

ENGRO FERTILIZERS LIMITED
CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

ENGRO FERTILIZERS LIMITED
CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT MARCH 31, 2012

(Amounts in thousand)

	Note	Unaudited March 31, 2012	Audited December 31, 2011
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	85,183,326	86,332,162
Intangible assets		129,470	134,769
Long term loans and advances		92,495	72,651
		<u>85,405,291</u>	<u>86,539,582</u>
Current assets			
Stores, spares and loose tools		4,258,024	4,209,593
Stock-in-trade		4,740,699	1,834,393
Trade debts		464,903	143,379
Derivative financial instruments		7,804	183,713
Loans, advances, deposits and prepayments		1,375,028	1,410,513
Other receivables		460,878	192,171
Taxes recoverable		1,860,376	1,869,058
Short term investments		50,240	3,901,719
Cash and bank balances		68,045	592,873
		13,285,997	14,337,412
TOTAL ASSETS		<u><u>98,691,288</u></u>	<u><u>100,876,994</u></u>

(Amounts in thousand)

	Unaudited March 31, 2012	Audited December 31, 2011
Note	-----Rupees-----	
EQUITY & LIABILITIES		
Equity		
Share capital		
Authorised		
1,300,000,000 (December 31, 2011: 1,300,000,000) ordinary shares of Rs.10 each	<u>13,000,000</u>	<u>13,000,000</u>
Issued, subscribed and paid-up		
1,072,800,000 (December 31, 2011: 1,072,800,000) ordinary shares of Rs.10 each	10,728,000	10,728,000
Share premium	11,144	11,144
Employee share option compensation reserve	58,397	58,397
Hedging reserve	(456,001)	(497,821)
Unappropriated profit	6,897,186	8,317,338
	<u>6,510,726</u>	<u>7,889,058</u>
Total Equity	<u>17,238,726</u>	<u>18,617,058</u>
Liabilities		
Non-current liabilities		
Borrowings	6 52,650,152	56,398,432
Subordinated loan from Holding Company	7 3,000,000	3,000,000
Derivative financial instruments	624,116	544,951
Deferred liabilities	3,742,198	4,521,281
Employee housing subsidy	6,782	19,144
Retirement and other service benefits obligations	62,557	87,448
	<u>60,085,805</u>	<u>64,571,256</u>
Current liabilities		
Trade and other payables	3,898,539	5,153,078
Accrued interest / mark-up	953,896	2,087,719
Current portion of:		
- borrowings	6 10,416,679	9,986,885
- other service benefits obligations	40,916	32,559
Short term borrowings	8 5,629,818	3,780
Derivative financial instruments	426,909	424,659
	<u>21,366,757</u>	<u>17,688,680</u>
Total liabilities	<u>81,452,562</u>	<u>82,259,936</u>
Contingencies and Commitments	9	
TOTAL EQUITY & LIABILITIES	<u>98,691,288</u>	<u>100,876,994</u>

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


Chief Executive

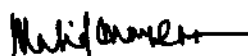

Director

ENGRO FERTILIZERS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

(Amounts in thousand except for earnings per share)

	Note	3 months ended March 31, 2012	3 months ended March 31, 2011
-----Rupees-----			
Net sales		3,202,677	5,882,433
Cost of sales		(2,303,099)	(2,789,606)
Gross profit		<u>899,578</u>	<u>3,092,827</u>
Selling and distribution expenses		(320,864)	(494,011)
Administrative expenses		(159,734)	(117,217)
		<u>418,980</u>	<u>2,481,599</u>
Other operating income		88,391	169,808
Other operating expenses		(63,887)	(207,832)
Finance costs		(2,628,804)	(290,948)
		(2,692,691)	(498,780)
Profit / (Loss) before taxation		<u>(2,185,320)</u>	<u>2,152,627</u>
Taxation	10		
Current		(35,467)	(370,052)
Deferred		800,635	(385,530)
		765,168	(755,582)
Profit / (Loss) for the period		<u>(1,420,152)</u>	<u>1,397,045</u>
Earnings / (Loss) per share - basic and diluted	11	<u>(1.32)</u>	<u>1.30</u>

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


 Chief Executive


 Director

ENGRO FERTILIZERS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

(Amounts in thousand)

	3 months ended March 31, 2012	3 months ended March 31, 2011
	-----Rupees-----	
Profit / (Loss) for the period	(1,420,152)	1,397,045
Other comprehensive income		
Hedging reserve - cash flow hedges		
Losses arising during the period	(380,542)	(203,281)
Less: Adjustment for amounts transferred to profit and loss account	441,546	-
Less: Adjustment for amounts transferred to initial carrying amount of hedged items (Capital work in progress)	3,334	576,147
	64,338	372,866
Income tax (Deferred) relating to hedging reserve	(22,518)	(130,502)
Other comprehensive income for the period, net of tax	41,820	242,364
Total comprehensive income / (loss) for the period	<u>(1,378,332)</u>	<u>1,639,409</u>

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


 Chief Executive


 Director

ENGRO FERTILIZERS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

(Amounts in thousand)

	Share capital	Share premium	Employees share option compensation reserve	Hedging reserve	Unappropriated profit	Total
	-----Rupees-----					
Balance as at January 1, 2011 (audited)	10,728,000	11,144	58,673	(887,277)	3,729,052	13,639,692
Transactions with owners						
Share options lapsed during the period	-	-	(276)	-	-	(276)
Total comprehensive income for the three months ended March 31, 2011						
Profit for the period	-	-	-	-	1,397,045	1,397,045
Other comprehensive income	-	-	-	242,364	-	242,364
- cash flow hedges, net of tax	-	-	-	242,364	1,397,045	1,639,409
Balance as at March 31, 2011 (unaudited)	10,728,000	11,144	58,397	(644,913)	5,126,097	15,278,725
Balance as at January 1, 2012 (audited)	10,728,000	11,144	58,397	(497,821)	8,317,338	18,617,058
Total comprehensive income for the three months ended March 31, 2012						
Loss for the period	-	-	-	-	(1,420,152)	(1,420,152)
Other comprehensive income	-	-	-	41,820	-	41,820
- cash flow hedges, net of tax	-	-	-	41,820	(1,420,152)	(1,378,332)
Balance as at March 31, 2012 (unaudited)	10,728,000	11,144	58,397	(456,001)	6,897,186	17,238,726

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


 Chief Executive



 Director

ENGRO FERTILIZERS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

(Amounts in thousand)

	Note	Unaudited 3 months ended March 31, 2012	Unaudited 3 months ended March 31, 2011
-----Rupees-----			
Cash flows from operating activities			
Cash (used in) / generated from operations	12	(2,790,076)	1,669,089
Retirement and other service benefits paid		(29,638)	(69,400)
Finance cost paid		(3,499,110)	(339,305)
Taxes paid		(26,785)	(66,776)
Long term loans and advances to executives and other employees - net		(19,844)	(1,717)
Net cash (used in) / generated from operating activities		<u>(6,365,453)</u>	<u>1,191,891</u>
Cash flows from investing activities			
Purchases of property, plant and equipment (PPE)		(134,838)	(1,837,568)
Finance cost paid (capitalised in PPE)		-	(1,961,835)
Proceeds from sale of PPE		6,675	9,058
Repayment of sub-ordinated loan by associate company		-	770,000
Income on deposits / other financial assets		73,274	151,016
Net cash used in investing activities		<u>(54,889)</u>	<u>(2,869,329)</u>
Cash flows from financing activities			
Proceeds from borrowings		2,000,000	1,500,000
Repayments of borrowings		(3,582,003)	(1,928,945)
Net cash used in financing activities		<u>(1,582,003)</u>	<u>(428,945)</u>
Net decrease in cash and cash equivalents		<u>(8,002,345)</u>	<u>(2,106,383)</u>
Cash and cash equivalents at beginning of the period		4,490,812	3,318,110
Cash and cash equivalents at end of the period	13	<u>(3,511,533)</u>	<u>1,211,727</u>

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


 Chief Executive


 Director

ENGRO FERTILIZERS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2012

(Amounts in thousand)

1 LEGAL STATUS AND OPERATIONS

- 1.1 Engro Fertilizers Limited ('the Company') is a public company incorporated on June 29, 2009 in Pakistan under the Companies Ordinance, 1984 as a wholly owned subsidiary of Engro Corporation Limited (the Holding Company). The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers. The Company's registered office is situated at 7th & 8th floors, The Harbour Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi. The Company has issued Term Finance Certificates which are listed at the Karachi Stock Exchange.
- 1.2 Effective January 1, 2010, the Holding Company through a Scheme of Arrangement, under Section 284 to 288 of the Companies Ordinance, 1984, separated its fertilizer undertaking for continuation thereof by the Company, from the rest of the undertaking which was retained in the Holding Company. Further, the Holding Company was renamed from Engro Chemical Pakistan Limited to Engro Corporation Limited, the principal activity of which now is to manage investments in subsidiary companies and joint ventures.

2 BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared and is being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard 34 - 'Interim Financial Reporting'. This condensed interim financial information does not include all the information required for complete set of financial statements and therefore should be read in conjunction with the financial statements for the year ended December 31, 2011.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 audited financial statements of the Company for the year ended December 31, 2011.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.
- 4.2 During preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that apply to financial statements for the year ended December 31, 2011.

5 PROPERTY, PLANT AND EQUIPMENT

	Unaudited March 31, 2012	Audited December 31, 2011
	-----Rupees-----	
Operating assets at net book value	83,878,113	85,152,431
Capital work in progress		
- Projects	898,295	786,079
- Capital spares	406,918	393,652
	<u>1,305,213</u>	<u>1,179,731</u>
	<u>85,183,326</u>	<u>86,332,162</u>

(Amounts in thousand)

	Unaudited March 31, 2012	Audited December 31, 2011
	-----Rupees-----	
6 BORROWINGS - Secured		
Long term finance utilised under mark-up arrangements Certificates	48,143,875 14,922,956	51,469,952 14,915,365
	<u>63,066,831</u>	<u>66,385,317</u>
Less: Current portion shown under current liabilities	10,416,679	9,986,885
Balance at end of the period / year	<u>52,650,152</u>	<u>56,398,432</u>

- 6.1** The maturity of loan facilities are upto 6 years and mark-up range from 1.1% to 2.6% over six month KIBOR for Rupee facilities, and 2.5% to 6% over six month LIBOR for USD facilities. These facilities, excluding the privately placed TFCs (PPTFC), International Finance Corporation's (IFC) facility and bridge loans obtained in the year 2010, are secured by equitable mortgage upon immovable assets located at Daharki and hypothecation charge on fixed assets of the Company. The PPTFCs, IFC's facility and above-mentioned bridge loans are secured by a subordinated floating charge over all present and future fixed assets excluding land and buildings.

7 SUBORDINATED LOAN FROM HOLDING COMPANY - Unsecured

The entire loan is payable on or before the end of the term, that is September 14, 2015. The Loan carries mark-up at the rate of 17.1%.

8 SHORT TERM BORROWINGS

- 8.1** The funded facilities for short term finances in the form of bank overdraft, money market and sukuk available from various banks amounts to Rs. 6,650,000 (December 31, 2011: Rs. 4,150,000) along with non-funded facilities of Rs.1,450,000 (December 31, 2011: Rs. 1,450,000) for Bank Guarantees. The rates of markup on funded bank overdraft facilities ranges from 12.77% to 13.54% and all the facilities are secured by floating charge upon all present and future stocks including raw and packaging materials, finished goods, stores and spares and other merchandise and on all present and future book debts of the Company.

During the period, the Company acquired funds through money market loans. These carry markup rates ranging from 12.41% to 13.46% per annum. Furthermore, the Company issued Sukuk of Rs. 2,000,000, with a tenor of 6 months, carrying profit rate of 6 month KIBOR plus 1.60%. The principal repayment will commence from July 2012 with 25% repayment in first two months and the balance 50% in September 2012. The Sukuk is secured by first pari passu charge on all stocks, raw materials, packaging material, finished goods, stock in trade and book debts of the Company.

9 CONTINGENCIES AND COMMITMENTS

Contingencies

- 9.1** Bank guarantees of Rs. 1,039,119 (December 31, 2011: Rs. 1,015,730) have been issued in favor of third parties.
- 9.2** Claims, including pending lawsuits, against the Company not acknowledged as debts amounted to Rs. 27,138 (December 31, 2011: Rs. 34,938).
- 9.3** The Company is contesting a penalty of Rs. 99,936 paid and expensed in 1997, imposed by the State Bank of Pakistan (SBP) for alleged late payment of foreign exchange risk cover fee on long term loans and has filed a suit in the High Court of Sindh. A partial refund of Rs. 62,618 was, however, recovered in 1999 from SBP and the recovery of the balance amount is dependent on the Court's decision.

(Amounts in thousand)

9.4 The Holding Company had commenced two separate arbitration proceedings against the Government of Pakistan for non-payment of marketing incidentals relating to the years 1983-84 and 1985-86 respectively. The sole arbitrator in the second case has awarded the Holding Company Rs. 47,800 whereas the award for the earlier years is awaited. The award for the second arbitration has not been recognised due to inherent uncertainties arising from its challenge in the High Court of Sindh.

9.5 The Company had filed a constitutional petition in the High Court of Sindh, Karachi against the Ministry of Petroleum and Natural Resource (MPNR), Ministry of Industries and Production (MIP) and Sui Northern Gas Pipeline Company Limited (SNGPL) for continuous supply of 100 MMCFD gas per day to the Enven Plant and to prohibit from suspending, discontinuing or curtailing the aforesaid supply. The High Court of Sindh, in its order dated October 18, 2011, has ordered that SNGPL should supply 100 MMCFD of gas per day to the Company's new plant. However, five petitions have been filed in the Supreme Court of Pakistan against the aforementioned order of High Court of Sindh by SNGPL, MPNR, Agritech Limited, Pak Arab Fertilizers and Kohinoor Mills Limited along with 21 other companies (mainly engaged in textile business). The aforementioned petitions are pending for further hearing. The Company's management as confirmed by the legal advisor considers the chances of petitions being allowed to be remote.

Further, the Company upon continual curtailment of gas after the aforementioned decision of the High Court has filed an application in respect of Contempt of Court under Article 199 and 204 of the Constitution of Pakistan. The Company, in the aforementioned application has submitted that SNGPL and MPNR has failed to restore supply of gas to the Company's plant despite the judgment of High Court in the Company's favour. A show cause notice has also been issued against MPNR and SNGPL dated December 31, 2011 by the High Court. The application is pending for hearing and no orders have yet been passed in this regard.

9.6 All Pakistan Textile Processing Mills Association (APTMA), Shan Dying & Printing Industries (Private) Limited, Agritech Limited (Agritech) and 27 others have each contended, through separate proceedings filed before the Lahore High Court that the supply to the Company's expansion plant is premised on the output of Qadirpur gas field exceeding 500 MMCFD by 100 MMCFD and the Gas Sale and Purchase Agreement (GSA) dated April 11, 2007 with Sui Northern Gas Pipe Line Limited (SNGPL) be declared void abinitio because the output of Qadirpur has infact decreased. Agritech has additionally alleged discrimination in that it is receiving less gas than the other fertilizer companies on the SNGPL system. The Company has out rightly rejected these contentions, and is of the view that it has a strong case for the reasons that (i) 100 MMCFD gas has been allocated to the Company through a transparent international competitive bidding process held by the Government of Pakistan, and upon payment of valuable license fee; (ii) GSA which guarantees uninterrupted supply of gas to the expansion plant, with right to first 100 MMCFD gas production from the Qadirpur field; and (iii) both the Company and gas field (Qadirpur), that is to initially supply gas to the Company, are in Sindh. Also, neither the gas allocation by Government nor the GSA predicates the gas supply upon Qadirpur field producing 100 MMCFD over and above 500 MMCFD. The petition is pending for hearing and no orders have yet been passed in this regard. However, the Company's management, as confirmed by the legal advisor, considers the chances of the petitions being allowed to be remote.

	Unaudited March 31, 2012	Audited December 31, 2011
Commitments	-----Rupees-----	
9.7 Property, plant and equipment	<u>527,083</u>	<u>596,378</u>

(Amounts in thousand)

10 TAXATION

As a result of demerger, all pending tax issues of the Holding Company have been transferred to the Company. Major issues pending before the tax authorities are described below:

During the period, the income tax department raised a demand of Rs 1,481,709 (subsequently rectified to Rs. 1,074,938) for the financial year 2010. The Company has applied to the department for offsetting the demand with the pending rectifications and issues in appeal which have been decided in Company's favour for previous years. Moreover, during the period, the Company has received rectification orders related to various years creating a refund of Rs 284,893.

The Holding Company in its tax return for financial years 2006 to 2008 (tax years 2007 to 2009) claimed the benefit of Group Relief under section 59B of the Income Tax Ordinance, 2001 (the Ordinance) on losses acquired for an equivalent cash consideration from its wholly owned subsidiary, Engro Foods Limited (EFL), amounting to Rs. 428,744, Rs. 622,103 and Rs. 450,000 respectively. The tax department had raised demands of Rs. 406,644, Rs. 910,845 and Rs.1,670,814 for financial years 2006, 2007 and 2008 respectively, mainly on account of disallowance of Group Relief (in all three years), inter corporate dividend (in 2007 and 2008) and write down of inventories to net realisable value (in 2008) besides certain other issues. Uptill last year, the Holding Company had paid Rs. 170,000, Rs. 400,000 and Rs 600,000 for financial years 2006, 2007 and 2008 respectively. For financial year 2006, the Appellate Tribunal Inland Revenue (ATIR) has set aside the disallowance of group relief with clear instructions which are in the Company's favour. For financial year 2007, the ATIR has decided the issues of both group relief and inter-corporate dividend in Company's favour. However, the appeal effect orders for both financial year 2006 and 2007 are pending at department level. The issues raised in financial year 2008 are pending in an appeal with Commissioner Inland Revenue (Appeals). In 2011, appeal effect orders amounting to Rs 511,438 were received relating to financial / income years 1995 to 2002 to give effect to the ATIR's decision on Apportionment of Gross Profits in Company's favour. The tax department has however, filed reference application against the ATIR's decisions on group relief, inter-company dividend and apportionment of gross profits before the Sindh High Court, which is pending for hearing. The Company is confident that all pending issues, including the references filed by the department in the High Court, will eventually be decided in its favour.

11 EARNINGS PER SHARE

The effect of conversion of potential ordinary shares is not considered as it is anti-dilutive. The potential ordinary shares outstanding are comprise of employees stock options and convertible International Finance Corporation loan. The calculation of basic EPS is based on :

	Unaudited 3 months ended March 31, 2012	Unaudited 3 months ended March 31, 2011
	-----Rupees-----	
Profit / (Loss) for the period	<u>(1,420,152)</u>	<u>1,397,045</u>
Weighted average number of ordinary shares (in thousand)	<u>1,072,800</u>	<u>1,072,800</u>

(Amounts in thousand)

12 CASH GENERATED FROM OPERATIONS

	Unaudited 3 months ended March 31, 2012	Unaudited 3 months ended March 31, 2011
	-----Rupees-----	
Profit / (Loss) before taxation	(2,185,320)	2,152,627
Adjustment for non-cash charges and other items:		
Depreciation	1,279,492	173,570
Amortisation of intangibles	5,299	3,639
Amortisation of deferred income	(966)	-
Profit on disposal of property, plant and equipment	(2,493)	(6,206)
Provision for retirement and other service benefits	13,104	31,384
Income on deposits / other financial assets	(64,734)	(136,705)
Financial charges excluding foreign exchange loss	2,415,087	290,948
Employee share compensation expense	-	374
(Reversal) / Provision for surplus and slow moving stores and spares	(5,924)	10,825
Provision against other receivables	-	465
Change in the fair value of IFC conversion option	56,896	63,000
Un-realised loss on cash flow hedges	264,766	-
Foreign exchange loss / (gain)	213,717	(18,373)
Working capital changes (note 12.1)	(4,779,000)	(896,459)
	<u>(2,790,076)</u>	<u>1,669,089</u>

12.1 Working capital changes

(Increase) / decrease in current assets

- Stores, spares and loose tools	(42,507)	(264,378)
- Stock-in-trade	(2,906,306)	(760,172)
- Trade debts	(321,524)	5,410
- Loans, advances, deposits and prepayments	23,123	31,967
- Other receivables (net)	(277,247)	12,259
	<u>(3,524,461)</u>	<u>(974,914)</u>

Increase / (decrease) in current liabilities

- Trade and other payables including other service benefits - net	(1,254,539)	78,455
	<u>(4,779,000)</u>	<u>(896,459)</u>

13 CASH AND CASH EQUIVALENTS

Cash and bank balances	68,045	1,208,240
Short term investments	50,240	52,184
Short term borrowings	(3,629,818)	(48,697)
	<u>(3,511,533)</u>	<u>1,211,727</u>

(Amounts in thousand)

14 TRANSACTIONS WITH RELATED PARTIES

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in this condensed interim financial information, are as follows:

	Unaudited 3 months ended March 31, 2012	Unaudited 3 months ended March 31, 2011
	-----Rupees-----	
<i>Holding Company</i>		
Purchases and services	56,808	23,909
Services provided	3,633	2,209
Royalty	47,048	83,842
Reimbursements	17,745	19,420
Mark-up paid on sub-ordinated loan	127,899	114,970
Use of assets	3,721	1,428
Receipt of sub-ordinated loan	-	1,500,000
<i>Associated companies</i>		
Purchases and services	394,601	233,636
Sale of product	-	10,920
Contributions to retirement benefit schemes / funds	38,075	42,112
Services provided	11,714	6,678
Reimbursements	36,681	25,162
Funds collected against sales made on behalf of an associate	2,579,771	3,246,997
Payment of mark-up on TFCs and repayment of principal amount	6,271	4,344
Sale of T-Bills	473,933	-
Purchase of T-Bill	-	979,264
Commission on sales	14,372	9,097
Purchase of mutual fund units through associated company	-	595,000
Redemption of mutual fund units	588,577	814,358
Donation to Engro Foundation	11,751	10,000
Commission expense	4,925	14,720
Markup from associate	-	27,847
Use of Assets	2,555	3,162
<i>Others</i>		
Remuneration of key management personnel	26,847	22,985

15 SEASONALITY

The Company's fertilizer business is subject to seasonal fluctuations as a result of two different farming seasons viz, Rabi (from October to March) and Kharif (from April to September). On an average fertilizer sales are more tilted towards Rabi season. The Company manages seasonality in the business through appropriate inventory management.

(Amounts in thousand)

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on **April 24, 2012** by the Board of Directors of the Company.

17 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 the condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.



Chief Executive



Director