



raising growth



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Third Quarter Accounts 2014

company information

Board of Directors

Muhammad Aliuddin Ansari - Chairman
Ruhail Mohammed - Chief Executive Officer
Javed Akbar
Abdul Samad Dawood
Shabbir Hashmi
Naz Khan
Shahid Hamid Pracha
Khalid Siraj Subhani

Company Secretary

Faiz Chapra

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
The Bank of Punjab
Barclays Bank PLC
Burj Bank Limited
Citi Bank .N.A.
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
HSBC Bank Middle East Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
United Bank Limited

Auditors

A.F. Ferguson & Company
Chartered Accountants
State Life Building No. 1-C
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Karachi-74000, Pakistan
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Website: www.engrofertilizers.com

directors' report

On behalf of the Board of Directors of Engro Fertilizers Limited, we are pleased to present the unaudited accounts for the quarter and nine months ended September 30, 2014.

Pakistan Fertilizer Market

The domestic urea industry has remained largely stable YTD 2014 though recent trends point towards some tightening of the market which could continue into 4Q.

9M 2014 domestic urea industry production increased by 63 KT vs the same period last year to 3,601 KT (+1.7%), primarily due to relatively higher off grid gas supply to the fertilizer sector as compared to last year. Overall urea sales dropped by 2.3% to 4,096 KT in 9M 2014 vs 9M 2013. However, branded urea sales (3,558 KT) were 1.3% higher vs the same period last year.

In 3Q 2014 alone, domestic urea production stood at 1,290 KT. At the same time, 3Q 2014 sales recovered sharply (to 1,538 KT) and clocked in 3.5% higher than the same period last year, indicating minimal impact of localized flooding. Given demand recovery and absence of imports, industry demand-supply dynamics tightened during 3Q, which resulted in a quarter-end closing urea inventory of only 194 KT.

Farmer/dealer preference for local product over imported was evident as despite a price gap of around PKR 45/bag, branded urea inventory depleted to 64KT as at 30 September 2014.

Effective 1 July 2014, GIDC on fuel gas was increased by PKR 50/MMBTU. In August 2014, the Supreme Court deemed the GIDC Act 2011 as unconstitutional. Subsequent to the court order, the government appealed the decision and also re-imposed GIDC under a Presidential Ordinance.

A significant gap prevailed between local urea and international urea prices during 9M 2014 as international urea prices averaged USD 323/ton (CFR Karachi) which was equivalent to local cost of approximately PKR 2,300/bag (inclusive of all ancillary charges). Despite the challenges faced in gas pricing, the fertilizer industry continues to make a significant contribution to the agricultural economy by keeping domestic prices substantially lower than international prices.

Company's Operating Performance

The Company's urea production during 9M stood at 1,332 KT as compared to 1,063 KT in the same period last year. This production level was achieved on the back of continuous operation of both urea plants in the period under review, as the Company continues to receive temporary gas allocation of 60 MMSCFD from Mari.

The Company sold 1,322 KT of urea in 9M 2014 vs 1,066 KT in 9M 2013, showing a growth of 24%. Resultantly, the Company's market share increased to 32% in 9M 2014 from 26% in the same period last year. The increase in market share was due to a decline in market share of imported urea (due to dealer preference for local product) which the Company was able to capitalize on given higher production. Further, market share in branded/locally manufactured urea increased to 37% from 30%. In third quarter, the Company sold 480 KT urea which was 8% higher than the same period last year on account of higher production of 485 KT.

The Company's blended fertilizers' (Zarkhez & Engro NP) sales in 9M 2014 stood at 73 KT as compared to 70 KT in the corresponding period last year. In 3Q 2014 alone, sales of blended fertilizer clocked in at 27 KT vs 18 KT in 3Q 2013. Overall, the domestic Potash industry increased by 39% vs last year however given entry of new players into the MOP space, the market share of Zarkhez fell to 43% from 50%.

The Company continued its high level of commitment to maintaining HSE (Health, Safety & Environment) standards. The Total Recordable Injury Rate (TRIR) amongst employees for the year was 0.15 as compared to 0.25 in the same period last year.

Gross profit for 3Q 2014 stood at PKR 6,042 Million as compared to PKR 6,360 Million in the same period last year where the decline was led by higher gas cost absorbed by the company. Cumulatively in 9M 2014, gross profit was PKR 15,915 Million as compared to PKR 14,843 Million in the same period last year. This increase was on account of higher sales volume which was partially offset by higher gas cost.

Finance cost was substantially lower than last year as a result of loan repayments, lower KIBOR and appreciation of PKR against the USD.

As a result of the above, the Company posted profit after tax of PKR 2,136 Million and PKR 5,511 Million for 3Q 2014 and 9M 2014 respectively, as compared to PKR 1,808 Million and PKR 3,234 Million in the comparative periods last year.

As part of the re-profiling of its long term loans in 2013, the Company had agreed to sweep surplus cash (after debt servicing and capex) to its lenders at the end of 2014 on a once off basis. With the improved performance, the Company has implemented part of the sweep in June 2014, well before the scheduled time by paying an amount of PKR 4,963 Million which was over and above the normal scheduled repayments.

Near Term Outlook

In January 2014, the ECC approved the provision of Mari gas to the Company at concessionary rate of 70 cents in order to discharge the Government's contractual obligations. Substantial progress has been made on the same in the quarter under review and implementation is expected shortly.

Low domestic production and delayed imports have placed the urea industry in a tight supply position as of 3Q closing. Higher gas allocation to the fertilizer industry can help meet farmer demand in the Rabi season, failing which, fertilizer will have to be imported using scarce foreign exchange. The Company will attempt to maximize its production in the upcoming quarter, to help in covering the expected urea shortfall in Rabi and fulfill farmer demand.



Ruhail Mohammed
Chief Executive Officer



Javed Akbar
Director

condensed interim balance sheet as at september 30, 2014

(Amounts in thousand)

	Note	Unaudited September 30, 2014	Audited December 31, 2013
(Rupees)			
Assets			
Non-Current Assets			
Property, plant and equipment	4	76,033,435	79,315,218
Intangible assets		122,306	138,464
Long term loans and advances		110,244	109,349
		76,265,985	79,563,031
Current assets			
Stores, spares and loose tools		4,603,724	4,368,863
Stock-in-trade		1,862,909	1,381,665
Trade debts		1,785,902	758,253
Derivative financial instruments		64,333	130,207
Loans, advances, deposits and prepayments		261,279	625,832
Other receivables		20,731	28,177
Taxes recoverable		-	556,314
Short term investments		20,494,398	18,058,054
Cash and bank balances		1,210,757	4,458,391
		30,304,033	30,365,756
TOTAL ASSETS		106,570,018	109,928,787

(Amounts in thousand)

	Note	Unaudited September 30, 2014	Audited December 31, 2013
(Rupees)			
Equity & Liabilities			
Equity			
Share capital		13,183,417	12,228,000
Share premium		2,260,434	11,144
Advance against issue of shares		-	2,118,750
Hedging reserve		(53,962)	(147,644)
Remeasurement of post employment benefits		(21,202)	(20,886)
Unappropriated profit		16,391,262	10,879,868
		18,576,532	12,841,232
Total Equity		31,759,949	25,069,232
Liabilities			
Non-current liabilities			
Borrowings	5	40,102,265	52,896,382
Subordinated loan from Holding Company		-	3,000,000
Derivative financial instruments		802,464	1,531,252
Deferred liabilities		5,735,053	4,654,523
Retirement and other service benefits obligations		84,570	104,053
		46,724,352	62,186,210
Current liabilities			
Trade and other payables		17,038,743	18,012,445
Accrued interest / mark-up		673,702	1,479,667
Taxes payable		694,952	-
Current portion of:			
- borrowings	5	9,557,005	2,924,299
- retirement and other service benefits obligations		60,079	43,893
Derivative financial instruments		61,236	213,041
		28,085,717	22,673,345
Total liabilities		74,810,069	84,859,555
Contingencies and Commitments	6		
TOTAL EQUITY & LIABILITIES		106,570,018	109,928,787

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



Ruhail Mohammed
Chief Executive Officer



Javed Akbar
Director

condensed interim profit and loss account for the nine months ended september 30, 2014

(Amounts in thousand except for earnings per share)	Note	Unaudited Quarter ended September 30, 2014	Unaudited Quarter ended September 30, 2013	Unaudited Nine months ended September 30, 2014	Unaudited Nine months ended September 30, 2013
(Rupees)					
Net sales		16,035,114	13,902,812	43,691,907	34,422,117
Cost of sales		(9,992,751)	(7,542,687)	(27,776,556)	(19,578,953)
Gross profit		6,042,363	6,360,125	15,915,351	14,843,164
Selling and distribution expenses		(1,093,719)	(902,072)	(3,063,313)	(2,385,899)
Administrative expenses		(161,118)	(224,780)	(537,840)	(526,288)
		4,787,526	5,233,273	12,314,198	11,930,977
Other income		653,119	320,794	1,655,417	611,899
Other operating expenses		(277,073)	(335,830)	(834,876)	(747,532)
Finance cost		(1,893,884)	(2,471,295)	(4,961,776)	(6,996,200)
		(2,170,957)	(2,807,125)	(5,796,652)	(7,743,732)
Profit before taxation		3,269,688	2,746,942	8,172,963	4,799,144
Taxation		(1,132,968)	(938,698)	(2,661,569)	(1,565,543)
Profit for the period		2,136,720	1,808,244	5,511,394	3,233,601
Earnings per share - basic	7	1.63	1.48	4.24	2.77
Earnings per share - diluted	7	1.58	1.48	4.19	2.77

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



Ruhail Mohammed
Chief Executive Officer



Javed Akbar
Director

condensed interim statement of comprehensive income for the nine months ended september 30, 2014

(Amounts in thousand)	Unaudited Quarter ended September 30, 2014	Unaudited Quarter ended September 30, 2013	Unaudited Nine months ended September 30, 2014	Unaudited Nine months ended September 30, 2013
(Rupees)				
Profit for the period	2,136,720	1,808,244	5,511,394	3,233,601
Other comprehensive income:				
Items potentially re-classifiable to Profit and Loss Account				
Hedging reserve - cash flow hedges				
Gain / (losses) arising during the period	160,791	738,886	(1,168,285)	264,622
Adjustment for amounts transferred to profit and loss account	(123,243)	(687,787)	1,311,447	(52,518)
Income tax (Deferred) relating to hedging reserve	(12,390)	(17,373)	(49,480)	(77,098)
	25,158	33,726	93,682	135,006
Items not potentially re-classifiable to Profit and Loss Account				
Remeasurement of post employment benefits obligations	-	-	-	3,106
Income tax (Deferred) relating to remeasurement of post employment benefits obligations	-	-	(316)	(1,056)
	-	-	(316)	2,050
Other comprehensive income for the period, net of tax	25,158	33,726	93,366	137,056
Total comprehensive income for the period	2,161,878	1,841,970	5,604,760	3,370,657

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



Ruhail Mohammed
Chief Executive Officer



Javed Akbar
Director

condensed interim statement of changes in equity for the nine months ended september 30, 2014

(Amounts in thousand)

	Share capital	Advanc against issue of share capital	Reserve				Total
			Capital		Revenue		
			Share premium	Hedging reserve	Unappropriated profit	Re-measurement of post employment benefits	
	(Rupees)						
Balance as at January 1, 2014	12,228,000	2,118,750	11,144	(147,644)	10,879,868	(20,886)	25,069,232
Transactions with owners							
Shares issued during the period	750,000	(2,118,750)	1,368,750	-	-	-	-
Share issuance cost	-	-	(98,270)	-	-	-	(98,270)
Exercise of conversion option (note 5.2)	205,417	-	978,810	-	-	-	1,184,227
	955,417	(2,118,750)	2,249,290	-	-	-	1,085,957
Total comprehensive income for the nine months ended September 30, 2014							
Profit for the period	-	-	-	-	5,511,394	-	5,511,394
Other comprehensive income	-	-	-	93,682	-	-	93,682
- cash flow hedges, net of tax	-	-	-	-	-	(316)	(316)
- remeasurements, net of tax	-	-	-	93,682	5,511,394	(316)	5,604,760
Balance as at September 30, 2014	13,183,417	-	2,260,434	(53,962)	16,391,262	(21,202)	31,759,949
Balance as at January 1, 2013	10,728,000	-	11,144	(323,880)	5,382,763	-	15,798,027
Transactions with owners							
Right shares issued during the period	1,500,000	-	-	-	-	-	1,500,000
Total comprehensive income for the nine months ended September 30, 2013							
Profit for the period	-	-	-	-	3,233,601	-	3,233,601
Other comprehensive income	-	-	-	135,006	-	-	135,006
- cash flow hedges, net of tax	-	-	-	-	-	2,050	2,050
- remeasurements, net of tax	-	-	-	135,006	3,233,601	2,050	3,370,657
Balance as at September 30, 2013 (unaudited)	12,228,000	-	11,144	(188,874)	8,616,364	2,050	20,668,684

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



Ruhail Mohammed
Chief Executive Officer



Javed Akbar
Director

condensed interim statement of cash flows for the months ended september 30, 2014

(Amounts in thousand)

Note	Unaudited	
	Nine months ended September 30, 2014	Nine months ended September 30, 2013
	(Rupees)	
Cash flows from operating activities		
8	13,319,790	18,974,016
	(35,327)	(30,567)
	(482,671)	(191,065)
	(6,146,667)	(6,421,621)
	(49,258)	(123,031)
	(895)	(41,640)
	6,604,972	12,166,092
Cash flows from investing activities		
	(439,365)	(858,894)
	44,107	55,865
	1,223,839	454,247
	828,581	(348,782)
Cash flows from financing activities		
	3,880,960	-
	(12,071,814)	(5,695,278)
	-	1,500,000
	(53,989)	-
	(8,244,843)	(4,195,278)
	(811,290)	7,622,032
	22,516,445	4,084,716
9	21,705,155	11,706,748

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



Ruhail Mohammed
Chief Executive Officer



Javed Akbar
Director

notes to the condensed interim financial information for the months ended september 30, 2014

(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.
- 1.2 During the period, on January 17, 2014, the Karachi and Lahore Stock Exchanges have approved the Company's application for formal listing and quotation of shares, later on the Islamabad Stock Exchange approved the listing of the Company on March 20, 2014. The Company's Term Finance Certificates are also listed at the Karachi Stock Exchange.

2. Basis For Preparation

- 2.1 This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of IAS 34 'Interim financial reporting'. 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 of the Company for the year ended December 31, 2013 which have been prepared in accordance with IFRS.
- 2.2 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.

During the preparation of this condensed interim financial information, changes in the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty from those that applied to financial statements of the Company for the year ended December 31, 2013 do not have any material impact.

3. Accounting Policies

The accounting policies adopted in preparation of this condensed interim financial information are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2013.

4. Property, Plant And Equipment

Operating assets
Major spare parts and stand-by equipment
Capital work in progress

	Unaudited September 30, 2014	Audited December 31, 2013
	—————(Rupees)—————	
	74,654,706	77,271,365
	424,772	403,289
	953,957	1,640,564
	<u>76,033,435</u>	<u>79,315,218</u>

(Amounts in thousand)

5. Borrowings - Secured (Non - participatory)

	Unaudited September 30, 2014	Audited December 31, 2013
	—————(Rupees)—————	
Long term finance utilised under mark-up arrangements (notes 5.1, 5.2 and 5.3) Certificates (note 5.1)	31,975,139	41,179,539
	<u>17,684,131</u>	<u>14,641,142</u>
	49,659,270	55,820,681
Less: Current portion shown under current liabilities	9,557,005	2,924,299
Balance at end of the period / year	<u>40,102,265</u>	<u>52,896,382</u>

- 5.1 All senior debts are secured by an equitable mortgage upon immovable property of the Company and equitable charge over current and future fixed assets excluding immovable property of the Company.

Loans from the International Finance Corporation (IFC) are secured by a sub-ordinated mortgage upon immovable property of the Company and sub-ordinated charge over all present and future fixed assets excluding immovable property of the Company. Further, Privately Placed Term Finance Certificates (PPTFCs) are secured by a subordinated floating charge over all present and future fixed assets excluding land and buildings.

The Holding Company has issued corporate guarantees in respect of all debts excluding PPTFC whereas it has issued sub-ordinated corporate guarantee in respect of PPTFCs.

- 5.2 The Company availed a loan of USD 30,000 from the IFC, divided into (i) 30% convertible loan on the shares of the Company at Rs. 24 per ordinary share calculated at the dollar rupee exchange rate prevailing on the business day prior to the date of the notice issued by IFC to exercise the conversion option and (ii) 70% non-convertible loan. This conversion option is exercisable upto March 31, 2017. During the period, on June 25, 2014, the Company received a notice from the IFC for exercise of option on USD 5,000 loan which, alongwith the fair value of related options on that date has been classified as equity; accordingly 20,542 ordinary shares of the Company have been allotted to the IFC. The fair value of the remaining conversion option, included in derivative financial instruments, amounts to Rs. 725,036.

- 5.3 The above finance also includes a loan for USD 50,000 entered into by Engro Corporation Limited (the Holding Company) with the IFC. This loan is divided into (i) Tranche A (USD 15,000) convertible into the Holding Company's ordinary shares at Rs. 119.46 per ordinary share calculated at the dollar rupee exchange rate prevailing on the business day prior to the date of the notices issued by the IFC to exercise the conversion option. (ii) Tranche B (USD 35,000) non-convertible loan. Both Tranches were transferred to the Company under the scheme of demerger effective January 1, 2010. However, the option given to convert the Tranche A remained on the Holding Company's shares.

- 5.4 The financial covenants includes a condition whereby dividend may be paid after repayment of 33% of the senior loans as at June 30, 2012. During the quarter this condition has been met as the to-date repayment exceeds 33% of the senior loans.

(Amounts in thousand)

6. Contingencies And Commitments

Contingencies

- 6.1 Bank guarantees of Rs.1,069,119 (December 31, 2013: Rs. 1,069,119) have been issued in favour of third parties.
- 6.2 Claims, including pending lawsuits, against the Company not acknowledged as debts amounted to Rs. 55,038 (December 31, 2013: Rs. 58,530).
- 6.3 As at September 30, 2014, there is no material change in the status of matters reported as contingencies in the notes to the financial statements of the Company for the year ended December 31, 2013.

6.4 Commitments

Commitments in respect of capital expenditure and other operational items

	Unaudited September 30, 2014	Audited December 31, 2013
	(Rupees)	
	496,331	873,019

7. Earnings Per Share (EPS)

Basic earnings per share has been calculated by dividing the profit attributable to equity holders of the Company by weighted average number of ordinary shares in issue during the period.

The information necessary to calculate basic and diluted earnings per share is as follows:

(Amounts in thousand)

	Unaudited Quarter ended September 30, 2014	Unaudited Quarter ended September 30, 2013	Unaudited Nine Months ended September 30, 2014	Unaudited Nine Months ended September 30, 2013
	(Rupees)			
Profit for the period	2,136,720	1,808,244	5,511,394	3,233,601
Add: - Interest on IFC loan - net of tax	5,109	-	23,267	-
- (Gain)/ Loss on revaluation of conversion options on IFC loan - net of tax	(46,477)	-	(18,528)	-
Profit used for the determination of Diluted EPS	<u>2,095,352</u>	<u>1,808,244</u>	<u>5,516,133</u>	<u>3,233,601</u>
	Numbers (in thousands)			
Weighted average number of ordinary shares at the beginning of period	1,297,800	1,222,800	1,222,800	1,072,800
Adjustment of Bonus factor	-	-	-	40,108
Add : Weighted average adjustments for: Shares issued during the period (including conversion of option - note 5.2)	16,746	-	76,248	52,747
Weighted average number of shares for determination of basic EPS	<u>1,314,546</u>	<u>1,222,800</u>	<u>1,299,048</u>	<u>1,165,655</u>
Assumed conversion of USD 4,000 IFC loan	9,537	-	9,854	-
Exercise of conversion option on USD 5,000 IFC loan	2,140	-	8,684	-
Weighted average number of shares for determination of diluted EPS	<u>1,326,223</u>	<u>1,222,800</u>	<u>1,317,586</u>	<u>1,165,655</u>

(Amounts in thousand)

	Unaudited September 30, 2014	Unaudited September 30, 2013
	(Rupees)	
8. Cash Generated From Operations		
Profit before taxation	8,172,963	4,799,144
Adjustment for non-cash charges and other items:		
Depreciation	3,534,770	3,810,992
Amortisation	21,490	23,892
Loss on disposal of property, plant and equipment	134,041	12,717
Provision for retirement and other service benefits	32,030	34,135
Income on deposits / other financial assets	(1,310,626)	(486,312)
Financial charges	4,961,776	6,996,200
Provision for surplus and slow moving stores and spares	1,444	13,989
(Reversal of) / provision for trade debts	(2,673)	19,000
Provision for loan and advances	1,997	4,258
Change in the fair value of options	(29,703)	279,990
Working capital changes (note 8.1)	(2,197,719)	3,466,011
	<u>13,319,790</u>	<u>18,974,016</u>
8.1 Working capital changes		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(236,305)	(230,258)
- Stock-in-trade	(481,244)	(248,578)
- Trade debts	(1,024,976)	235,034
- Loans, advances, deposits and prepayments	264,286	130,973
- Other receivables (net)	94,233	33,668
	<u>(1,384,006)</u>	<u>(79,161)</u>
Decrease) / increase in trade and other payables	<u>(813,713)</u>	<u>3,545,172</u>
	<u>(2,197,719)</u>	<u>3,466,011</u>
9. Cash And Cash Equivalents		
Cash and bank balances	1,210,757	3,986,577
Short term investments	20,494,398	7,720,171
	<u>21,705,155</u>	<u>11,706,748</u>

(Amounts in thousand)

10. 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 September 30, 2014	Unaudited September 30, 2013
	(Rupees)	
Holding Company		
Purchase and services	153,085	141,882
Services provided	14,582	12,713
Royalty	633,157	489,677
Reimbursements	89,087	105,916
Mark-up paid on long term sub-ordinated loan	240,238	383,696
Use of assets	4,363	7,429
Receipt against issue of right shares	-	1,500,000
Payment of sub-ordinated loan	4,361,920	-
Receipt of subordinated loan	680,960	-
Associated companies		
Purchase and services	274,973	720,616
Sale of product	2,840	3,725
Services provided	66,569	65,340
Reimbursements	114,984	131,765
Funds collected against sales made on behalf of an associate	15,496,937	13,584,237
Payment of mark-up on TFCs and repayment of principal amount	12,810	16,018
Sale of T-Bills	-	4,161,893
Purchase of T-Bill	-	4,067,897
Income on T-Bill	-	40,864
Commission on sales	93,714	101,759
Purchase of mutual fund units	-	780,000
Redemption of mutual fund units	-	781,195
Donation	21,000	9,000
Commission expense	12,389	22,513
Use of assets	7,353	9,116
Contribution to staff retirement benefits		
Pension fund	13,913	13,751
Gratuity fund	112,436	45,633
Provident fund	63,484	90,059
Others		
Remuneration of key management personnel	118,268	95,381

11. **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.

12. **Corresponding Figures**

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

13. **Date Of Authorisation For Issue**

This condensed interim financial information was authorized for issue on October 23, 2014 by the Board of Directors of the Company.



Ruhail Mohammed
Chief Executive Officer



Javed Akbar
Director