company's Term Finance Certificates are listed on the Karachi Stock Exchange (Guarantee) Limited. It is principally engaged in the manufacturing and sale of chemical fertilizers and generation and sale of Certified Emission Reductions. The registered office of the company and manufacturing facility are located in Multan. The address of the registered office of the company is 2nd Floor, Trust Plaza, L.M.Q Road, Multan.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The figures for the half year ended June 30, 2010 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended December 31, 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended December 31, 2009 except for the adoption of new accounting policies as referred to in note 3.2.1 and the following:

3.1.1 INVESTMENT IN EQUITY INSTRUMENTS OF ASSOCIATED COMPANY

Investment in associate where the company has significant influence and that are not expected to be disposed off within twelve months from the balance sheet date are accounted for using equity method.

At each reporting date, the company reviews the carrying amount of the investment in associate to assess whether there is any indication that such investment has suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognised in the profit and loss account.

3.2 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR AN INTERPRETATION TO EXISTING STANDARDS

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

3.2.1 STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS THAT ARE EFFECTIVE IN CURRENT PERIOD AND ARE RELEVANT TO THE COMPANY

- IAS 1 (amendment), 'Presentation of Financial Statements'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The application of this amendment has no material impact on the company's financial statements.

- IAS 27 (revised), 'Consolidated and Separate Financial Statements', requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in income statement. The application of this revised standard has resulted in an increase of Rs 2.4 billion in the carrying value of investment in associated company now accounted for under the equity method as referred to in note 3.1.1, and a corresponding increase in shareholders' equity as at June 30, 2010.

- IAS 38 (amendment), 'Intangible Assets'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The application of this amendment has no material impact on the company's financial statements.

- IAS 39 (amendment), 'Cash flow hedge accounting'. This amendment provides clarification when to recognise gains or losses on hedging instruments as a reclassification adjustments in a cash flow hedge of a forecast transaction that results subsequently in the recognition of a financial instrument. The amendment clarifies that gains or losses should be reclassified from equity to income statement in the period in which the hedged forecast cash flow affects income statement. The application of this amendment has no material impact on the company's financial statements.

- IFRS 3 (revised), 'Business Combinations' is effective from July 1, 2009. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The application of this revised standard has no material impact on the company's financial statements.

- IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. The application of this amendment has no material impact on the company's financial statements.

- IFRIC 17, 'Distribution of non-cash assets to owners' is effective from July 1, 2009. It sets out requirements as to how an entity should measure distributions of assets other than cash made as a dividend to its owners. The amendment requires the company to recognise a liability for a non-cash distribution to owners when the dividend is authorised and is no longer at the discretion of the entity. The dividend payable is measured at the fair value of the net assets to be distributed and the difference between the dividend paid and the carrying amount of the net assets distributed, is recognised in profit or loss. The application of this amendment has no material impact on the company's financial statements.

3.2.2 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS EFFECTIVE IN 2010 BUT NOT RELEVANT TO THE COMPANY

- IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after July 1, 2009. This is not relevant to the company, as it has not received any assets from customers.

3.2.3 The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial period beginning January 1, 2010 and have not been early adopted:

- IFRS 9, 'Financial Instruments', issued in December 2009. This addresses the classification and measurement of financial assets and is likely to affect the company's accounting for its financial assets. The standard is not applicable until January 1, 2013 but is available for early adoption. IFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The company has not yet decided when to adopt IFRS 9.

- Revised IAS 24, 'Related Party Disclosures', issued in November 2009. It supersedes IAS 24, 'Related Party Disclosures', issued in 2003. The revised IAS 24 is required to be applied from January 1, 2011. Earlier application, in whole or in part, is permitted.

- 'Classification of rights issues' (Amendment to IAS 32), issued in October 2009. For rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all the entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment should be applied for annual periods beginning on or after February 1, 2010. Earlier application is permitted.

- 'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14), issued in November 2009. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning January 1, 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented.

- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after July 1, 2010. Earlier application is permitted.

- Improvements to International Financial Reporting Standards 2010, issued in May 2010.

4. The preparation of the condensed interim financial information requires management to make judgements, 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 this condensed interim financial information, the significant judgements made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2009.

5. Income tax expense is recognised, based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

	Un-audited June 2010	Audited December 2009
	(Rupees in thousand)	
6. LONG TERM FINANCES - SECURED		
Opening balance:		
Redeemable capital	11,497,000	4,999,000
Bridge finances	–	7,663,135
Long term loans	3,832,463	1,145,130
Syndicated term finance	2,037,500	–
	17,366,963	13,807,265
Disbursements during the period/year:		
Bridge finances	–	386,866
Long term loans	1,005,311	1,137,333
Syndicated term finance	–	2,037,500
	1,005,311	3,561,699
Conversion of bridge finance to:		
Redeemable capital	–	6,500,000
Long term loans	–	1,550,000
	–	8,050,000
Repayments during the period/year:		
Redeemable capital	1,000	2,000
Long term loans	25,494	–
	26,494	2,000
Closing balance:		
Redeemable capital	11,496,000	11,497,000
Long term loans	4,812,280	3,832,463
Syndicated term finance	2,037,500	2,037,500
	18,345,780	17,366,963
Less: Current portion shown under current liabilities		
Redeemable capital	1,608,500	297,000
Long term loans	1,441,556	879,222
	3,050,056	1,176,222
	15,295,724	16,190,741

7. CONTINGENCIES AND COMMITMENTS

7.1 CONTINGENCIES

(i) The company has netted off an amount of Rs 240.119 million from the amount payable to the Privatization Commission, as part of purchase consideration, at the time and in the event the refund is received from the tax authorities. In case, the company's contention relating to possible double payment is not acceded to by the other party to the Share Purchase Agreement, the company is contingently liable to the aforesaid amount of Rs 240.119 million. In case, the amount becomes payable, the corresponding effect would be reflected in the computation of goodwill.

(ii) The company has issued following guarantees in favour of:

- Sui Northern Gas Pipelines Limited against gas sale for Rs 8.846 million (December 31, 2009: Rs 7.655 million).

- Fatima Fertilizer Company Limited an associated company (formerly subsidiary) and Habib Bank Limited (the Security Trustee) in respect of the company's obligations for equity contributions in the associated company under the terms of the Sponsor Support Agreement dated March 6, 2009 between the company, the associated company and its sponsors and lenders.

(iii) Indemnity bonds aggregating Rs 156.810 million (December 31, 2009: Rs 123.5 million) issued to the Customs authorities in favour of The President of Islamic Republic of Pakistan under SRO 489(I)/2000 for the value of goods exported and to be re-imported.

(iv) As at June 30, 2004, the company had investment of 140,000 ordinary shares of Rs 10 each valuing Rs 100,000 in National Fertilizer Marketing Limited, being the associated company on that date. On May 20, 2005, this investment was transferred to National Fertilizer Corporation of Pakistan (Private) Limited by the management of the company. However, the new buyer, Reliance Exports (Private) Limited filed an application before Privatization Commission challenging this transfer on the grounds that such transfer had been carried out against the terms and conditions of the bid documents. In case of a positive outcome to the application, this investment would be re-instated.

(v) An amount of Rs 129.169 million was withdrawn by the previous members of the company as part of dividend for the year ended June 30, 2005 under the Share Purchase Agreement ('the Agreement'). Out of the aggregate amount, Rs 89.39 million represents the value of certain catalysts recovered in consequence of clean down operations of the plant prior to undertaking the process of privatization, which was accounted for as income in the financial statements for the year ended June 30, 2005 in the light of applicable financial reporting framework.

The management of the company feels that notwithstanding the applicability of the financial reporting framework, on the financial statements for the year ended June 30, 2005, the amount was not distributable as part of dividend for that year in view of the clear understanding behind the execution of the Agreement as categorically confirmed, in writing, by the Privatization Commission prior to signing of the Agreement. Similarly, the balance amount of Rs 39.779 million is considered to be dividend distribution out of the then available reserves which was also not distributable to the previous members in terms of other covenants of the Agreement.

The company has filed a claim for the recovery of the aforesaid aggregate amount on the grounds that in the present form, the distribution has been made out of the accumulated reserves, for the years upto June 30, 2004, which, under the specific provisions of the Agreement were not distributable to the previous members of the company. In case of a positive outcome to the company's claim, the excess dividend withdrawn by the previous members of the company would be recovered.

(vi) Included in advances, deposits, prepayments and other receivables is sales tax recoverable of Rs 134.022 million (December 31, 2009: Rs 134.022 million) which primarily represents the input sales tax paid by the company on acquisition of raw materials that became refundable due to promulgation of notification SRO 535(I)/2008 dated June 11, 2008 through which fertilizer products manufactured by the company were exempted from levy of sales tax. The company's claim of refund on this account was not entertained by Federal Board of Revenue (FBR) on the premise that since subject raw materials were subsequently consumed in manufacture of a product exempt from levy of sales tax, claim was not in accordance with the relevant provisions of the Sales Tax Act, 1990.

Company's management being aggrieved with the interpretation advanced by FBR on the issue has preferred a writ petition before the honourable Lahore High Court, which has not yet been disposed off. Since company's management considers that claim of refund is completely in accordance with relevant statutory framework and expects relief from appellate authorities on this account, it considers that the receivable amount is un-impaired at the balance sheet date.

(vii) For assessment years 1993-94 and 1995-96 through 2002-2003 and for tax years 2003 through 2005, the company, in view of the position taken by the tax authorities that the income of the company is chargeable to tax on the basis of 'net income', had provided for in the financial information, the tax liability on net income basis which aggregated to Rs 5,223.343 million. Tax liabilities admitted in respective returns of total income in respect of these assessment/tax years, however, aggregated to Rs 1,947.671 million being the liabilities leviable under the Presumptive Tax Regime ('PTR'), considered by the management to be applicable in respect of company's income from sale of own manufactured fertilizer products.

The Income Tax Appellate Tribunal ('ITAT') through its separate orders for the assessment years 1993-94, 1995-96 through 2002-2003 upheld the company's position as taken in respective returns of total income and consequently, management reversed the excess provisions aggregating to Rs 3,275.673 million on the strength of such judgments. ITAT's decisions in respect of certain assessment years have also been upheld by the Lahore High Court while disposing departmental appeals against respective orders of ITAT. Income tax department has statedly agitated the issue further before Supreme Court of Pakistan, which is pending adjudication.

In view of the favourable disposal of the matter upto the level of High Court, management of the company feels that the decision of the apex court would also be in the favour of the company and hence in this financial information, tax liabilities in respect of above referred assessment/tax years have been provided on the basis that company's income during such years was taxable under PTR. In case, the apex court decides the matter otherwise, amount aggregating to Rs 3,275.673 million will have to be recognized as tax expense in respect of such assessment/tax years.

(viii) Claims against the company not acknowledged as debts Rs 23.051 million (December 31, 2009: 23.051 million)

7.2 Commitments in respect of

(i) Contracts for capital expenditure Rs 525.152 million (December 31, 2009: Rs 549.251 million).

(ii) Letters of credit other than for capital expenditure Rs 628.598 million (December 31, 2009: Rs 511.345 million).

(iii) Purchase orders aggregating Rs 22.930 million (December 31, 2009: Rs 7.801 million) were placed and letters of credit were established subsequently.

(iv) 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 June 2010 (Rupees in thousand)	Audited December 2009 (Rupees in thousand)
Not later than one year	23,902	25,175
Later than one year and not later than five years	44,086	62,718
	67,988	87,893

8. PROPERTY, PLANT AND EQUIPMENT

		Un-audited June 2010	Audited December 2009
Operating fixed assets	- note 8.1	20,432,408	20,585,253
Capital work-in-progress		923,888	699,948
		21,356,296	21,285,201

8.1 Operating fixed assets

		Un-audited June 2010	Audited December 2009
Opening book value		20,585,253	18,517,527
Additions during the period/year	- note 8.1.1	126,312	2,583,227
Book value of transfers in from assets subject to finance lease		3,571	1,396
Book value of fixed assets disposed off during the period/year		5,868	2,025
Depreciation charged during the period/year		276,860	514,872
Closing book value		20,432,408	20,585,253

		Un-audited June 2010	Audited December 2009
		(Rupees in thousand)	
8.1.1 Additions during the period/year			
Buildings		–	16,642
Plant and machinery		72,059	2,481,371
Furniture and fixtures		43,681	637
Tools and equipment		7,872	61,781
Vehicles		2,700	22,796
		126,312	2,583,227

9. INVESTMENTS

		Un-audited June 2010	Audited December 2009
At fair value through profit or loss:			
– Subsidiary company - quoted			
Fatima Fertilizer Company Limited			
Nil (December 31, 2009: 900,000,000) fully paid ordinary shares of Rs 10 each			
Equity held Nil (December 31, 2009: 50%)	– note 9.1	–	11,790,000
Less: Investment classified under current assets - 300,000,000 fully paid ordinary shares of Rs 10 each	– note 10	–	(3,930,000)
		–	7,860,000
Associated company - quoted:			
Fatima Fertilizer Company Limited			
675,000,000 (December 31, 2009: Nil) fully paid ordinary shares of Rs 10 each			
Equity held 33.75% (December 31, 2009: Nil)	– note 9.2	8,747,983	–
Held to maturity:			
– Other		23,020	21,744
		8,771,003	7,881,744

9.1 The company previously held 25% voting rights, in addition to its 45% direct holding in Fatima Fertilizer Company Limited ('FATIMA'), by virtue of an agreement between the company and other members of FATIMA, whereby FATIMA was a subsidiary of the company and was designated by the company's management as 'financial asset at fair value through profit and loss' under IAS 39 'Financial Instruments: Recognition and Measurement' in the separate financial statements of the company in accordance with the requirements of IAS 27 'Consolidated and Separate Financial Statements'.

The aforementioned agreement was revoked on April 14, 2010 due to which the company's control of the voting rights in FATIMA reduced to the extent of its 45% direct holding. Consequently, with effect from April 14, 2010, the company does not have control to govern the financial and operating policies of FATIMA, however, it retains significant influence. In view of the above, FATIMA became an associated company with effect from April 14, 2010 and is being accounted for under the equity method of accounting since that date. The fair value of the company's investment in 900 million ordinary shares of FATIMA on April 14, 2010 was Rs 11,682 million, based on a market value of Rs 12.98 per share, which has been considered as deemed cost upon initial recognition of investment in associate in accordance with the requirements of IAS 27 (revised), 'Consolidated and Separate Financial Statements'.

	Un-Audited June 2010	Audited December 2009
	(Rupees in thousand)	
9.2 Investment in associate - quoted:		
Transferred from investment in subsidiary (at initial recognition)	11,682,000	–
Divestment during the period through distribution as 'specie dividend'	(2,919,564)	–
	8,762,436	–
Share of loss of associated company	(14,453)	
	8,747,983	–

The share of loss of associated company is based on its un-audited results.

10. INVESTMENTS

	Un-Audited June 2010	Audited December 2009
At fair value through profit or loss:		
Subsidiary company - quoted		
Fatima Fertilizer Company Limited – note 9	–	3,930,000
Other - Wateen Telecom Limited 2,000,000 (December 31, 2009: Nil) fully paid ordinary shares of Rs 10 each	12,460	–
	12,460	3,930,000
Available for sale:		
Associated company - quoted		
Fatima Fertilizer Company Limited 360,000,000 (December 31, 2009: Nil) un-quoted fully paid non-voting convertible cumulative preference shares of Rs 10 each		
Extent of preference shares held 90%	3,600,000	–
	3,612,460	3,930,000

10.1 These investments have been classified as current on management's intention that in the next twelve months from the balance sheet date, the company may distribute these investments as 'specie dividend' in line with the past dividend distribution practice or it may dispose of these investments to meet the working capital requirements of the company.

(Rupees in thousand)

	Fertilizers				Clean Development Mechanism				Total			
	Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended	
	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009
11. SEGMENT RESULTS												
Sales – external – note 11.1	4,599,130	4,664,315	6,998,433	8,353,674	(413,694)	263,114	353,051	1,026,557	4,185,436	4,927,429	7,351,484	9,380,231
Cost of sales – note 11.2	2,221,268	2,923,797	3,703,728	5,207,257	(19,487)	8,763	8,616	25,880	2,201,781	2,932,560	3,712,344	5,233,137
Gross profit	2,377,862	1,740,518	3,294,705	3,146,417	(394,207)	254,351	344,435	1,000,677	1,983,655	1,994,869	3,639,140	4,147,094
Administrative expenses	198,128	163,615	379,498	287,023	–	3,851	4,054	12,754	198,128	167,466	383,552	299,777
Selling and distribution expenses	64,154	166,511	259,236	249,704	–	61,637	47,288	141,187	64,154	228,148	306,524	390,891
	262,282	330,126	638,734	536,727	–	65,488	51,342	153,941	262,282	395,614	690,076	690,668
Segment results	2,115,580	1,410,392	2,655,971	2,609,690	(394,207)	188,863	293,093	846,736	1,721,373	1,599,255	2,949,064	3,456,426
Other operating expenses											(125,634)	(145,349)
Other operating income											645,386	89,712
Profit from operations											3,468,816	3,400,789
Finance cost											(1,761,624)	(1,528,814)
Share of loss of associated company											(14,453)	(14,984)
Loss on re-measurement of financial asset at fair value through profit or loss											(115,540)	–
Taxation											(431,427)	(406,681)
Profit for the period											1,145,772	1,450,310
11.1 Sales – external												
Fertilizer products:												
– Own manufactured	4,491,786	4,608,792	6,842,746	8,256,831	–	–	–	–	4,491,786	4,608,792	6,842,746	8,256,831
– Certified Emission Reductions	–	–	–	–	(413,694)	263,114	353,051	1,026,557	(413,694)	263,114	353,051	1,026,557
– Mid products	117,528	80,067	168,812	128,675	–	–	–	–	117,528	80,067	168,812	128,675
	4,609,314	4,688,859	7,011,558	8,385,506	(413,694)	263,114	353,051	1,026,557	4,195,620	4,951,973	7,364,609	9,412,063
Less: Sales incentive	–	14,717	–	14,717	–	–	–	–	–	14,717	–	14,717
Discount	10,184	9,827	13,125	17,115	–	–	–	–	10,184	9,827	13,125	17,115
	10,184	24,544	13,125	31,832	–	–	–	–	10,184	24,544	13,125	31,832
	4,599,130	4,664,315	6,998,433	8,353,674	(413,694)	263,114	353,051	1,026,557	4,185,436	4,927,429	7,351,484	9,380,231

(Rupees in thousand)

11.2 Cost of sales

	Fertilizers				Clean Development Mechanism				Total			
	Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended	
	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009
Raw material consumed	1,296,200	1,336,288	2,103,286	2,126,021	2,435	2,470	4,030	3,770	1,298,635	1,338,758	2,107,316	2,129,791
Packing material consumed	80,668	92,101	129,542	159,555	-	-	-	-	80,668	92,101	129,542	159,555
	1,376,868	1,428,389	2,232,828	2,285,576	2,435	2,470	4,030	3,770	1,379,303	1,430,859	2,236,858	2,289,346
Salaries, wages and other benefits	139,815	162,069	318,989	309,815	1,071	1,212	2,395	2,259	140,886	163,281	321,384	312,074
Fuel and power	445,627	538,264	740,882	918,814	1,098	1,314	2,246	2,158	446,725	539,578	743,128	920,972
Chemicals and catalysts consumed	112,195	72,180	199,843	139,038	-	-	-	-	112,195	72,180	199,843	139,038
Spare parts consumed	51,554	57,424	168,887	163,181	472	35	4,474	67	52,026	57,459	173,361	163,248
Stores consumed	20,577	14,258	68,666	76,701	607	1,202	1,284	1,229	21,184	15,460	69,950	77,930
Repairs and maintenance	25,356	37,645	44,536	48,200	85	174	149	406	25,441	37,819	44,685	48,606
Insurance	77,025	46,698	129,378	86,208	1,316	1,152	2,256	1,152	78,341	47,850	131,634	87,360
Depreciation on operating fixed assets	98,732	85,100	197,043	176,222	2,007	1,991	4,013	3,994	100,739	87,091	201,056	180,216
Depreciation on assets subject to finance lease	6,818	4,379	11,983	8,937	-	-	-	-	6,818	4,379	11,983	8,937
Amortisation on intangible assets	5,250	-	10,500	-	-	-	-	-	5,250	-	10,500	-
Others	14,376	5,137	27,168	12,524	(2,690)	5,022	2,669	8,230	11,686	10,159	29,837	20,754
	2,374,193	2,451,543	4,150,703	4,225,216	6,401	14,572	23,516	23,265	2,380,594	2,466,115	4,174,219	4,248,481
Opening stock of mid products	37,442	29,884	12,153	9,324	-	-	-	-	37,442	29,884	12,153	9,324
Closing stock of mid products	(15,085)	(13,676)	(15,085)	(13,676)	-	-	-	-	(15,085)	(13,676)	(15,085)	(13,676)
	22,357	16,208	(2,932)	(4,352)	-	-	-	-	22,357	16,208	(2,932)	(4,352)
Cost of goods manufactured	2,396,550	2,467,751	4,147,771	4,220,864	6,401	14,572	23,516	23,265	2,402,951	2,482,323	4,171,287	4,244,129
Opening stock of finished goods	731,404	894,068	462,643	1,424,415	15,125	3,456	26,113	11,880	746,529	897,524	488,756	1,436,295
Closing stock of finished goods	(906,686)	(438,022)	(906,686)	(438,022)	(41,013)	(9,265)	(41,013)	(9,265)	(947,699)	(447,287)	(947,699)	(447,287)
	(175,282)	456,046	(444,043)	986,393	(25,888)	(5,809)	(14,900)	2,615	(201,170)	450,237	(458,943)	989,008
	2,221,268	2,923,797	3,703,728	5,207,257	(19,487)	8,763	8,616	25,880	2,201,781	2,932,560	3,712,344	5,233,137

	Quarter ended		Half year ended	
	June 2010	June 2009	June 2010	June 2009
12. Earnings per share				
12.1 Basic earnings per share				
Net profit for the period (Rupees in thousand)	827,153	543,034	1,145,772	1,450,310
Weighted average number of ordinary shares (Number)	450,000,000	450,000,000	450,000,000	450,000,000
Earnings per share (Rupees)	1.84	1.21	2.55	3.22

12.2 Diluted earnings per share

A diluted earnings per share has not been presented as the company does not have any convertible instruments in issue as at June 30, 2010 and June 30, 2009 which would have any effect on the earnings per share if the option to convert is exercised.

	January 1 to June 30	
	2010	2009
	(Rupees in thousand)	
13. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,577,199	1,856,991
Adjustments for non cash charges and other items:		
- Depreciation on operating fixed assets	276,860	254,367
- Depreciation on assets subject to finance lease	29,305	16,096
- Amortization on intangibles	11,173	673
- Retirement benefits accrued	18,117	24,869
- Profit on disposal of operating fixed assets	(1,523)	(75)
- Finance cost	1,761,624	1,528,814
- Income on bank deposits	(2,659)	(3,936)
- Unrealised income on investment held to maturity	(1,276)	–
- Unrealised loss on re-measurement of investments	115,540	–
- Provisions and unclaimed balances written back	(55,991)	–
- Share of loss of associate	14,453	14,983
- Gain on derivative financial instruments	(4,952)	–
Profit before working capital changes	3,737,870	3,692,782
Effect on cash flow due to working capital changes		
- Decrease in stores and spare parts	16,709	26,962
- (Increase) / decrease in stock-in-trade	(1,343,394)	1,949,221
- Increase in trade debts	(323,706)	(115,645)
- (Increase) / decrease in advances, deposits prepayments and other receivables	(355,563)	2,631,629
- Increase / (decrease) in trade and other payables	522,652	(172,804)
	(1,483,302)	4,319,363
	2,254,568	8,012,145

	Un-audited June 2010	Un-audited June 2009
	(Rupees in thousand)	
14. CASH AND CASH EQUIVALENTS		
Short term borrowings - secured	(6,177,783)	(4,234,678)
Cash and bank balances	589,184	106,335
	(5,588,599)	(4,128,343)

15. TRANSACTIONS WITH RELATED PARTIES

Relationship with the company	Nature of transaction	Un-audited January 1 to June 30 2010	2009
		(Rupees in thousand)	
i. Post employment benefit plan	Expense charged in respect of retirement benefit plan	17,421	26,405
ii. Key management personnel	Salaries and other employee benefits	184,076	149,881
iii. Associated companies	Book value of operating fixed assets sold	–	332
	Markup expense on share deposit money	13,568	17,225
	Markup expense on loan from associated company	–	56,426
	Markup income on loans to subsidiary	102,880	–
	Markup income on loans to associated company	100,132	–
	Dividend income on preference shares of subsidiary	148,080	–
	Dividend income on preference shares of associated company	117,548	–
iv. Other related parties	Markup expense on loans from related parties	–	27,470

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

	Un-Audited June 2010	Audited December 2009
	(Rupees in thousand)	
Period end balances		
Payable to related parties	–	1,252
Long term loans to associated company	3,531,818	2,196,320
Mark up receivable from associated company	318,722	115,711
Preference dividend receivable from associated company	265,629	–
Receivable from related parties	34,647	2,671

These are in the normal course of business and are interest free except for the long term loans to associated company.

16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on August 27, 2010 by the Board of Directors of the company.

18. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Sd/-	Sd/-
Chief Executive	Director

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