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BOARD OF DIRECTORS

Mr. Muhammad 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. Tanvir H. Qureshi
Group Head Human Resources

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

Mr. Iftikhar Mahmood Baig
Company Secretary
iftikhar.baig@fatima-group.com

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

Allied Bank Limited
Arif Habib Bank Limited
Askari Bank Limited
Al-Baraka Islamic Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Limited
Deutsche Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Standard Chartered Bank (Pakistan) Limited
Silk Bank Limited
Soneri Bank Limited
The Royal Bank of Scotland
United Bank Limited
Zarai Taraqiati 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

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UAN: 111FATIMA
Fax # 042-3662189, 042-3662190

KARACHI OFFICE

21-Oil Installation Area, Keamari,
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Ph # 021-2855444-5
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PLANT SITE

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

Directors' Report to the Members

Dear Shareholders

On behalf of the Board of Directors of Pakarab Fertilizers Limited, I am pleased to present the financial statements for the quarter ended March 31, 2010.

Financial Review

For the quarter ended March 2010, your company earned pre-tax profit of Rs. 422.620 million and after tax profit of Rs. 318.620 million as against pre-tax profit of Rs. 1,055.271 million and after tax profit of Rs. 914.766 million for the quarter ended March 31, 2009. Annual turnaround was performed in schedule time, but due to stoppage and subsequently curtailment of gas supply, production target could not be achieved.

Summary of financial results for the quarter ended March 2010 as against March 2009 is given below:

	Jan. 10 to Mar. 10	Jan. 09 to Mar. 09
Sales (Rs. in million)	3,166	4,453
Gross Profit (%)	52	48
Profit before tax to Sale (%)	13	24
EBITDA (Rs. in million)	1,417	1,941
EBITDA to sale (%)	45	44
Earning Per Share (Rupees)	0.71	2.03*
Break up value of shares (Rupees)	33	29*

*Restated

Production Review

Production of CAN and NP remained higher by 2% and 12% respectively as compared to that of last corresponding period, however, production of UREA remained lower by 42% mainly due to Natural gas stoppage and curtailment during the quarter ended March 2010.

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

Products	Jan. 10 to Mar. 10		Jan. 09 to Mar. 09		Variance	
	Product M. Ton	Nutrient M. Ton	Product M. Ton	Nutrient M. ton	Product M. Ton	Nutrient M. Ton
Calcium Ammonium Nitrate (CAN)	61,660	16,032	60,585	15,752	1,075	280
Nitro Phosphate (NP)	55,395	23,266	49,384	20,741	6,011	2,525
Urea	11,215	5,159	19,204	8,834	(7,989)	(3,675)
Total	128,270	44,457	129,173	45,327	(903)	(870)

Sales Review

Sale of CAN fertilizer in quantitative term increased by 19% and NP and UREA sales decreased by 60% and 57% respectively as compared to corresponding period.

NP sales were lower as compared to corresponding period. Though the sales in 2010 for 3 months showed a normal trend in line with the industry, however, it was significantly low when compared to corresponding period of 3 months. In beginning 2009 the company had piled up stocks due to low demand nearing the year end 2008, which the company was able to sell in the first quarter of 2009. Sales of Urea decreased due to lower production of Urea during the quarter ended March 31, 2010.

The sales figures were as follows:

Products	Jan. 10 to Mar. 10		Jan. 09 to Mar. 09		Variance	
	Product M. Ton	Nutrient M. Ton	Product M. Ton	Nutrient M. ton	Product M. Ton	Nutrient M. Ton
Calcium Ammonium Nitrate (CAN)	79,482	20,665	66,749	17,355	12,733	3,310
Nitro Phosphate (NP)	38,413	16,134	96,091	40,358	(57,678)	(24,224)
Urea	8,322	3,828	19,385	8,917	(11,063)	(5,089)
Total	126,217	40,627	182,225	66,630	(56,008)	(26,003)

Near Future Outlook

The demand of fertilizers is expected to grow due to increase in demand of agricultural commodities. 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 in mind. As a result of our continuous efforts viz a viz improving fertilizer sales, your Company is expected 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
April 27, 2010

Muhammad Arif Habib
Chairman

Unconsolidated Condensed Interim Balance Sheet

As at March 31, 2010

	Note	Un-audited March 2010 (Rupees in thousand)	Audited December 2009
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid up share capital	5	4,500,000	4,500,000
Advance for shares		200,000	200,000
Reserve	6	4,995,352	4,995,352
Unappropriated profit		4,962,136	4,643,516
		14,657,488	14,338,868
Surplus on revaluation of property, plant and equipment		2,475,847	2,475,847
LONG TERM LIABILITIES			
Long term finances	7	17,189,509	16,190,741
Liabilities against assets subject to finance lease		124,791	106,720
Long term security deposits		738,405	732,241
Long Term Portion of Mining Rights		52,500	52,500
Deferred Liabilities		51,018	45,760
Deferred taxation		5,079,190	4,987,221
		23,235,413	22,115,183
CURRENT LIABILITIES			
Current portion of long term loans		1,175,222	1,176,222
Current portion of long term liabilities		109,768	162,280
Finances under mark up arrangements		5,523,695	5,555,693
Payable to Privatization Commission		2,197,901	2,197,901
Provision for taxation		108,224	132,780
Creditors, accrued and other liabilities		2,564,618	2,276,833
Accrued Financial Cost		862,648	989,422
		12,542,076	12,491,131
CONTINGENCIES AND COMMITMENTS	8	-	-
		52,910,824	51,421,029

The annexed notes 1 to 21 form an integral part of these unconsolidated financial statements.

Sd/-

Chief Executive

	Note	Un-audited March 2010	Audited December 2009
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	20,647,832	20,790,946
Assets subject to finance lease		136,617	147,524
Capital work-in-progress		907,576	699,948
Goodwill		3,305,163	3,305,163
Long-term investment	10	7,845,744	7,881,744
Long-term loans - Unsecured	11	2,776,823	2,196,320
Long-term deposits		29,340	17,546
		35,649,095	35,039,191
CURRENT ASSETS			
Stores and spare parts		1,856,718	1,880,195
Stock-in-trade		3,198,878	2,810,923
Trade debts		1,384,999	704,555
Derivative financial instrument		7,882	7,882
Advances, deposits, prepayments and other receivables		3,177,995	6,813,295
Investment - related party	12	7,512,000	3,930,000
Cash and bank balances		123,257	234,988
		17,261,729	16,381,838
		52,910,824	51,421,029

Sd/-
Director

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

For the three months ended March 31, 2010

	Note	For the quarter ended Un-Audited	
		March 2010	March 2009
(Rupees in thousand)			
Sales	15	3,166,048	4,452,800
Cost of goods sold	16	(1,510,563)	(2,300,577)
Gross profit		1,655,485	2,152,223
Administrative and general expenses		(185,424)	(132,311)
Selling and distribution expenses		(242,370)	(162,743)
Operating profit		1,227,691	1,857,169
Other operating expenses		(28,780)	(78,610)
Other income		118,174	21,122
Profit from operations		1,317,085	1,799,681
Financial charges		(840,465)	(744,410)
Loss on re-measurement of investment		(54,000)	-
Profit before taxation		422,620	1,055,271
Provision for taxation		(104,000)	(140,505)
Profit after taxation		318,620	914,766
Earning per share	17	0.71	2.03

The annexed notes 1 to 21 form an integral part of these unconsolidated financial statements.

Sd/-
Chief Executive

Sd/-
Director

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months ended March 31, 2010

	For the quarter ended Un-Audited	
	March 2010	March 2009
	(Rupees in thousand)	
Profit after taxation	318,620	914,766
Other comprehensive income	-	-
Total comprehensive income	318,620	914,766

The annexed notes 1 to 21 form an integral part of these unconsolidated financial statements.

Sd/-
Chief Executive

Sd/-
Director

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

For the three months ended March 31, 2010

(Rupees In Thousand)								
	Share Capital	General Reserve	Hedging Reserve	Share Premium	Total Reserves	Share Deposit Money	Un-appropriated Profit	Total
Balance as at 31 December, 2008	3,000,000	606,700	(9,545)	1,048,652	1,645,807	240,000	7,090,638	11,976,445
Share deposit money paid	-	-	-	-	-	(40,000)	-	(40,000)
Net Profit for the period Jan-Mar 2009	-	-	-	-	-	-	914,766	914,766
	3,000,000	606,700	(9,545)	1,048,652	1,645,807	200,000	8,005,404	12,851,211
Effective portion of loss arising on marked to market foreign currency options entered into as part of cash flow hedge for the purchase of plant and machinery	-	-	9,545	-	9,545	-	-	9,545
Stock Dividend	1,500,000	(451,348)	-	(1,048,652)	(1,500,000)	-	-	-
Transfer to general reserve	-	7,090,000	-	-	7,090,000	-	(7,090,000)	-
Dividend as specie distribution	-	(2,250,000)	-	-	(2,250,000)	-	-	(2,250,000)
Net profit for the period	-	-	-	-	-	-	3,728,112	3,728,112
Balance as at 31 December, 2009	4,500,000	4,995,352	-	-	4,995,352	200,000	4,643,516	14,338,868
Net profit for the period	-	-	-	-	-	-	318,620	318,620
Balance as at 31 March, 2010	4,500,000	4,995,352	-	-	4,995,352	200,000	4,962,136	14,657,488

The annexed notes 1 to 21 form an integral part of these unconsolidated financial statements.

Sd/-
Chief Executive

Sd/-
Director

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the three months ended March 31, 2010

	Note	For the quarter ended Un-Audited	
		March 2010	March 2009
		(Rupees in thousand)	
Cash generated from operations	13	759,601	5,306,938
Financial charges paid		(967,240)	(684,810)
Payment of retirement benefits		(6,541)	(14,433)
Income tax paid		(36,586)	(9,068)
		(1,010,367)	(708,311)
Net cash generated from operating activities		(250,766)	4,598,627
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(227,734)	(164,319)
Long term deposits		(11,793)	(408)
Long term investment		-	(3,934,616)
Long term loan to related party		(580,503)	-
Return on bank deposits and others		1,466	3,110
Net cash outflow from investing activities		(818,564)	(4,096,233)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of redeemable capital - TFC		(1,000)	(1,000)
Long term loans		998,768	79,901
Share deposit money		-	(40,000)
Lease finance proceeds / (payment)		(14,335)	6,085
Increase / (decrease) in long term security deposits		6,163	20,400
Net cash inflow from financing activities		989,596	65,386
Net decrease in cash & cash equivalents		(79,734)	567,780
Cash and cash equivalents at beginning of the period		(5,320,705)	(5,146,499)
Cash and cash equivalents at the end of the period	14	(5,400,439)	(4,578,719)

The annexed notes 1 to 21 form an integral part of these unconsolidated financial statements.

Sd/-
Chief Executive

Sd/-
Director

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

1. THE COMPANY AND ITS ACTIVITIES

Pakrab 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 listed its Term Finance Certificates on the Karachi Stock Exchange on March 28, 2008. Consequently, the Listing Regulations of the Karachi Stock Exchange are now applicable to the Company. It is principally engaged in the manufacturing and sale of chemical fertilizers and generation and sale of Certified Emission Reductions (CERs). 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. STATEMENT OF COMPLIANCE

This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984. The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended December 31, 2009. Comparative figures of the balance sheet are extracted from the audited annual financial statements for the year ended December 31, 2009 whereas comparative profit and loss account, statement of changes in equity and statement of cash flows are stated from un-audited condensed interim financial statements for the period ended March 31, 2009.

3. BASIS OF MEASUREMENT AND ESTIMATES

These financial statements have been prepared under the historical cost convention except for certain assets and certain financial instruments which are measured at fair values.

This condensed interim financial information requires the management to make difficult, subjective or complex judgments or estimates. It is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The significant judgments and estimates made by the management in applying the company's accounting policies were the same as those applied to the audited financial statements for the year ended 31-12-2009.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of audited financial statements for the period ended 31-12-2009.

5. ISSUED SUBSCRIBED AND PAID UP SHARE CAPITAL

March 2010 (Number of shares)	December 2009 (Number of shares)		Un-Audited March 2010 (Rupees in thousand)	Audited December 2009 (Rupees in thousand)
2,791,260	2,791,260	Ordinary shares of Rs 10 each fully paid in cash	27,913	27,913
447,208,740	447,208,740	Ordinary shares of Rs 10 each issued as fully paid bonus shares	4,472,087	4,472,087
450,000,000	450,000,000		4,500,000	4,500,000

AUTHORIZED SHARE CAPITAL

This represents 1,000,000,000 (2009: 1,000,000,000) ordinary shares of Rs 10 each amounting to Rs 10,000,000 thousand (2009: Rs 10,000,000 thousand).

	Note	Un-Audited March 2010 (Rupees in thousand)	Audited December 2009 (Rupees in thousand)
6. RESERVES			
General Reserve:			
At the beginning of the year		4,995,352	606,700
Transfer from Profit & Loss Account		-	7,090,000
Less: Dividend as bonus shares		-	(451,348)
Less: Dividend as specie dividend		-	(2,250,000)
		4,995,352	4,995,352
7. LONG TERM FINANCES			
Total long term financing – Secured	7.1	18,364,731	17,366,963
Less: Amount payable within twelve months shown as current maturity		1,175,222	1,176,222
		17,189,509	16,190,741

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

	Un-Audited March 2010	Audited December 2009 (Rupees in thousand)
7.1 Movement in this account during the period / year is as follows:		
Opening balance	17,366,963	13,807,265
Disbursement during the period / year	998,768	3,561,698
Repayment during the period / year	(1,000)	(2,000)
Closing balance	18,364,731	17,366,963
8. CONTINGENCIES AND COMMITMENTS		
8.1 Contingencies		
(i) Payable to the Privatization Commission, as part of purchase consideration if the company's contention relating to possible double payment is not acceded to by the other party to the Share Purchase Agreement. In case, the amount becomes payable, the corresponding effect would be reflected in the computation of goodwill.	240.119	240.119
(ii) The company has issued guarantee in favour of Sui Northern Gas Pipelines Limited against sale of gas	7.655	7.655
(iii) Indemnity bonds issued to the Customs authorities	56.280	123.500
(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.	0.100	0.100
(v) The amount 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 amount was not distributable as part of dividend for that year in view of the clear understanding behind the execution of the Agreement.	129.169	129.169

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

	Un-Audited March 2010	Audited December 2009 (Rupees in thousand)
(vi) In consequence of audit of the Company's sales tax affairs for the period July 2005 through May 2006, certain observations were raised by the departmental auditors. The company is confident that there are reasonable grounds for favourable decision.	16.507	16.507
(vii) Similarly, in consequence of another audit of the company's sales tax affairs for the period March 2006 through October 2006, certain observations were raised by the departmental auditors. The company is confident that there are reasonable grounds for favourable decision.	10.411	10.411
(viii) Company's claim relates to 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. The company's claim of refund on this account was not entertained by Federal Board of Revenue (FBR) and the issue is before the honourable Lahore High Court. The company is confident that there are reasonable grounds for favourable decision.	125.000	125.000
(ix) Claims against the company not acknowledged as debts.	23.051	23.051
8.2 Commitments in respect of		
(i) Contracts for capital expenditure	582.928	549.251
(ii) Letters of credit other than for capital expenditure	695.634	511.345
(iii) Purchase orders were placed and letters of credit were established subsequently	174.140	7.801

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

	Note	Un-Audited March 2010 (Rupees in thousand)	Audited December 2009
9. PROPERTY, PLANT & EQUIPMENT			
Opening book value		20,790,946	18,521,566
Additions during the period	9.1	-	2,793,227
		20,790,946	21,314,793
Book value of fixed assets disposed off during the period		-	628
Depreciation charged during the period		143,114	523,219
Closing book value		20,647,832	20,790,946
9.1 Additions during the period:			
Building		-	16,642
Plant and machinery		-	2,481,372
Furniture and fixtures		-	637
Tools and equipment		-	61,780
Vehicles		-	22,796
Intangibles		-	210,000
		-	2,793,227
10. LONG TERM INVESTMENT			
Subsidiary company Fatima Fertilizer Company Limited 900,000,000 (2009: 900,000,000) Fully paid ordinary shares of Rs 10 each. Equity held 45% (2009: 50%)	10.1	7,824,000	7,860,000
Other investment - held to maturity Defense Saving Certificates	10.2	21,744	21,744
		7,845,744	7,881,744
10.1 Investment in subsidiary			
Opening balance		11,790,000	8,923,612
Add: (Loss) / Gain on re-measurement		(54,000)	2,866,388
		11,736,000	11,790,000
Less: Investment classified under current assets		(3,912,000)	(3,930,000)
		7,824,000	7,860,000

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

Investment in FATIMA, a subsidiary company, has been revalued at the rate Rs. 13.04 per ordinary share prevailing as at March 31, 2010. consequently re-measurement loss of Rs. 54 million has been included in the profit & loss account.

- 10.2 This represents investment in Defense Saving Certificates for a period of ten years, which will mature on September 11, 2019. Yield to maturity on these certificates is 12.15%. These certificates have been pledged as security with the Director General, Mines & Minerals, Government of NWFP as per the terms of the mining agreement.

	Note	Un-Audited March 2010	Audited December 2009
11. LONG TERM LOANS TO SUBSIDIARY COMPANY			
Long Term Loan (from STFF)	11.1	2,037,500	2,037,500
Subordinated Loan	11.2	739,323	158,820
		2,776,823	2,196,320

- 11.1 This represents unsecured loan provided to FATIMA, a subsidiary company, from the proceeds of the syndicated term finance facility (STFF), for the purpose of project financing. The repayment of this loan is not to exceed the repayment amount of the syndicated loan (Senior Facility), Commercial Facility and New Facility of FATIMA by more than 6.45% of the principal component of such facilities' repayments. Till such time as the company is obligated to make repayment of the STFF, the loan carries markup at the rate of six months KIBOR plus 2.5% per annum, with no floor and no cap, payable semi-annually, on outstanding balance of such loan. Subsequently, the loan will carry markup at the rate of average borrowing cost of the company.

- 11.2 This represents unsecured loan to FATIMA, a subsidiary company, for the purpose of project financing. The rate of mark up is equal to the average borrowing cost of the company. The loan is repayable by Fatima, when the aggregate outstanding amounts of FATIMA under the Senior Facility, Commercial Facility, New Facility and security agreements between Fatima and the financial institutions, is less than Rs 23,000 million.

12. INVESTMENT - RELATED PARTY

This includes amount of Rs. 3,912 million representing the fair value of 300 million ordinary shares out of the total 900 million ordinary shares of FATIMA held by the company. This has been classified as current on management's intention that in the current year, the company may distribute these shares as specie dividend in line with the past dividend distribution practice or it may dispose of these shares to meet the working capital requirements of the company.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

This also includes investment in preference shares of subsidiary company, FATIMA valuing Rs. 3,600 million stated at cost. This has been classified as current on the management's intention in line with the documented investment strategy in FATIMA on the basis that in the current year, the company may dispose of such preference shares to realize cash for the company's requirements or may distribute these as specie dividend in line with the past dividend distribution practice.

	For the quarter ended Un-Audited	
	March 2010	March 2009
	(Rupees in thousand)	
13. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before taxation	422,620	1,055,271
Adjustments for:		
Depreciation	154,020	140,858
Provision for retirement benefits	8,861	12,313
Financial charges	840,465	744,410
Unrealized gain on investment	54,000	-
Provisions written back	(3,973)	-
Return on bank deposits and others	(1,466)	(3,110)
Operating profit before working capital changes	1,474,527	1,949,742
Decrease/(Increase) in stores and spare parts	23,475	(206,996)
Decrease/(Increase) in stock in trade	(387,958)	1,070,059
Decrease/(increase) in trade debts	(680,444)	91,268
Decrease/(Increase) in advances, deposits, prepayments and other receivables	35,303	2,112,778
(Decrease)/Increase in creditors, accrued and other liabilities	294,698	290,087
	(714,926)	3,357,196
Cash generated from operations	759,601	5,306,938
14. CASH AND CASH EQUIVALENTS		
Finances under mark up arrangement	(5,523,696)	(4,905,483)
Cash and bank balances	123,257	326,764
	(5,400,439)	(4,578,719)

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

15. SEGMENT RESULTS

	Fertilizers		Clean Development Mechanism		Total	
	For the three months period ended		For the three months period ended		For the three months period ended	
	Un-Audited		Un-Audited		Un-Audited	
	March 2010	March 2009	March 2010	March 2009	March 2010	March 2009
	(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)	
SALES						
Fertilizer products						
- Own manufactured	2,350,960	3,648,039	-	-	2,350,960	3,648,039
- CERs	-	-	766,745	763,443	766,745	763,443
	2,350,960	3,648,039	766,745	763,443	3,117,705	4,411,482
Mid products	51,284	48,607	-	-	51,284	48,607
Less: Discount	2,941	7,289	-	-	2,941	7,289
	2,399,303	3,689,357	766,745	763,443	3,166,048	4,452,800

16. COST OF GOODS SOLD

Raw material consumed	807,086	789,732	1,595	1,300	808,681	791,032
Packing material consumed	48,874	67,454	-	-	48,874	67,454
	855,960	857,186	1,595	1,300	857,555	858,486
Salaries, wages and other benefits	179,174	147,746	1,324	1,047	180,498	148,793
Fuel and power	295,255	380,550	1,148	844	296,403	381,394
Chemicals and catalysts consumed	87,648	66,859	-	-	87,648	66,859
Spare parts consumed	117,333	105,759	4,002	32	121,335	105,791
Stores consumed	48,089	62,443	677	27	48,766	62,470
Repairs and maintenance	19,180	10,554	64	232	19,244	10,786
Insurance	52,353	39,510	940	-	53,293	39,510
Depreciation	103,561	91,122	2,006	2,003	105,567	93,125
Depreciation on assets subject to finance lease	5,165	4,557	-	-	5,165	4,557
Other expenses	12,792	7,387	5,359	3,208	18,151	10,595
	1,776,510	1,773,673	17,115	8,693	1,793,625	1,782,366
Opening stock of mid products	12,153	9,324	-	-	12,153	9,324
Closing stock of mid products	(37,442)	(29,884)	-	-	(37,442)	(29,884)
	(25,289)	(20,560)	-	-	(25,289)	(20,560)
	1,751,221	1,753,113	17,115	8,693	1,768,336	1,761,806
Opening stock of finished goods manufactured	462,643	1,424,415	26,113	11,880	488,756	1,436,295
Closing stock of finished goods manufactured	(731,404)	(894,068)	(15,125)	(3,456)	(746,529)	(897,524)
	(268,761)	530,347	10,988	8,424	(257,773)	538,771
	1,482,460	2,283,460	28,103	17,117	1,510,563	2,300,577

For the quarter ended
Un-Audited
March 2010 March 2009
(Rupees in thousand)

17. EARNING PER SHARE

There is no dilutive effect on the basic earning per share of the company, which is based on :

Profit after taxation	Rupees "000"	318,620	914,766
Number of ordinary shares	"000"	450,000	450,000
Earning per share	Rupees	0.71	2.03

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

18. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related group companies, key management personnel and post employment benefit plans. The company in the normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown under relevant receivables and payables heads. Other significant transactions with related parties are as follows:

Relationship with the company	Nature of transaction	For the quarter ended Un-Audited	
		March 2010	March 2009 (Rupees in thousand)
i. Post employment benefit plan	Expense charged in respect of retirement benefit plan	9,731	12,313
ii. Key management personnel	Remuneration including benefits and perquisites of chief executive and other executives.	130,864	106,512
iii. Associated companies	Purchase of goods & services	6,939	984

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

	Un-Audited March 2010	Audited December 2009 (Rupees in thousand)
19. PERIOD END BALANCES		
Receivable from related parties	34,369	-
Payable to related parties	3,783	1,252

20. DATE OF AUTHORIZATION FOR ISSUE

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

21. 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/-
Chief Executive

Sd/-
Director

Consolidated Financial Statements (Un-audited)

Pakarab Fertilizers Limited

For the three months ended March 31, 2010

Consolidated Condensed Interim Balance Sheet

As at March 31, 2010

	Note	Un-audited March 2010 (Rupees in thousand)	Audited December 2009
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid up share capital	5	4,500,000	4,500,000
Advance for shares		200,000	200,000
Reserve	6	4,995,352	4,995,352
Unappropriated profit		2,130,189	1,785,955
		11,825,541	11,481,307
Minority interest		11,710,267	8,935,088
		23,535,808	20,416,395
Surplus on revaluation of property, plant and equipment		2,475,847	2,475,847
LONG TERM LIABILITIES			
Preference share capital	7	400,000	148,251
Long term finances	8	46,794,438	44,840,484
Liabilities against assets subject to finance lease		124,791	106,720
Long term security deposits		738,405	732,241
Long term portion of mining rights		52,500	52,500
Deferred liabilities		99,422	100,253
Deferred taxation		5,079,190	4,987,221
		53,288,746	50,967,670
CURRENT LIABILITIES			
Current portion of long term loans		1,578,018	1,579,018
Current portion of long term liabilities		109,768	162,280
Finances under mark up arrangements		5,523,696	5,555,693
Payable to privatization commission		2,197,901	2,197,901
Provision for taxation		108,224	132,780
Creditors, accrued and other liabilities		5,746,539	3,938,974
Accrued financial cost		862,648	3,469,713
		16,126,794	17,036,359
CONTINGENCIES AND COMMITMENTS			
	9	-	-
		95,427,195	90,896,271

The annexed notes 1 to 19 form an integral part of these consolidated financial statements.

Sd/-
Chief Executive

	Note	Un-audited March 2010 (Rupees in thousand)	Audited December 2009
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	21,547,452	21,603,275
Assets subject to finance lease		136,617	147,524
Capital work-in-progress		58,589,269	54,990,288
Goodwill		3,305,163	3,305,163
Long-term investment		21,744	21,744
Long-term loans		3,354	2,770
Long-term deposits		34,629	22,926
		83,638,228	80,093,690
CURRENT ASSETS			
Stores and spare parts		3,456,794	3,022,993
Stock-in-trade		3,312,824	2,810,923
Trade debts		1,384,999	704,555
Derivative financial instrument		7,882	7,882
Advances, deposits, prepayments and other receivables		3,455,783	3,796,823
Cash and bank balances		170,685	459,405
		11,788,967	10,802,581
		95,427,195	90,896,271

Sd/
Director

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

For the three months ended March 31, 2010

	Note	For the quarter ended Un-Audited	
		March 2010	March 2009
(Rupees in thousand)			
Sales	13	3,166,048	4,452,800
Cost of goods sold	14	(1,510,564)	(2,300,577)
Gross profit		1,655,484	2,152,223
Administrative and general expenses		(211,822)	(132,311)
Selling and distribution expenses		(242,370)	(162,743)
Operating profit		1,201,292	1,857,169
Other operating expenses		(28,780)	(78,610)
Other income		26,487	21,122
Profit from operations		1,198,999	1,799,681
Financial charges		(765,586)	(744,410)
Profit before taxation		433,413	1,055,271
Provision for taxation		(104,000)	(140,505)
Profit after taxation		329,413	914,766
Attributable to:			
Equity holders of the parent		344,234	914,766
Minority interest		(14,821)	-
		329,413	914,766
Earning per share	15	0.73	2.03

The annexed notes 1 to 19 form an integral part of these consolidated financial statements.

Sd/-
Chief Executive

Sd/-
Director

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months ended March 31, 2010

	For the quarter ended Un-Audited March 2010 March 2009 (Rupees in thousand)	
Profit after taxation	329,413	914,766
Other comprehensive income	-	-
Total comprehensive income	329,413	914,766
Attributable to:		
Equity holders of the parent	344,234	914,766
Minority interest	(14,821)	-
	329,413	914,766

The annexed notes 1 to 19 form an integral part of these consolidated financial statements.

Sd/-
Chief Executive

Sd/-
Director

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

For the three months ended March 31, 2010

(Rupees In Thousand)										
	Share Capital	General Reserve	Hedging Reserve	Share Premium	Total Reserves	Share Deposit Money	Un-appropriated Profit	Total	Minority Interest	Total
Balance as at 31 December, 2008	3,000,000	606,700	(9,545)	1,048,652	1,645,807	240,000	7,090,638	11,976,445	-	11,976,445
Share deposit money paid	-	-	-	-	-	(40,000)	-	(40,000)	-	(40,000)
Net Profit for the period Jan-Mar 2009	-	-	-	-	-	-	914,766	914,766	-	914,766
	3,000,000	606,700	(9,545)	1,048,652	1,645,807	200,000	8,005,404	12,851,211	-	12,851,211
Effective portion of loss arising on marked to market foreign currency options entered into as part of cash flow hedge for the purchase of plant and machinery	-	-	9,545	-	9,545	-	-	9,545	-	9,545
Stock Dividend	1,500,000	(451,348)	-	(1,048,652)	(1,500,000)	-	-	-	-	-
Transfer to general reserve	-	7,090,000	-	-	7,090,000	-	(7,090,000)	-	-	-
Dividend as specie distribution	-	(2,250,000)	-	-	(2,250,000)	-	-	(2,250,000)	-	(2,250,000)
Minority interest	-	-	-	-	-	-	-	8,955,382	8,955,382	8,955,382
Net profit for the period	-	-	-	-	-	-	870,551	870,551	(20,294)	850,257
Balance as at 31 December, 2009	4,500,000	4,995,352	-	-	4,995,352	200,000	1,785,955	11,481,307	8,935,088	20,416,395
Issue of 200,000,000 ordinary shares of Rs 10 each fully paid in cash to institutional investors and general public	-	-	-	-	-	-	-	-	2,000,000	2,000,000
Share premium	-	-	-	-	-	-	-	-	790,000	790,000
Net profit for the period	-	-	-	-	-	-	344,234	344,234	(14,821)	329,413
Balance as at 31 March, 2010	4,500,000	4,995,352	-	-	4,995,352	200,000	2,130,189	11,825,541	11,710,267	23,535,808

The annexed notes 1 to 19 form an integral part of these consolidated financial statements.

Sd/-
Chief Executive

Sd/-
Director

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the three months ended March 31, 2010

	Note	For the quarter ended Un-Audited	
		March 2010	March 2009
		(Rupees in thousand)	
Cash generated from operations	11	729,999	5,306,938
Financial charges paid		(3,047,487)	(684,810)
Payment of retirement benefits		(12,630)	(14,433)
Income tax paid		(45,157)	(9,068)
		(3,105,274)	(708,311)
Net cash generated from operating activities		(2,375,275)	4,598,627
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,707,160)	(164,319)
Long term deposits		(12,286)	(408)
Long term investment		-	(3,934,616)
Return on bank deposits and others		1,466	3,110
Net cash outflow from investing activities		(2,717,980)	(4,096,233)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		2,790,000	-
Proceeds from preference shares		101,750	-
Repayment of redeemable capital - TFC		(1,000)	(1,000)
Long term loans		1,953,954	79,901
Share deposit money		-	(40,000)
Lease finance proceeds / (payment)		(14,336)	6,085
Increase / (decrease) in long term security deposits		6,164	20,400
Net cash inflow from financing activities		4,836,532	65,386
Net decrease in cash & cash equivalents		(256,723)	567,780
Cash and cash equivalents at beginning of the period		(5,096,288)	(5,146,499)
Cash and cash equivalents at the end of the period	12	(5,353,011)	(4,578,719)

The annexed notes 1 to 19 form an integral part of these consolidated financial statements.

Sd/-
Chief Executive

Sd/-
Director

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

1. THE COMPANY AND ITS ACTIVITIES

Pakarab Fertilizers Limited (the parent company) is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 and its Term Finance Certificates are listed on the Karachi Stock Exchange (Guarantee) Limited. The parent company acquired Fatima Fertilizer Company Limited (the subsidiary company) (together, 'the Group') on September 21, 2009. Fatima Fertilizer Company Limited is a listed public company incorporated in Pakistan under the Companies Ordinance, 1984 and its shares are quoted on Karachi, Lahore and Islamabad stock exchanges. The parent company is principally engaged in the manufacturing and sale of chemical fertilizers and generation and sale of Certified Emission Reductions (CERs) while the subsidiary company is in the process of setting up the project at Mukhtar Garh, Sadiqabad to produce Urea, Nitro Phosphate (NP), Nitro Phosphate Potash (NPK) and Calcium Ammonium Nitrate (CAN). The registered offices of the parent and subsidiary company and the manufacturing facility of the parent company are located in Multan.

2. STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984. The condensed interim consolidated financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting'.

These statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended December 31, 2009. Comparative figures of the balance sheet are extracted from the audited annual consolidated financial statements for the year ended December 31, 2009 whereas comparative profit and loss account, statement of changes in equity and statement of cash flows are stated from un-audited condensed interim financial statements for the period ended March 31, 2009.

3. BASIS OF MEASUREMENT AND ESTIMATES

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for certain assets and certain financial instruments which are measured at fair values.

This condensed interim consolidated financial information requires the management to make difficult, subjective or complex judgments or estimates. It is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The significant judgments and estimates made by the management in applying the company's accounting policies were the same as those applied to the audited consolidated financial statements for the year ended 31-12-2009.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparation of these condensed interim consolidated financial statements are the same as those applied in preparation of consolidated audited financial statements for the period ended 31-12-2009.

5. ISSUED SUBSCRIBED AND PAID UP SHARE CAPITAL

March 2010 (Number of shares)	December 2009		Un-Audited March 2010 (Rupees in thousand)	Audited December 2009 (Rupees in thousand)
2,791,260	2,791,260	Ordinary shares of Rs 10 each fully paid in cash	27,913	27,913
447,208,740	447,208,740	Ordinary shares of Rs 10 each issued as fully paid bonus shares	4,472,087	4,472,087
450,000,000	450,000,000		4,500,000	4,500,000

AUTHORIZED SHARE CAPITAL

This represents 1,000,000,000 (2009: 1,000,000,000) ordinary shares of Rs 10 each amounting to Rs 10,000,000 thousand (2009: Rs 10,000,000 thousand).

6. RESERVES

General Reserve:

At the beginning of the year	4,995,352	606,700
Transfer from Profit & Loss Account	-	7,090,000
Less: Dividend as bonus shares	-	(451,348)
Less: Dividend as specie dividend	-	(2,250,000)
	4,995,352	4,995,352

7. The preference shares are Non-Voting, Non-Participatory, Convertible and Cumulative, issued at the rate of Rs 10 per share to Fatima Sugar Mills Limited and Reliance Commodities (Private) Limited. Annualized cumulative dividends will be paid at 6-months KIBOR plus 3.0% per annum. The subordinated company may, at its option, redeem the preference shares at any time by giving at least 60 days prior written notice to the preference shares holders. The subsidiary company shall create a Sinking Fund reserve account from its profits and any payments on accounts of the call option will only be made from the Sinking Fund reserve

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

account. Preference shares holders will have the option to serve a notice to convert the preference shares into ordinary shares of the subsidiary company by serving the Conversion Notice after the end of the two years from the Issue Date of preference shares at 20% discount on fair value of the ordinary share of the subsidiary company at the time of conversion.

	Un-Audited March 2010	Audited December 2009 (Rupees in thousand)
8. LONG TERM FINANCES		
Total long term financing-Secured	48,372,456	46,419,502
Less: Amount payable within twelve months shown as current maturity	1,578,018	1,579,018
	46,794,438	44,840,484
9. CONTINGENCIES AND COMMITMENTS		
9.1 Contingencies		
(i) Payable to the Privatization Commission, as part of purchase consideration if the company's contention relating to possible double payment is not acceded to by the other party to the Share Purchase Agreement. In case, the amount becomes payable, the corresponding effect would be reflected in the computation of goodwill.	240.119	240.119
(ii) The company has issued guarantee in favour of Sui Northern Gas Pipelines Limited against sale of gas	7.655	7.655
(iii) Indemnity bonds issued to the Customs authorities	56.280	123.500
(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.	0.100	0.100

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

	Un-Audited March 2010	Audited December 2009
	(Rupees in thousand)	
(v) The amount 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 amount was not distributable as part of dividend for that year in view of the clear understanding behind the execution of the Agreement.	129.169	129.169
(vi) In consequence of audit of the Company's sales tax affairs for the period July 2005 through May 2006, certain observations were raised by the departmental auditors. The company is confident that there are reasonable grounds for favourable decision.	16.507	16.507
(vii) Similarly, in consequence of another audit of the company's sales tax affairs for the period March 2006 through October 2006, certain observations were raised by the departmental auditors. The company is confident that there are reasonable grounds for favourable decision.	10.411	10.411
(viii) Company's claim relates to the input sales tax paid by the company on acquisition of raw materials that became refundable due to promulgation of notification SRO 535(l)/2008 dated June 11, 2008. The company's claim of refund on this account was not entertained by Federal Board of Revenue (FBR) and the issue is before the honourable Lahore High Court. The company is confident that there are reasonable grounds for favourable decision.	125.000	125.000
(ix) Claims against the company not acknowledged as debts.	23.051	23.051

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

	Note	Un-Audited March 2010	Audited December 2009 (Rupees in thousand)
9.2 Commitments in respect of			
(i) Contracts for capital expenditure		4,319.64	3,557.71
(ii) Contracts for other than capital expenditure		20.28	26.94
(iii) Letters of credit other than for capital expenditure		715.91	511.35
(iv) Purchase orders placed and letters of credit established subsequently		174.14	7.80
10. PROPERTY, PLANT & EQUIPMENT			
Opening book value		21,603,275	19,252,080
Additions during the period	10.1	99,550	2,919,760
		21,702,825	22,171,840
Book value of fixed assets disposed off during the period		-	628
Depreciation charged during the period		155,373	567,937
Closing book value		21,547,452	21,603,275
10.1 Additions during the period:			
Freehold land		58,477	19,872
Building		-	16,642
Plant and machinery		33,769	2,481,372
Furniture and fixtures		1,088	10,798
Tools and equipment		442	151,419
Vehicles		5,774	29,657
Intangibles		-	210,000
		99,550	2,919,760

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

	For the quarter ended	
	Un-Audited March 2010	Un-Audited March 2009
(Rupees in thousand)		
11. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before taxation	433,413	1,055,271
Adjustments for:		
Depreciation	158,628	140,858
Provision for retirement benefits	8,861	12,313
Financial charges	841,015	744,410
Provisions written back	(3,974)	-
Return on bank deposits and others	(1,467)	(3,110)
Operating profit before working capital changes	1,436,476	1,949,742
Decrease/(Increase) in stores and spare parts	(438,167)	(206,996)
Decrease/(Increase) in stock in trade	(501,904)	1,070,059
Decrease/(increase) in trade debts	(680,444)	91,268
Decrease/(Increase) in advances, deposits, prepayments and other receivables	499,618	2,112,778
(Decrease)/Increase in creditors, accrued and other liabilities	414,420	290,087
	(706,477)	3,357,196
Cash generated from operations	729,999	5,306,938
	Un-Audited March 2010	Audited December 2009
(Rupees in thousand)		
12. CASH AND CASH EQUIVALENTS		
Finances under mark up arrangement	(5,523,696)	(4,905,483)
Cash and bank balances	170,685	326,764
	(5,353,011)	(4,578,719)

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

13. SEGMENT RESULTS

	Fertilizers		Clean Development Mechanism		Total	
	For the three months period ended		For the three months period ended		For the three months period ended	
	Un-Audited		Un-Audited		Un-Audited	
	March 2010	March 2009	March 2010	March 2009	March 2010	March 2009
	(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)	
SALES						
Fertilizer products						
- Own manufactured	2,350,960	3,648,039	-	-	2,350,960	3,648,039
- Certified Emission Reductions	-	-	766,745	763,443	766,745	763,443
	2,350,960	3,648,039	766,745	763,443	3,117,705	4,411,482
Mid products	51,284	48,607	-	-	51,284	48,607
Less: Discount	2,941	7,289	-	-	2,941	7,289
	2,399,303	3,689,357	766,745	763,443	3,166,048	4,452,800

14. COST OF GOODS SOLD

Raw material consumed	807,086	789,732	1,595	1,300	808,681	791,032
Packing material consumed	48,874	67,454	-	-	48,874	67,454
	855,960	857,186	1,595	1,300	857,555	858,486
Salaries, wages and other benefits	179,174	147,746	1,324	1,047	180,498	148,793
Fuel and power	295,255	380,550	1,148	844	296,403	381,394
Chemicals and catalysts consumed	87,648	66,859	-	-	87,648	66,859
Spare parts consumed	117,333	105,759	4,002	32	121,335	105,791
Stores consumed	48,089	62,443	677	27	48,766	62,470
Repairs and maintenance	19,180	10,554	64	232	19,244	10,786
Insurance	52,353	39,510	940	-	53,293	39,510
Depreciation	103,561	91,122	2,006	2,003	105,567	93,125
Depreciation on assets subject to finance lease	5,165	4,557	-	-	5,165	4,557
Other expenses	12,792	7,387	5,359	3,208	18,151	10,595
	1,776,510	1,773,673	17,115	8,693	1,793,625	1,782,366
Opening stock of mid products	12,153	9,324	-	-	12,153	9,324
Closing stock of mid products	(37,442)	(29,884)	-	-	(37,442)	(29,884)
	(25,289)	(20,560)	-	-	(25,289)	(20,560)
	1,751,221	1,753,113	17,115	8,693	1,768,336	1,761,806
Opening stock of finished goods manufactured	462,643	1,424,415	26,113	11,880	488,756	1,436,295
Closing stock of finished goods manufactured	(731,404)	(894,068)	(15,124)	(3,456)	(746,528)	(897,524)
	(268,761)	530,347	10,989	8,424	(257,772)	538,771
	1,482,460	2,283,460	28,104	17,117	1,510,564	2,300,577

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

		For the quarter ended Un-Audited	
		March 2010	March 2009
		(Rupees in thousand)	
15. EARNING PER SHARE			
There is no dilutive effect on the basic earning per share of the company, which is based on:			
Profit after taxation	Rupees "000"	329,413	914,766
Number of ordinary shares	"000"	450,000	450,000
Earning per share	Rupees	0.73	2.03

16. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related group companies, key management personnel and post employment benefit plans. The company in the normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown under relevant receivables and payables heads. Other significant transactions with related parties are as follows:

Relationship with the company	Nature of transaction	For the quarter ended Un-Audited	
		March 2010	March 2009
		(Rupees in thousand)	
i. Post employment benefit plan	Expense charged in respect of retirement benefit plan	9,731	12,313
ii. Key management personnel	Remuneration including benefits and perquisites of chief executive and other executives.	135,234	111,707
iii. Associated companies	Purchase of goods & services	6,939	984

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

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months ended March 31, 2010

	Un-Audited March 2010	Audited December 2009 (Rupees in thousand)
17. PERIOD END BALANCES		
Receivable from related parties	34,369	-
Payable to related parties	3,783	1,252

18. DATE OF AUTHORIZATION FOR ISSUE

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

19. 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/-
Chief Executive

Sd/-
Director



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