



engro corp

# together, we rise

Third Quarter Accounts 2017





engro corp



## Engro's investments in agriculture, foods, energy and petrochemicals are designed to take advantage of Pakistan's economic needs.

### About Us

Engro Corporation Limited is one of Pakistan's largest conglomerates with the company's business portfolio spanning across sectors including chemical fertilizers, PVC resin, a bulk liquid chemical terminal, foods, power generation and commodity trade. At Engro, our ambition is to become the premier Pakistani enterprise with a global reach.

The management team at Engro is responsible for conceptualizing and articulating goals that bring our people together in pursuit of our objectives. It leads the company with a firm commitment to the values and spirit of Engro. In our journey to become a profitable, growth-oriented and sustainable company, our management structure has evolved to create a more transparent and accessible organization.

Our growth is driven by our people. Our culture is dynamic and energetic, with emphasis on our core values and loyalty of our employees. Our work environment promotes leadership, integrity, teamwork, diversity and excellence.

### Our History

Today, Engro is one of Pakistan's most progressive, growth oriented organizations, managed under a holding structure that works towards better managing and oversight of subsidiaries and affiliates that are part of Engro's capital investments in Pakistan.

The company is also defined by its history, which reflects a rich legacy of innovation and growth. The seeds for the company were sown following the discovery of the Mari gas field by Esso / Mobil in 1957. Esso proposed the establishment of a urea plant, and the Esso Pakistan Fertilizer Company Limited was established in 1965 and began production in 1968. At US \$43 million with an annual production capacity of 173,000 tons, this was the single largest

foreign investment by a multinational corporation in Pakistan at the time. As the nation's first fertilizer brand, the company also pioneered the education of farmers in Pakistan, helping to modernize traditional farming practices to boost farm yields, directly impacting the quality of life for farmers and the nation.

In 1978, Esso was renamed Exxon globally, and the company became Exxon Chemical Pakistan Limited. The business continued to prosper as it relentlessly pursued productivity gains and strived to attain professional excellence.

In 1991, following a decision by Exxon to divest its fertilizer business on a global basis, the employees of Exxon Chemical Pakistan Limited decided to buy out Exxon's share. This was, and perhaps still is, the most successful employee buy-out in the corporate history of Pakistan. Renamed Engro Chemical Pakistan Limited, the company continued to go from strength to strength, reflected in its consistent financial performance, growth and diversification.

In 2009 a decision was made to demerge the fertilizer business into an independent operating company to ensure undivided focus on the business's expansion and growth. In the best interests of a multi category business, expansion strategy and growth vision, the management decided that the various businesses would be better served if the company was converted to a holding company; Engro Corporation Limited.

From its inception as Esso Pakistan Fertilizer Company Limited in 1965 to Engro Corporation Limited in 2010, Engro has come a long way and will continue working towards its vision of becoming a premier Pakistani company with a global reach.

## Engro Corporation Limited

Engro Corporation Limited is a holding company, created following the conversion of Engro Chemical Pakistan Limited on January 1, 2010. Engro Corp is one of Pakistan's largest conglomerates with the company's business portfolio spanning across sectors including chemical fertilizers, PVC resin, bulk liquid terminal, LNG terminal, foods processing and power generation.

## Engro Fertilizers Limited

Engro Fertilizers Limited is a 56% owned subsidiary of Engro Corporation – is a premier fertilizer manufacturing and marketing company having a portfolio of fertilizer products with significant focus on balanced crop nutrition and increased yield. As one of the 50 largest fertilizer manufacturers of the world we have close to 5 decades of operations as a world class facility with a wide range of fertilizer brands, besides urea, which include some of the most trusted brand names by Pakistani farmers. These include brands like Engro Zarkhez, Zingro, Engro DAP and Envy amongst others.

## Engro Foods Limited

Engro Foods Limited is an 40% owned associated company engaged in the manufacturing, processing and marketing of dairy products, frozen desserts and fruit drinks. The business owns two milk processing plants in Sukkur and Sahiwal and operates a dairy farm in Nara, Sindh. In its continued efforts to 'elevate consumer delight worldwide', the business has established several brands that have already become household names in Pakistan such as Olper's (UHT milk, low-fat milk, cream, desi ghee, lassi and flavored drinks), Omoré (frozen desserts), Tarang (tea whitener) and Dairy Omung (UHT dairy liquid and dessert cream).

## Engro Polymer & Chemicals Limited

Engro Polymer & Chemicals Limited-a 56% owned subsidiary of Engro – is the only fully integrated chlor-vinyl chemical complex in Pakistan and produces poly-vinyl chloride, caustic soda, sodium hypochlorite, hydrochloric acid and other chlorine by-products. The business was setup as a state-of-the-art plant in 1997, as a 50:50 joint venture, with Mitsubishi and Asahi Glass with Asahi subsequently divesting its shareholding in 2006.

## Engro Eximp Agri Products (Private) Limited

Engro Eximp Agriproducts is a wholly owned subsidiary of the holding company and it manages the procurement, processing and marketing of rice. The company owns and operates a state-of-the-art paddy processing plant near Muridke and has an installed capacity of 144KT.

## Engro Powergen Limited

Engro Powergen Limited is a wholly owned subsidiary of Engro Corporation and it owns and operates Engro Powergen Qadirpur Limited, a 224 megawatt power plant and the group's first initiative in the power sector of Pakistan. Engro Powergen Qadirpur Limited was listed on the Karachi Stock Exchange in October 2014 where 25% of the shares were offered to the public. As of now Engro Powergen Qadirpur Limited is 69% owned by Engro Powergen whereas the remainder is owned by International Finance Corporation (IFC) and employees.

Engro Powergen Limited is also involved in the Thar Coal project. The project envisages a coal mine under Sindh Engro Coal Mining Company (SECMC) and development of two 330 MW mine mouth power plants under Engro Powergen Thar Limited (EPTL) in the first phase. SECMC is a joint venture company formed in 2009 between the Government of Sindh (GoS) and Engro PowerGen Limited (EPL) & Affiliates. SECMC's shareholders include Government of Sindh, Engro Powergen Ltd, Thal Limited, Habib Bank Ltd, CMEC Thar Mining Investment Limited, Huolinhe Open Pit Coal Investment Company Limited and Hub Power Company Limited (HUBCO). The Sindh Coal Authority has awarded a 95.5 square kilometer area of the coalfield, known as Block II, to SECMC for exploration and development of coal deposits. Within this block, there is an estimated amount of exploitable lignite coal reserves of 1.57 billion tons. In 2010, SECMC completed the Bankable Feasibility Study (BFS) for Thar Block II Coal Mining Project by engaging internationally renowned Consultants such as RWE-Germany, Sinocoal-China, SRK-UK and HBP Pakistan, meeting all national / international standards. The first phase of the Project is underway, as financial close of both the power and mining projects was achieved during first half 2016.

## **Engro Vopak Terminal Limited**

Engro Vopak is a joint venture with Royal Vopak of the Netherlands – the world’s largest bulk liquid chemical handling company. The business is engaged in handling, storage and regasification of liquid & gaseous chemicals, Liquefied Petroleum Gas (LPG), petrochemicals and bio-fuels. Engro Vopak’s terminal is Pakistan’s first cryogenic facility that handles 70% of all liquid chemical imports into Pakistan including Paraxylene (PX), Acetic Acid (AA), Vinyl Chloride Monomer (VCM), Ethylene Dichloride (EDC), Mono Ethylene Glycol (MEG), Ethylene along with Phosphoric Acid (PA) imports, which are pumped directly to customer’s facilities.

## **Elengy Terminal Pakistan Limited**

Elengy Terminal Pakistan Limited (ETPL) is an 80% owned subsidiary of Engro Corporation. The company won the contract to handle liquefied natural gas (LNG) and thereafter acquired FSRU vessel on lease from a US-based company - Excelebrate Energy. Engro Elengy Terminal Limited, a wholly owned subsidiary of ETPL, set up the first state of the art LNG terminal, at Port Qasim. The terminal – which is also one of the most cost efficient terminals in the region – has the capacity for regasification of up to 600 mmcfd.

# directors' report

## Macroeconomic Environment

Pakistan's GDP growth continued to increase and was 5.3% in FY2017 against a target of 5.7% as industrial sector performance was lower than expected. Pakistan's growth outlook continues to improve and inflation remains contained. However, growing fiscal and external imbalances pose a challenge to this outlook. Efforts to reverse the current imbalances and continued implementation of structural reforms will be needed for sustaining and accelerating growth.

## Business Review

On a consolidated basis, Engro Corporation's revenue was PKR 86,431 million for the first three quarters of 2017, a 20% decrease from PKR 107,834 million for the comparative period last year. The reduction is due to the fact that Engro Foods results are no longer consolidated in Engro Corporation results with effect from its partial divestment late in 2016. Excluding Engro Foods turnover of the previous period, revenue grew by 18%. Improved market fundamentals throughout the period resulted in improved profitability in the fertilizer and petrochemicals businesses. Profitability was also augmented by the steady performances of terminal services and power. The profit-after-tax (PAT) from continuing operations (i.e. excluding Engro Foods) increased from PKR 8,727 million to PKR 11,646 million – up by 33%. Partial divestment of fertilizers and foods businesses during 2016 as well as adverse taxation changes introduced through Finance Act 2017 resulted in decrease in the Profit attributable to shareholders from PKR 8,583 million in 9M16 to PKR 6,916 million in 9M17.

The Board is pleased to announce an interim cash dividend for the quarter ended September 30, 2017 @ Rs 7.00 per share i.e. 70%. This is in addition to interim cash dividends already paid @ Rs 12.00 per share i.e. 120%. The Board has endeavoured to maximise dividends on a quarterly basis. The final dividend for the year ending December 31, 2017 would be declared based upon earnings for the year. A brief review of significant business segments is as follows:

## Engro Fertilizers

Fertilizer business revenues grew by 18% whilst its PAT for the 9M17 stood at PKR 6,924 million – up 21%. Higher profitability was led by exports of 211 KT of urea, higher urea offtake and regularization of gas prices for Plant I post allocation.

## Engro Petrochemicals

Strong performance of the petrochemicals segment was mainly driven by the healthy PVC – Ethylene core delta and manufacturing efficiencies. During 9M17, the business recorded revenue of PKR 20,390 million – up by 23% and PAT of PKR 1,947 million versus PKR 32 million for the comparative period. The business achieved highest ever PVC & VCM production for any quarter and for the nine months. Similarly, it also posted its highest ever sales for the third quarter and nine-months period. Plant debottlenecking is on track to achieve 195 KT of production capacity for PVC and VCM by the end of 2017 and 1Q 2018, respectively.

## Coal Mining and Power Generation

Thar Coal Mining Project: Project progress remained ahead of plan with ~56 M BCM (50% of total OB volume) of overburden having been removed at the quarter-end. The project celebrated the achievement of 50% project completion during September. Full scale dewatering operations began in April and as at end of the period ~10.8 million cubic meters has been discharged.

Thar Power Project: Development on all project fronts continued at a steady pace. Engineering, Procurement and Construction progress is ahead of schedule. Inspections of equipment at manufacturing facilities are progressing smoothly.

Qadirpur Power Plant: The plant demonstrated a billable availability factor of 100.7% in 9M17 compared to 100.2% in the same period last year. It dispatched a total Net Electrical Output of 1,314 GWh to the national grid. The business posted a PAT of PKR 1,853 million during 9M17 as compared to PKR 1,527 million for the comparative period.

## Terminal Operations

SSGC started utilizing additional 200 mmscfd of LNG regasification capacity from January 2017. The LNG terminal handled 52 cargoes of LNG during 9M17 vs. 32 cargoes during comparative period. Availability factor during the period was 97.5%. Profitability continued to be healthy.

## Engro Vopak Terminal

Recorded an increase of 6% in volumes handled for chemicals and LPG as compared to the same period last year. Business remained stable throughout the period and posted steady profit.

## Business Outlook

Engro Corporation will continue to explore investment opportunities across all sectors focusing on improving shareholder value by increasing and diversifying revenue and customer base, investment in new technology and production efficiencies.

## Engro Fertilizers

Improved farmer economics and lower urea prices will continue to support domestic urea demand during the upcoming season. We expect industry to export the entire quota of 600KT. On the international pricing front, after a bullish run of urea prices during the last quarter, prices are expected to stabilize during 4Q on the back of normalization of demand supply factors. International DAP prices on the other hand are expected to witness an upward pressure due to seasonal buying in 4Q.

## Engro Petrochemicals

International PVC and ethylene prices will remain reliant on global economic sentiment, supply and demand dynamics. Domestic market for PVC is expected to remain strong while the Caustic market is projected to remain stable. The business will continue to focus on optimizing and achieving operational excellence.

## Engro Coal Mining and Power Generation

Engro remains on the forefront to help alleviate the energy crisis in the country. We continue to seek new opportunities in energy sector around the world in partnership with international players to utilize Engro's unique engineering and project management skillset. In partnership with Sindh Government, the Thar mining and power projects are expected to remain on track for completion within next two years.

## Engro Terminal Operations

The LNG terminal is positively playing its role in alleviating some of the energy shortage faced by the country. Chemical industry is expected to remain stable and the Engro Vopak terminal looks

forward to retaining its market share, along with availing expansion opportunities in the LPG, chemicals and fuel distribution sectors.



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Ghias Khan  
Chief Executive Officer



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Hussain Dawood  
Chairman



# condensed interim balance sheet as at september 30, 2017

(Amounts in thousand)

Note (Unaudited) (Audited)  
September 30, December 31,  
2017 2016  
----- (Rupees) -----

## ASSETS

Non-current assets			
Property, plant and equipment	5	233,410	154,340
Intangible assets		9,544	12,629
Long term investments	6	21,171,987	21,171,987
Long term loans and advances		3,026,876	3,020,625
Deferred taxation		4,434	2,227
		<u>24,446,251</u>	<u>24,361,808</u>
Current assets			
Loans, advances, deposits and prepayments	7	978,800	3,880,760
Other receivables	8	2,649,009	460,646
Accrued interest / mark-up		359,509	404,664
Short term investments	9	61,591,770	60,871,369
Cash and bank balances		207,750	1,052,608
		<u>65,786,838</u>	<u>66,670,047</u>
<b>TOTAL ASSETS</b>		<u><u>90,233,089</u></u>	<u><u>91,031,855</u></u>

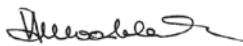
## EQUITY & LIABILITIES

Equity			
Share capital		5,237,848	5,237,848
Share premium		13,068,232	13,068,232
General reserve		4,429,240	4,429,240
Remeasurement of post employment benefits - Actuarial loss		(2,262)	(2,262)
Unappropriated profit		59,428,678	61,307,059
<b>Total equity</b>		<u>82,161,736</u>	<u>84,040,117</u>
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations		26,107	24,466
Current liabilities			
Trade and other payables		687,230	2,248,235
Provisions	12	2,167,736	-
Taxes payable		239,535	268,794
Borrowings	10	994,090	3,983,839
Accrued interest / mark-up		30,329	250,279
Dividend payables		3,666,494	-
Unclaimed dividends		259,832	216,125
		<u>8,045,246</u>	<u>6,967,272</u>
<b>Total liabilities</b>		<u>8,071,353</u>	<u>6,991,738</u>
Contingencies and Commitments	11		
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><u>90,233,089</u></u>	<u><u>91,031,855</u></u>

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.



Hussain Dawood  
Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

# condensed interim statement of comprehensive income (unaudited) for the nine months ended september 30, 2017

(Amounts in thousand except for earnings per share)

	Note	Quarter ended		Nine months ended	
		September 30, 2017	September 30 2016	September 30, 2017	September 30, 2016
-----Rupees-----					
Dividend income		2,103,280	1,772,759	7,582,320	5,368,283
Royalty income		186,861	224,944	536,321	471,926
		2,290,141	1,997,703	8,118,641	5,840,209
Administrative expenses		(403,541)	(208,862)	(909,838)	(759,773)
		1,886,600	1,788,841	7,208,803	5,080,436
Other income		1,047,808	490,490	3,200,237	17,121,073
Other operating expenses		(2,530)	(480)	(5,510)	(1,767)
Operating profit		2,931,878	2,278,851	10,403,530	22,199,742
Finance cost		(47,116)	(136,638)	(324,471)	(418,206)
Profit before taxation		2,884,762	2,142,213	10,079,059	21,781,536
Taxation	12	(487,614)	(382,335)	(3,576,882)	(682,186)
Profit for the period		2,397,148	1,759,878	6,502,177	21,099,350
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		2,397,148	1,759,878	6,502,177	21,099,350
Earnings per share - basic and diluted	13	4.58	3.36	12.41	40.28

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.



Hussain Dawood  
Chairman

Hasnain Moochhala  
Chief Financial Officer


Ghias Khan  
President and Chief Executive

# condensed interim statement of changes in equity (unaudited) for the nine months ended september 30, 2017

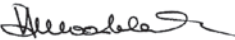
(Amounts in thousand)

	Share capital	Capital reserve	Revenue reserves		Total	
		Share premium	General reserve	Remeasurement of post employment benefits - Actuarial gain / loss		Unappropriated profit
------(Rupees)-----						
Balance as at January 01, 2016 (audited)	5,237,848	13,068,232	4,429,240	(5,203)	13,585,382	36,315,499
Total comprehensive income for the nine months ended September 30, 2016	-	-	-	-	21,099,350	21,099,350
Transactions with owners						
Final cash dividend for the year ended December 31, 2015 @ Rs. 7.00 per share	-	-	-	-	(3,666,494)	(3,666,494)
First interim cash dividend for the year ended December 31, 2016 @ Rs. 5.00 per share	-	-	-	-	(2,618,924)	(2,618,924)
Second interim cash dividend for the year ended December 31, 2016 @ Rs. 7.00 per share	-	-	-	-	(3,666,495)	(3,666,495)
<b>Balance as at September 30, 2016 (unaudited)</b>	<b>5,237,848</b>	<b>13,068,232</b>	<b>4,429,240</b>	<b>(5,203)</b>	<b>24,732,819</b>	<b>47,462,936</b>
Total comprehensive income for the three months ended December 31, 2016	-	-	-	2,941	40,764,518	40,767,459
Transactions with owners						
Third interim cash dividend for the year ended December 31, 2016 @ Rs. 8.00 per share	-	-	-	-	(4,190,278)	(4,190,278)
<b>Balance as at December 31, 2016 (audited)</b>	<b>5,237,848</b>	<b>13,068,232</b>	<b>4,429,240</b>	<b>(2,262)</b>	<b>61,307,059</b>	<b>84,040,117</b>
Total comprehensive income for the nine months ended September 30, 2017	-	-	-	-	6,502,177	6,502,177
Final cash dividend for the year ended December 31, 2016 @ Rs.4.00 per share	-	-	-	-	(2,095,140)	(2,095,140)
First interim cash dividend for the year ending December 31, 2017 @ Rs.5.00 per share	-	-	-	-	(2,618,925)	(2,618,925)
Second interim cash dividend for the year ending December 31, 2017 @ Rs.7.00 per share	-	-	-	-	(3,666,494)	(3,666,494)
<b>Balance as at September 30, 2017 (unaudited)</b>	<b>5,237,848</b>	<b>13,068,232</b>	<b>4,429,240</b>	<b>(2,262)</b>	<b>59,428,678</b>	<b>82,161,736</b>

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.



Hussain Dawood  
Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

# condensed interim statement of cash flows (unaudited) for the nine months ended september 30, 2017

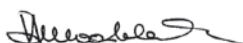
(Amounts in thousand)

	Note	Nine months ended	
		September 30, 2017	September 30, 2016
		------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash utilized in operations	14	(2,501,863)	(1,185,874)
Royalty received		295,940	481,831
Taxes paid		(1,440,612)	(455,139)
Retirement and other service benefits paid		(53,313)	(6,423)
Long term loans and advances - net		(6,251)	1,667
Net cash utilized in operating activities		(3,706,099)	(1,163,938)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received		5,704,040	3,865,659
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries		2,996,412	989,517
Investments made during the period		-	(260,000)
Purchase of term finance certificates from subsidiary company		(3,560,000)	-
Proceeds from disposal of investment in subsidiary company		-	19,507,070
Loans granted to subsidiary companies		(600,000)	(9,082,294)
Repayment of loan by subsidiary companies		3,560,000	13,932,376
Purchase of Treasury bills and Fixed income placements		(27,836,088)	(26,681,655)
Proceeds from sale of Treasury bills and Fixed income placements		61,272,487	9,670,446
Purchases of property, plant and equipment		(106,442)	(53,611)
Sale proceeds on disposal of property, plant and equipment		443	799
Net cash generated from investing activities		41,430,852	11,888,307
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Financial charges paid		(534,170)	(537,752)
Repayment against Engro Islamic Rupiya Certificates		(3,000,000)	-
Dividends paid		(4,670,358)	(6,285,418)
Unclaimed dividends		-	(16,321)
Net cash utilized in financing activities		(8,204,528)	(6,839,491)
Net increase in cash and cash equivalents		29,520,225	3,884,878
Cash and cash equivalents at beginning of the period		24,213,198	399,510
Cash and cash equivalents at end of the period	15	53,733,423	4,284,388

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.



Hussain Dawood  
Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

# notes to the condensed interim financial information (unaudited) for the nine months ended september 30, 2017

(Amounts in thousand)

## 1. LEGAL STATUS AND OPERATIONS

Engro Corporation Limited (the Company), is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The Company is a subsidiary of Dawood Hercules Corporation Limited (the Parent Company). The principal activity of the Company, is to manage investments in subsidiary companies, associated companies and joint venture, engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, LNG and chemical terminal and storage businesses. The Company's registered office is situated at 7th & 8th floors, The Harbour Front Building, HC # 3, Block 4, Marine Drive, Clifton, Karachi.

## 2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provision of or directives issued under the Ordinance, have been followed. The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as clarified by the Securities and Exchange Commission of Pakistan (SECP) vide its press release dated October 04, 2017, this condensed interim financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. 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, 2016. This condensed interim financial information represents the condensed interim financial information of the Company on a standalone basis. The consolidated condensed interim financial information of the Company and its subsidiary companies are presented separately.

## 3. ACCOUNTING POLICIES

- 3.1 The significant accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of annual financial statements of the Company for the year ended December 31, 2016.
- 3.2 There are certain new International Financial Reporting Standards (IFRS), amendments and interpretations to published IFRS that are mandatory for the financial year beginning on January 1, 2017. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.
- 3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

(Amounts in thousand)

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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, 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 the financial statements of the Company for the year ended December 31, 2016.

(Unaudited) September 30, 2017	(Audited) December 31, 2016
------(Rupees)-----	

#### 5. PROPERTY, PLANT AND EQUIPMENT

Operating assets (note 5.1)	112,712	94,597
Capital work-in-progress (note 5.2)	120,698	59,743
	<u>233,410</u>	<u>154,340</u>

5.1 Additions to operating assets during the period / year amounted to Rs. 45,487 (December 31, 2016: Rs. 73,563). Operating assets costing Rs. 783 (December 31, 2016: Rs. 6,381) having a net book value of Rs. 409 (December 31, 2016: Rs. 1,905), were disposed off during the period / year for Rs. 443 (December 31, 2016: Rs. 1,577).

5.2 This mainly represents advance paid to suppliers for purchase of operating assets.

#### 6. LONG TERM INVESTMENTS

Engro Fertilizers Limited (EFert), a subsidiary company, had availed a loan of USD 30,000 from the International Finance Corporation (IFC), divided into (i) 30% convertible loan on its shares at Rs. 24 per ordinary share, calculated at the US Dollar to Pakistan 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. Until December 31, 2016, IFC had partially exercised its option on loan amounting to USD 8,000 and 33,132,292 ordinary shares of EFert were allotted to the IFC.

On March 01, 2017, EFert received a notice from IFC for exercise of conversion option on the entire remaining loan amount of USD 1,000. Accordingly, 4,367,083 ordinary shares of EFert have been allotted to IFC on March 7, 2017. As a result, the Company as at balance sheet date holds 56.27% (December 31 2016: 56.45%) of the issued share capital of EFert.

(Amounts in thousand)

## 7. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS

### 7.1 Engro Powergen Limited (EPL)

During 2016, the Company extended a subordinated short-term loan of Rs 3,560,000 to EPL, a wholly owned subsidiary company. The loan carried mark-up at the rate of 3 months KIBOR plus 1.5% per annum, payable on a quarterly basis. The loan was repayable through one lump sum installment falling due on March 16, 2017. During the period, EPL has repaid the entire loan to the Company.

### 7.2 Elengy Terminal Pakistan Limited (ETPL)

During the period, the Company extended additional loan of Rs. 600,000 to ETPL, a subsidiary company, to meet its working capital requirements. The loan carries mark-up at the rate of 3 months KIBOR plus 0.5% per annum, payable on a lump sum basis on December 31, 2017.

## 8. OTHER RECEIVABLES

This includes an amount of Rs 1,878,280 (December 31, 2016: Nil) from Engro Fertilizers Limited, a subsidiary company.

## 9. SHORT TERM INVESTMENTS

Fair value through profit or loss

- Treasury bills

Held to maturity

- Fixed income placement

Available for sale

- Term finance certificates (note 9.1)

(Unaudited) September 30, 2017	(Audited) December 31, 2016
------(Rupees)-----	

57,773,553

60,864,369

26,500

7,000

3,791,717

-

61,591,770

60,871,369

9.1 During the period, the Company subscribed to privately placed, unsecured and non-convertible zero coupon Term Finance Certificates (TFCs) issued by Engro Powergen Limited. These TFCs have been issued at a discounted value of Rs. 3,560,000 and have a tenure of one year extendable annually upon mutual consent upto a maximum of 48 months. Under the terms of TFCs, the Company is entitled to redeem these TFC's at any time during the term at a price to be computed using an effective interest rate of 8.77% per annum.

## 10. BORROWINGS

During the period, on July 10, 2017, Engro Islamic Rupee Certificates - I amounting to Rs. 3,000,000 have been fully repaid on maturity.

## 11. CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments since December 31, 2016 are as follows:

(Amounts in thousand)

#### 11.1 Contingencies

##### 11.1.1 During the period:

- Corporate guarantees extended on behalf of Engro Fertilizers Limited, a subsidiary company, to International Finance Corporation under the C Loan Agreement (Original Agreement) and the Amended Facility Agreement amounting to USD 12,000 have been released.
- The Company, as Sponsor Support, has permitted a bank to create ranking charge over receivables of the Company and has pledged shares of Engro Fertilizers Limited and Engro Foods Limited against the Stand By Letter of Credit (SBLC) facility amounting to USD 4,673 and Rs. 411,949 granted to Engro Elengy Terminal (Private) Limited, a wholly owned subsidiary company of Elengy Terminal Pakistan Limited.
- Engro Foods Limited (EFoods), an associated company received an order from the Competition Commission of Pakistan, imposing a penalty of Rs. 62,293 in respect of EFoods' marketing activities relating to one of its products. EFoods has filed an appeal against the aforementioned order. As per the terms of the Share Purchase Agreement with FrieslandCampina Pakistan Holding B.V. (FCP), the Company is required to reimburse 51% of the amount together with all reasonable cost and expenses to FCP in case any such penalty materializes. The Company, based on the opinion of the legal advisor, is confident of a favorable outcome of the appeal, and accordingly no provision has been recognized in this condensed interim financial information in this respect.
- During 2016, the Company pledged shares of EFert and EFoods against the Standby Letters of Credit (Equity SBLCs) provided by EPL, a subsidiary company, through National Bank of Pakistan amounting to USD 18,900 and USD 51,100 (in PKR equivalent) for its equity commitments related to the Sindh Engro Coal Mining Company Limited (SECMC), its associated company, and Engro Powergen Thar (Private) Limited (EPTL), its subsidiary company, in favour of the Intercreditor Agent (Habib Bank Limited) and the Project Companies (i.e. SECMC and EPTL). Equity SBLCs expire on earlier of (i) four years after the issuance of SBLCs i.e. March 21, 2020; and (ii) fulfillment of sponsor obligations under Sponsor Support Agreements. Subsequent to equity injections / submission of equity SBLC by Huolinhe Open Pit Coal (HK) Investment Co. Limited (HOCIC), after financial close, amounting to USD 3,164 (December 31, 2016: USD 335) and USD 5,417 (December 31, 2016: USD 9,064) (in PKR equivalent) in SECMC and EPTL respectively, the amount of Equity SBLCs have been reduced to USD 15,401 (December 31, 2016: USD 18,565) and USD 36,619 (December 31, 2016: USD 42,036) for SECMC and EPTL, respectively.

- 11.1.2 Pursuant to the Finance Act, 2017, section 5A 'Tax on undistributed reserves' of the Income Tax Ordinance, 2001 was substituted by 'Tax on undistributed profits' whereby for tax year 2017 and onwards, a tax has been imposed at the rate of 7.5% of profit-before-tax, on every public company, that derives profit for a tax year but does not distribute at least 40% of its after-tax-profits within six months of the end of the tax year, through cash or bonus shares.

The Company has obtained a stay on the levy of aforesaid tax from the Sindh High Court, based on the grounds that this tax is applicable on the accounting profit-before-tax, that does not represent real income which can be taxed under the law and that the requirement to distribute profits or pay tax, amounts to an interference in corporate actions and implies amendment to the relevant company laws, which give shareholders the discretion to approve dividends. Furthermore, it is the contention of the Company that such an amendment to company laws could not have been made through a money bill.

The Company, based on the opinion of its legal advisor is confident that it has a reasonable case in favor of the Company.



(Amounts in thousand)

	(Unaudited) September 30, 2017	(Audited) December 31, 2016
	------(Rupees)-----	
11.2 Commitments		
Commitments in respect of capital expenditure	135,891	152,962

	Quarter ended		Nine months ended	
	September 30, 2017	September 30 2016	September 30, 2017	September 30, 2016
	-----Rupees-----			

## 12. TAXATION

### Current

- for the period
- for prior years (note 12.1)

	491,157	385,581	1,580,249	614,801
	-	-	1,998,840	67,801
	491,157	385,581	3,579,089	682,602
Deferred	(3,543)	(3,246)	(2,207)	(416)
	487,614	382,335	3,576,882	682,186

- 12.1 Includes provision for 'Super Tax for rehabilitation of temporarily displaced persons', levied through Finance Act, 2017 retrospectively on the income for the financial year ended December 31, 2016. The Company has challenged the levy in the High Court of Sindh and has been granted a stay in this respect. The Company, based on the opinion of its legal advisor, believes that there is a reasonable case in the Company's favour. However, based on prudence, the Company has made provision for Super Tax in this condensed interim financial information.
- 12.2 During the period, with respect to matters as disclosed in notes 23.2.1 and 23.2.3 of the annual financial statements of the Company for the year ended December 31, 2016, the Company has reversed excess provisions in respect of tax years 2011 and 2012, respectively, consequent to denovo proceedings after which the amended orders were passed in respect of the aforementioned tax years.
- 12.3 In 2016, an amendment was introduced in the Income Tax Ordinance 2001 (the Ordinance) via the Finance Act 2016 which imposed tax on inter-corporate dividends, previously exempt to companies designated as a Group under section 59B of the Ordinance. The Company has challenged the application of the aforementioned amendment in the High Court of Sindh and has been granted a stay in this respect.
- 12.4 During the period, the income tax department, in respect of the tax year 2016, determined additional income tax liability of Rs. 1,419,337 raising a demand of Rs. 1,573,877, whereby, the Additional Commissioner Inland Revenue (ACIR) - Audit has levied super tax on exempt income, disallowed allocation of expenses against interest income and apportioned expenses against dividend income and capital gains among other matters. The Company, being aggrieved with the order of the ACIR - Audit, filed an application for rectification pointing certain mistakes in the aforementioned order which were rectified resulting in a revised demand of Rs. 1,084,733. The Company has filed an appeal with the Commissioner Inland Revenue (CIR) - Appeals which is in the process of being heard. The Company, based on advice of its tax consultant, is confident that these matters will be decided in favor of the Company. Accordingly, no provision has been recognized in this condensed interim financial information, in this respect.

(Amounts in thousand)

### 13. EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per share of the Company, which is based on the following:

Profit for the period

Quarter ended		Nine months ended	
September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
-----Rupees-----			

2,397,148	1,759,878	6,502,177	21,099,350
----- (Number of shares) -----			
523,785	523,785	523,785	523,785

Weighted average number of ordinary shares (in thousand)

### 14. CASH UTILIZED IN OPERATIONS

Profit before taxation

Adjustment for non-cash charges and other items:

Depreciation

Amortization

Loss / (Gain) on disposal of property, plant and equipment

Provision for retirement and other service benefits

Income on deposits / other financial assets

Capital gain on partial disposal of long-term investment

Dividend income

Royalty income

Financial charges

Exchange (gain) / loss

Working capital changes (note 14.1)

Nine months ended	
September 30, 2017	September 30, 2016
----- (Rupees) -----	

10,079,059	21,781,536
26,963	17,796
3,085	2,873
(34)	(106)
58,121	9,175
(3,200,203)	(1,118,986)
-	(16,482,753)
(7,582,320)	(5,368,283)
(536,321)	(471,926)
324,614	418,188
(143)	18
(1,674,684)	26,594
(2,501,863)	(1,185,874)

(Amounts in thousand)

	Nine months ended	
	September 30, 2017	September 30, 2016
	------(Rupees)-----	
14.1 Working capital changes		
Increase in current assets		
- Loans, advances, deposits and prepayments	(58,040)	(139,430)
- Other receivables (net)	(52,472)	(19,224)
	<u>(110,512)</u>	<u>(158,655)</u>
(Decrease) / Increase in current liabilities		
- Trade and other payables including other service benefits (net)	(1,564,173)	185,249
	<u>(1,674,684)</u>	<u>26,594</u>
<b>15. CASH AND CASH EQUIVALENTS</b>		
Short term investments	53,525,673	3,627,341
Cash and bank balances	207,750	657,047
	<u>53,733,423</u>	<u>4,284,388</u>

## 16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 16.1 Financial risk factors

The Company's activities expose to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There have been no changes in the risk management policies of the Company during the period, consequently this condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements.

### 16.2 Fair value estimation

The carrying value of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair values.

The table below analyses financial instruments carried at fair value by valuation method. The different level have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

(Amounts in thousand)

	Level 1	Level 2	Level 3	Total
	-----(Rupees)-----			
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Treasury Bills	-	57,773,553	-	57,773,553
Financial assets held to maturity				
- Fixed income placement	-	26,500	-	26,500
Available for sale				
- Term finance certificates	-	3,791,717	-	3,791,717

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

### 16.3 Valuation techniques used to derive Level 2 fair values

Level 2 fair valued instruments comprise treasury bills, term deposit receipts and term finance certificates which are valued using discounted cash flow model.

(Amounts in thousand)

## 17. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise parent company, subsidiaries, joint venture companies, other companies with common directors, retirement benefit funds, directors and key management personnel. 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:

	Nine months ended	
	September 30, 2017	September 30, 2016
	------(Rupees)-----	
<b>Parent Company</b>		
Dividend paid	2,695,496	3,241,419
Reimbursements of expense	752	103,989
<b>Subsidiary Companies</b>		
Purchases and services	413,079	498,172
Mark-up from subsidiaries	261,406	595,517
Disbursement of loan to subsidiaries	600,000	6,082,294
Repayment of loan by subsidiaries	3,560,000	10,982,024
Investment in term finance certificates of subsidiary company	3,560,000	-
Unwinding of discount on term finance certificates	231,717	-
Dividend received	3,756,560	4,648,283
Royalty income, net of sales tax	536,322	471,926
Reimbursements to subsidiaries	199,927	373,343
Expenses paid on behalf of subsidiaries	105,294	188,268
Investments	-	260,000
<b>Associated Companies</b>		
Purchases and services	187,125	50,296
Dividend received	3,060,759	-
Contribution to Corporate social responsibility	44,000	12,300
Utilization of overdraft facility	-	130,000
Repayment of overdraft facility	-	130,000
Mark-up on utilization of overdraft facility	-	157
Reimbursement to associated companies	7,288	4,618
Expenses paid on behalf of associated companies	16,582	9,737
Others	86	2,770
Dividend paid	469,148	566,127
<b>Joint venture</b>		
Services rendered	5,932	1,912
Dividend received	765,000	720,000
Expenses paid on behalf of Joint Venture company	3,081	-
Reimbursement to Joint Venture company	1,294	8,221
<b>Others</b>		
Directors' fees	31,873	24,588
Remuneration of key management personnel / Directors	193,952	140,472
Reimbursements to key management personnel	12,342	8,600
Dividend paid	99,097	87,885
Profit on Engro Islamic Rupiya Certificates	38,612	41,720
Contribution to staff retirement benefits	40,883	25,833

(Amounts in thousand)

## 18. NON-ADJUSTING EVENTS AFTER BALANCE SHEET DATE

- 18.1 The Board of Directors in its meeting held on October 26, 2017 has approved an interim cash dividend of Rs. 7.00 per share for the year ending December 31, 2017. This condensed interim financial information does not reflect the dividend payable.
- 18.2 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on October 16, 2017 has declared an interim cash dividend of Rs. 5.00 per share for the year ending December 31, 2017. This condensed interim financial information does not reflect the dividend receivable.
- 18.3 The Board of Directors of EFert in its meeting held on October 24, 2017 has declared an interim cash dividend of Rs. 3.00 per share for the year ending December 31, 2017. This condensed interim financial information does not reflect the dividend receivable.
- 18.4 The Board of Directors of Engro Polymer & Chemicals Limited in its meeting held on October 18, 2017 has approved an interim cash dividend of Rs. 0.45 per share for the year ending December 31, 2017. This condensed interim financial information does not reflect the dividend receivable.

## 19. CORRESPONDING FIGURES

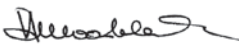
- 19.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effects of which are not material.
- 19.2 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year, whereas the condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

## 20. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 26, 2017 by the Board of Directors of the Company.



Hussain Dawood  
Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

# consolidated condensed interim balance sheet as at september 30, 2017

(Amounts in thousand)

	Note	(Unaudited) September 30, 2017	(Audited) September 31, 2016
------(Rupees)-----			
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	5	142,795,423	131,408,494
Intangible assets		239,563	222,434
Long term investments	6	32,147,779	34,700,708
Deferred taxation		111,339	554,187
Long term loans, advances and other receivables		8,032,458	9,850,501
		183,326,562	176,736,324
<b>Current assets</b>			
Stores, spares and loose tools		7,607,719	7,148,040
Stock-in-trade		13,391,879	10,704,311
Trade debts		16,181,861	13,733,482
Loans, advances, deposits and prepayments		1,497,862	1,390,497
Other receivables		11,147,158	9,568,479
Accrued income		377,087	426,268
Short term investments		61,510,583	64,725,527
Cash and bank balances		7,853,647	5,900,379
		119,567,796	113,596,983
<b>TOTAL ASSETS</b>		302,894,358	290,333,307

(Amounts in thousand)

Note

(Unaudited)  
September 30,  
2017

(Audited)  
September 31,  
2016

------(Rupees)-----

## EQUITY & LIABILITIES

### Equity

Share capital		5,237,848	5,237,848
Share premium		13,068,232	13,068,232
Revaluation reserve on business combination		35,834	43,486
Maintenance reserve		156,301	156,301
Exchange revaluation reserve		23,466	15,767
Hedging reserve		(81,087)	(83,397)
General reserve		4,429,240	4,429,240
Unappropriated profit		109,762,185	111,008,100
Remeasurement of post-employment benefits		(38,154)	(38,154)
		<u>127,356,017</u>	<u>128,599,575</u>
		132,593,865	133,837,423
Non-Controlling Interest	7	<u>37,874,915</u>	<u>35,253,333</u>
Total Equity		<u>170,468,780</u>	<u>169,090,756</u>

### Liabilities

Non-Current liabilities			
Borrowings	8	64,285,364	60,609,743
Derivative financial instruments		-	2,107
Deferred taxation		8,522,039	8,982,706
Deferred liabilities		128,008	196,671
		<u>72,935,411</u>	<u>69,791,227</u>

### Current Liabilities

Trade and other payables		33,070,152	31,625,402
Accrued interest / mark-up		1,622,003	1,138,421
Current portion of:			
- borrowings		12,004,918	12,508,579
- deferred liabilities		92,072	101,790
Taxes payable		2,104,118	56,223
Dividend payable		5,126,465	-
Short term borrowings	9	5,190,963	5,535,587
Derivative financial instruments		713	249,653
Unclaimed dividends		278,763	235,669
		<u>59,490,167</u>	<u>51,451,324</u>
Total Liabilities		<u>132,425,578</u>	<u>121,242,551</u>

Contingencies and Commitments

10

## TOTAL EQUITY AND LIABILITIES

302,894,358 290,333,307

The annexed notes 1 to 23 form an integral part of this consolidated condensed interim financial information.

Hussain Dawood  
Chairman

Hasnain Moochhala  
Chief Financial Officer

Ghias Khan  
President and Chief Executive



# consolidated condensed interim profit and loss account (unaudited) for the nine months ended september 30, 2017

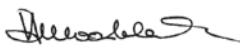
(Amounts in thousand except for earnings per share)

	Note	Quarter ended		Nine months ended	
		September 30, 2017	September 30 2016	September 30, 2017	September 30, 2016
-----Rupees-----					
Net sales		34,189,934	41,065,515	86,431,266	107,834,006
Cost of sales		(24,916,999)	(32,192,736)	(62,483,033)	(81,501,983)
<b>Gross profit</b>		<b>9,272,935</b>	<b>8,872,779</b>	<b>23,948,233</b>	<b>26,332,023</b>
Selling and distribution expenses		(1,832,009)	(2,798,934)	(5,295,825)	(7,508,528)
Administrative expenses		(997,886)	(969,440)	(2,644,726)	(3,052,982)
		6,443,040	5,104,405	16,007,682	15,770,513
Other income	12	2,013,117	2,811,801	7,630,991	5,576,860
Other operating expenses		(543,137)	(409,513)	(1,299,827)	(1,271,624)
Finance cost		(1,047,192)	(1,433,980)	(3,627,033)	(4,492,037)
Share of income from joint ventures and associates		445,813	364,590	1,127,081	953,736
<b>Profit before taxation</b>		<b>7,311,641</b>	<b>6,437,303</b>	<b>19,838,894</b>	<b>16,537,448</b>
Taxation	13	(2,383,332)	(2,026,778)	(8,193,293)	(5,215,327)
<b>Profit for the period</b>		<b>4,928,309</b>	<b>4,410,525</b>	<b>11,645,601</b>	<b>11,322,121</b>
Profit attributable to:					
- continuing operations		4,928,309	3,777,071	11,645,601	8,727,337
- discontinued operations	11	-	633,454	-	2,594,784
		4,928,309	4,410,525	11,645,601	11,322,121
Profit attributable to:					
- Owners of the Holding Company		3,138,801	3,064,085	6,915,921	8,582,833
- Non-controlling interest		1,789,508	1,346,440	4,729,680	2,739,288
		4,928,309	4,410,525	11,645,601	11,322,121
Basic earnings per share from:					
- continuing operations	14	5.99	4.80	13.20	12.08
- discontinued operations	14	-	1.05	-	4.31
		5.99	5.85	13.20	16.39
Diluted earnings per share from:					
- continuing operations	14	5.99	4.79	13.20	11.96
- discontinued operations	14	-	1.05	-	4.31
		5.99	5.84	13.20	16.27

The annexed notes 1 to 23 form an integral part of this consolidated condensed interim financial information.



Hussain Dawood  
Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

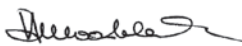
consolidated condensed interim  
statement of comprehensive income (unaudited)  
for the nine months ended september 30, 2017

Note	Quarter ended		Nine months ended	
	September 30, 2017	September 30 2016	September 30, 2017	September 30, 2016
-----Rupees-----				
Profit for the period	4,928,309	4,410,525	11,645,601	11,322,121
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
<b>Hedging reserve - cash flow hedges</b>				
Losses arising during the period	(713)	(41,225)	(11,620)	(158,827)
Reclassification adjustments for losses included in profit or loss	988	41,490	4,991	166,987
Adjustments for amounts transferred to initial carrying amount of hedged items	-	-	10,886	-
	275	265	4,257	8,160
Revaluation reserve on business combination	(5,252)	(5,095)	(15,753)	(15,753)
Exchange differences on translation of foreign operations	10,526	(7,500)	11,401	(12,264)
	5,549	(12,330)	(95)	(19,857)
<b>Income tax relating to:</b>				
- Hedging reserve - cash flow hedges	-	(831)	(632)	(6,607)
- Revaluation reserve on business combination	1,681	1,524	5,041	5,041
	1,681	693	4,409	(1,566)
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefits obligation - net	-	52	-	(484)
Other comprehensive loss for the period, net of tax	7,230	(11,585)	4,314	(21,907)
<b>Total comprehensive income for the period</b>	<b>4,935,539</b>	<b>4,398,940</b>	<b>11,649,915</b>	<b>11,300,214</b>
Total comprehensive income attributable to:				
- continuing operations	4,935,539	3,765,486	11,649,915	8,703,660
- discontinued operations	-	633,454	-	2,596,554
	4,935,539	4,398,940	11,649,915	11,300,214
Total comprehensive income attributable to:				
- Owners of the Holding Company	3,101,268	3,055,007	6,876,278	8,563,792
- Non-controlling interest	1,834,271	1,343,933	4,773,637	2,736,422
	4,935,539	4,398,940	11,649,915	11,300,214

The annexed notes 1 to 23 form an integral part of this consolidated condensed interim financial information.



Hussain Dawood  
Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

# consolidated condensed interim statement of changes in equity for the nine months ended september 30, 2017

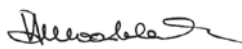
(Amounts in thousand)

	-----Attributable to owners of the Holding Company-----											Non-controlling interest	Total
	Capital reserves					Revenue reserves					Sub total		
	Share capital	Share premium	Employee share compensation reserve	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Un-appropriated profit	Remeasurement of benefits - Actuarial gain / (loss)			
-----Rupees-----													
Balance as at January 1, 2016 (audited)	5,237,848	13,068,232	595,143	53,688	156,301	29,793	(88,042)	4,429,240	45,891,164	(131,931)	69,241,436	16,431,445	85,672,881
Total comprehensive income / (loss) for the nine months ended September 30, 2016 (Unaudited)	-	-	-	-	-	-	-	-	8,582,833	-	8,582,833	2,739,288	11,322,121
Profit for the period	-	-	-	(7,652)	-	(11,682)	629	-	-	(336)	(19,041)	(2,866)	(21,907)
Other comprehensive (loss) / income	-	-	-	(7,652)	-	(11,682)	629	-	8,582,833	(336)	8,563,792	2,736,422	11,300,214
Transactions with owners													
Employees Share Option Scheme of subsidiary company - Effect of change in shareholding of the Group	-	-	(140,239)	-	-	-	-	-	-	-	(140,239)	10,254,926	(140,239)
Dividend by subsidiary allocable to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(2,258,254)	(2,258,254)
Share capital issued to Non Controlling Interest - ordinary shares issued during the period	-	-	-	-	-	-	-	-	-	-	-	4,774,773	4,774,773
- preference shares issued during the period	-	-	-	-	-	-	-	-	-	-	-	4,173,136	4,173,136
Advance against issue of shares to NCI	-	-	-	-	-	-	-	-	-	-	-	839,070	839,070
Final cash dividend for the year ended December 31, 2015 @ Rs. 7.00 per share	-	-	-	-	-	-	-	-	(3,666,494)	-	(3,666,494)	-	(3,666,494)
1st interim cash dividend for the year ended December 31, 2016 @ Rs. 5.00 per share	-	-	-	-	-	-	-	-	(2,618,925)	-	(2,618,925)	-	(2,618,925)
Second interim cash dividend for the year ended December 31, 2016 @ Rs. 7.00 per share	-	-	-	-	-	-	-	-	(3,666,493)	-	(3,666,493)	-	(3,666,493)
Balance as at September 30, 2016 (Unaudited)	5,237,848	13,068,232	454,904	46,036	156,301	18,111	(87,413)	4,429,240	54,664,589	(132,267)	77,855,581	36,951,518	114,807,099
Total comprehensive income / (loss) for the three months ended December 31, 2016	-	-	-	-	-	-	-	-	60,524,407	-	60,524,407	1,751,601	62,276,008
Profit for the period / (loss)	-	-	-	(2,550)	-	(2,344)	2,474	-	-	20,673	20,673	6,290	24,543
Other comprehensive income	-	-	-	(2,550)	-	(2,344)	2,474	-	60,524,407	20,673	60,542,660	1,757,891	62,300,551
Transactions with owners													
Disposal of Subsidiary Company	-	-	(454,904)	-	-	-	-	-	-	73,440	(379,922)	(1,997,457)	(2,377,379)
Share issued to IFC by subsidiary company	-	-	-	-	-	-	1,542	-	-	-	-	1,468,678	1,468,678
Dividend by subsidiaries allocable to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(1,449,188)	(1,449,188)
Effect of partial disposal of shares held in subsidiary company by Holding Company	-	-	-	-	-	-	-	-	(392,384)	-	(392,384)	(1,028,397)	(1,420,781)
Shares issued during the period and share issuance cost accounted for as deduction from equity	-	-	-	-	-	-	-	-	-	-	-	-	-
- ordinary shares issued during the period	-	-	-	-	-	-	-	-	(40,126)	-	(40,126)	(7,820)	(47,946)
Decrease in NCI due to disposal of shareholding	-	-	-	-	-	-	-	-	-	-	-	441,892	441,892
3rd Interim cash dividend for the year ended December 31, 2016 @ Rs. 8.00 per share	-	-	-	-	-	-	-	-	(4,190,278)	-	(4,190,278)	-	(4,190,278)
Balance as at December 31, 2016 (Audited)	5,237,848	13,068,232	(454,904)	43,486	156,301	15,767	(83,397)	4,429,240	111,008,100	(38,154)	133,837,423	35,253,333	169,900,756
Total comprehensive income / (loss) for the nine months ended September 30, 2017 (Unaudited)	-	-	-	-	-	-	-	-	6,915,921	-	6,915,921	4,729,680	11,645,601
Profit for the period	-	-	-	(7,652)	-	7,699	2,310	-	-	2,357	2,357	1,957	4,314
Other comprehensive income	-	-	-	(7,652)	-	7,699	2,310	-	6,915,921	-	6,918,278	4,731,637	11,649,915
Transactions with owners													
Share issued to IFC by subsidiary company	-	-	-	-	-	-	-	-	221,601	-	221,601	74,792	296,393
Shares issued during the period and shares issuance cost accounted for as a deduction from equity	-	-	-	-	-	-	-	-	(2,878)	-	(2,878)	563,023	560,145
Preference shares issued (note 7)	-	-	-	-	-	-	-	-	-	-	-	499,510	499,510
Dividend by subsidiary allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(3,247,380)	(3,247,380)
Final cash dividend for the year ended December 31, 2016 @ Rs. 4.00 per share	-	-	-	-	-	-	-	-	(2,095,140)	-	(2,095,140)	-	(2,095,140)
First interim cash dividend for the year ending December 31, 2017 @ Rs. 5.00 per share	-	-	-	-	-	-	-	-	(2,618,925)	-	(2,618,925)	-	(2,618,925)
Second interim cash dividend for the year ending December 31, 2017 @ Rs. 7.00 per share	-	-	-	-	-	-	-	-	(3,666,494)	-	(3,666,494)	-	(3,666,494)
Balance as at September 30, 2017 (Unaudited)	5,237,848	13,068,232	-	35,834	156,301	23,466	(81,087)	4,429,240	109,782,185	(38,154)	132,593,865	37,874,915	170,468,780

The annexed notes 1 to 23 form an integral part of this consolidated condensed interim financial information.



Hussain Dawood  
Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

# condensed interim statement of cash flows (unaudited) for the nine months ended september 30, 2017

(Amounts in thousand)

	Note	Nine months ended	
		September 30, 2017	September 30, 2016
		------(Rupees)-----	
<b>Cash flows from operating activities</b>			
Cash generated from operations	15	17,073,449	359,436
Retirement and other service benefits paid		(146,152)	(89,335)
Finance cost paid		(4,103,638)	(4,214,137)
Taxes paid		(4,052,376)	(2,910,816)
Payments against provision for contractual commitments	-	(23,604)	
Long term loans and advances - net		(16,517)	(7,982,701)
Discontinued operations	11	-	3,448,277
Net cash generated / (utilized in) operating activities		8,754,766	(11,412,880)
<b>Cash flows from investing activities</b>			
Purchase of:			
- property, plant and equipment (PPE)		(15,531,205)	(19,630,850)
- treasury bills - net		(29,054,505)	(13,006,209)
Proceeds from disposal of:			
- property, plant and equipment		28,900	33,063
- short term investments		61,422,487	242,300
- investments		-	20,611,199
Placement in Term deposits		-	(4,005,000)
Income on deposits / other financial assets		2,878,320	797,673
Investment made during the period		(144,838)	-
Dividends received		3,825,760	720,000
Discontinued operations	11	-	(864,838)
Net cash generated from / (utilized in) investing activities		23,424,919	(15,102,662)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings - net		7,669,354	18,436,723
Repayments of short term borrowings - net		(1,100,000)	(525,300)
Proceeds from issue of shares - net		1,067,874	10,398,234
Proceeds from advance against issue of right shares to Non-controlling interest		-	839,070
Share issuance costs		(8,217)	(560,100)
Repayment against Engro Islamic Rupiya Certificates		(3,000,000)	-
Unclaimed dividends		-	(16,321)
Dividends paid		(6,457,766)	(7,378,557)
Discontinued operations	11	-	(2,462,938)
Net cash (utilized in) / generated from financing activities		(1,828,755)	18,730,811
Net increase / (decrease) in cash and cash equivalents		30,350,930	(7,784,731)
Cash and cash equivalents at beginning of the period		28,479,540	11,256,488
Cash and cash equivalents at end of the period	16	58,830,470	3,471,757

The annexed notes 1 to 23 form an integral part of this consolidated condensed interim financial information.



Hussain Dawood  
Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

# notes to the consolidated condensed interim financial information (unaudited) for the nine months ended september 30, 2017

(Amounts in thousand)

## 1. LEGAL STATUS AND OPERATIONS

1.1 Engro Corporation Limited (the Holding Company), is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The Holding Company is a subsidiary of Dawood Hercules Corporation Limited (the Parent Company). The principal activity of the Holding Company, is to manage investments in subsidiary companies, associated companies and joint venture, engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, LNG and chemical terminal and storage businesses. The Holding Company's registered office is situated at 7th & 8th floors, The Harbour Front Building, HC # 3, Block 4, Marine Drive, Clifton, Karachi.

### 1.2 The "Group" consists of:

#### Holding Company - Engro Corporation Limited

**Subsidiary Companies** - Companies in which the Holding Company owns over 50% of voting rights, or companies directly controlled by the Holding Company:

	%age of direct holding	
	September 30, 2017	December 31, 2016
- Engro Powergen Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Elengy Terminal Pakistan Limited	80	80
- Engro Fertilizers Limited (note 1.2.1)	56.27	56.45
- Engro Polymer and Chemicals Limited	56.19	56.19

#### Joint Venture Company:

- Engro Vopak Terminal Limited	50	50
--------------------------------	----	----

### 1.2.1 Engro Fertilizers Limited (EFert)

1.2.1.1 EFert had availed a loan of USD 30,000 from the International Finance Corporation (IFC), divided into (i) 30% convertible loan on its shares at Rs. 24 per ordinary share, calculated at the US Dollar to Pakistan 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. Until December 31, 2016, IFC had partially exercised its conversion option on loan amounting to USD 8,000 and 33,132,292 ordinary shares of EFert were allotted to the IFC.

On March 01, 2017, EFert received a notice from IFC for exercise of conversion option on the entire remaining loan amount of USD 1,000. Accordingly, 4,367,083 ordinary shares of EFert have been allotted to IFC on March 7, 2017. As a result, the Holding Company as at the balance sheet date holds 56.27% of the issued share capital of EFert (December 31, 2016: 56.45%).

(Amounts in thousand)

1.2.1.2 EFert Agritrade (Private) Limited (EFAT) was incorporated on July 6, 2017 as a wholly owned subsidiary of EFert and is engaged in the trading business of fertilizers.

## 2. BASIS FOR PREPARATION

2.1 This consolidated condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provision of or directives issued under the Ordinance, have been followed. The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as clarified by the Securities and Exchange Commission of Pakistan (SECP) vide its press release dated October 04, 2017, this consolidated condensed interim financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. This consolidated 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 Group for the year ended December 31, 2016.

2.2 The preparation of this consolidated 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 Group'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.

2.3 During the preparation of this consolidated condensed interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that apply to annual audited consolidated financial statements of the Group for the year ended December 31, 2016.

## 3. BASIS OF CONSOLIDATION

3.1 The condensed interim financial information of the subsidiary companies have been consolidated on a line by line basis. The carrying value of investments held by the Holding Company is eliminated against the subsidiaries' share capital and pre-acquisition reserves.

3.2 Non-controlling interest has been presented as a separate item in this consolidated condensed interim financial information. All material intercompany balances and transactions have been eliminated.

3.3 The Group's interest in jointly controlled and associated entities, Engro Vopak Terminal Limited, Sindh Engro Coal Mining Company Limited, GEL Utility Limited and Engro Foods Limited has been accounted for using the equity method.

3.4 The consolidated condensed interim financial information is presented in Pakistan Rupees, which is the Holding Company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income, except where such gains and losses are directly attributable to the acquisition, construction or production of a qualifying asset, in which case, such gains and losses are capitalized as part of the cost of that asset.

(Amounts in thousand)

#### 4. ACCOUNTING POLICIES

- 4.1 The significant accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the audited annual consolidated financial statements of the Group for the year ended December 31, 2016.
- 4.2 There are certain new International Financial Reporting Standards (IFRS), amendments and interpretations to published IFRS that are mandatory for the financial year beginning on January 1, 2017. These are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations and are, therefore, not disclosed in this consolidated condensed interim financial information.
- 4.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

(Unaudited) September 30, 2017	(Audited) December 31, 2016
------(Rupees)-----	

#### 5. PROPERTY, PLANT AND EQUIPMENT

Operating assets, at net book value (notes 5.1 and 5.2)

Capital work in progress - Expansion and other projects (notes 5.3 and 5.4)

Capital spares and standby equipments

	102,656,109	106,269,220
	38,817,080	23,789,784
	<u>1,322,234</u>	<u>1,349,490</u>
	<u><u>142,795,423</u></u>	<u><u>131,408,494</u></u>

- 5.1 Following additions, including transfer from capital work in progress, were made to operating assets during the period / year:

Land

Plant and machinery

Building and civil works including pipelines

Furniture, fixture and equipment

Catalyst

Vehicles

Dredging

	-	39
	1,335,654	3,400,420
	80,487	304,506
	164,910	352,175
	-	248,848
	138,153	330,568
	-	225,476
	<u>1,719,204</u>	<u>4,862,032</u>

- 5.2 During the period, assets costing Rs. 28,848 (December 31, 2016: Rs. 614,469), having net book value of Rs. 7,952 (December 31, 2016: Rs. 113,482) were disposed-off for Rs 22,274 (December 31, 2016: Rs. 166,995).

(Amounts in thousand)

(Unaudited) September 30, 2017	(Audited) December 31, 2016
------(Rupees)-----	

5.3 Capital work in progress - Expansion and other projects

Balance at beginning of the period / year	23,789,784	3,695,782
Additions during the period / year	16,746,200	25,748,401
Transferred to:		
- operating assets	(1,674,362)	(4,846,721)
- intangible assets	(44,542)	(65,620)
- capital spares	-	(9,647)
Less: Discontinued operations	-	(732,411)
Balance at end of the period / year	<u>38,817,080</u>	<u>23,789,784</u>

5.4 Includes capital work-in-progress of Engro Powergen Limited and its subsidiary, Engro Powergen Thar (Private) Limited (EPTL) amounting to Rs. 37,691,442 (December 31, 2016: Rs. 20,561,736) which represents directly attributable expenses for the development, construction and operation of mine mouth coal fired power plants.

(Unaudited) September 30, 2017	(Audited) December 31, 2016
------(Rupees)-----	

6. LONG TERM INVESTMENTS

Balance at beginning of the period / year	34,700,708	3,120,174
Add:		
- Investment in associates	145,748	31,269,531
- Share of profit for the period / year	1,127,082	1,273,440
- Gain on deemed disposal for the period / year	-	72,563
Less: Dividend received during the period / year (note 6.1)	(3,825,759)	(1,035,000)
Balance at end of the period / year	<u>32,147,779</u>	<u>34,700,708</u>

6.1 During the period, the Holding Company received dividends from Engro Foods Limited and Engro Vopak Terminal Limited amounting to Rs. 3,060,759 and Rs. 765,000 respectively.

7. NON - CONTROLLING INTEREST

Engro Powergen Thar (Private) Limited (EPTL) has issued 551,422,576 fully paid preference shares of Rs. 10 each to CMEC Thar Power Investment Limited, including 50,201,977 fully paid right shares of Rs. 10 each during the period. These preference shares are cumulative, non-redeemable, non-convertible, non-participatory, non-voting and carry dividend at the rate of 11% US Dollars internal rate of return (IRR). These preference shares have been classified in equity as per the requirements of the Companies Ordinance, 1984.



Under the Articles of Association of EPTL, the dividend in respect of preference shares shall be paid, only if in any half financial year:

- EPTL has made a profit after tax;
- Any and all losses incurred by EPTL have been fully recouped; and
- The Board of Directors has made a good faith determination setting aside, out of the available profits for distribution, a sum for EPTL's investment and other cash needs over the next two financial half-year.

In addition, there would be no payment of dividend before commencement of commercial operations. As per the arrangement with preference shareholder, coupon rate will be determined after Commercial Operation Date such that the preference shareholder gets 11% IRR in US Dollar terms over the term of investment. If no adjustment is made in preference shares coupon and 11% annual return is assumed on preference shares from the date of investment, the cumulative dividend on preference shares as on September 30, 2017 amounts to Rs. 828,632 (December 31, 2016: Rs. 392,481) which is not recognized in these consolidated condensed interim financial information.

## 8. BORROWINGS

### 8.1 Engro Fertilizers Limited (EFert)

During the period, EFert fully repaid its Offshore Islamic Finance USD Facility and its Local Islamic Syndicate loan. Further, during the period, EFert has repaid outstanding balance of USD 1,000 and as more fully explained in note 1.2.1, during the period, IFC has exercised its conversion option on the remaining amount of loan amounting to USD 1,000 thereby retiring the entire amount of loan outstanding to IFC.

During the period, EFert availed a PKR 1,500,000 bilateral loan from a commercial bank to finance capital expenditure.

### 8.2 Engro Powergen Thar (Private) Limited (EPTL)

8.2.1 As at September 30, 2017, under the USD Facility Agreement with foreign banks, EPTL has made draw down of USD 222,438 (December 31, 2016: USD 114,542), while the undrawn amount is USD 398,562 (December 31, 2016: USD 506,458).

8.2.2 During the period, EPTL has made further draw down amounting to Rs. 1,400,000 in respect of its local currency long term financing facilities. As at September 30, 2017, the total draw down amounts to Rs. 5,457,099 (December 31, 2016: Rs. 4,057,099) while the undrawn amounts are equal to Rs. 18,692,900 (December 31, 2016: Rs. 20,092,900).

### 8.3 Engro Polymers and Chemicals Limited (EPCL)

During the period EPCL has fully repaid its loan obtained from International Finance Corporation.

### 8.4 Engro Corporation Limited

During the period, on July 10, 2017, Engro Islamic Rupiya Certificates - I amounting to Rs. 3,000,000 have been fully repaid on maturity.

## 9. SHORT TERM BORROWINGS

The short-term running finances available to the Group from various banks under mark-up arrangements amounts to Rs. 26,550,000 (2016: Rs. 25,178,048). The rates of mark-up on these finances are KIBOR based and range from 6.65% to 7.65% per annum (2016: 5.2% to 8.01%). The aggregate running finances are secured by way of hypothecation of ranking floating charge over present and future loans, advances, receivables, stocks, book debts, and other current assets and pledge over shares.

(Amounts in thousand)

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

Significant changes in the status of contingencies and commitments since December 31, 2016 are as follows:

#### 10.1.1 During the period:

- Corporate guarantees extended on behalf of EFert, a subsidiary company, to International Finance Corporation under the C Loan Agreement (Original Agreement) and the Amended Facility Agreement amounting to USD 12,000 have been released, consequent to exercise of conversion option as explained in note 1.2.1.
- The Holding Company, as Sponsor Support, has permitted a bank to create ranking charge over receivables of the Holding Company and has pledged of shares of Engro Fertilizers Limited and Engro Foods Limited against the Stand By Letter of Credit (SBLC) facility amounting to USD 4,673 and Rs. 411,949 granted to Engro Elengy Terminal (Private) Limited, a wholly owned subsidiary company of Elengy Terminal Pakistan Limited.
- Engro Foods Limited (EFoods), an associated company received an order from the Competition Commission of Pakistan, imposing a penalty of Rs. 62,293 in respect of EFoods' marketing activities relating to one of its products. EFoods has filed an appeal against the aforementioned order. As per the terms of the Share Purchase Agreement with FrieslandCampina Pakistan Holding B.V. (FCP), the Holding Company is required to reimburse 51% of the amount together with all reasonable cost and expenses to FCP in case any such penalty materializes. The Holding Company, based on the opinion of the legal advisor, is confident of a favorable outcome of the appeal, and accordingly no provision has been recognized in this consolidated condensed interim financial information in this respect.

#### 10.1.2 "Pursuant to the Finance Act, 2017, section 5A 'Tax on undistributed reserves' of the Income Tax Ordinance, 2001 was substituted by 'Tax on undistributed profits', whereby, for tax year 2017 and onwards, a tax has been imposed at the rate of 7.5% of profit-before-tax, on every public company, that derives profit for a tax year but does not distribute at least 40% of its after-tax-profits within six months of the end of the tax year, through cash or bonus shares.

The Holding Company has obtained a stay on the levy of aforesaid tax from the High Court of Singh, based on the grounds that this tax is applicable on the accounting profit-before-tax, that does not represent real income which can be taxed under the law and that the requirement to distribute profits or pay tax, amounts to an interference in corporate actions and implies amendment to the relevant company laws, which give shareholders the discretion to approve dividends. Furthermore, it is the contention of the Holding Company that such an amendment to company laws could not have been made through a money bill.

The Holding Company, based on the opinion of its legal advisor is confident that it has a reasonable case in favor of the Holding Company.

#### 10.1.3 During the period, the High Court of Islamabad through its order dated June 8, 2017 declared that the income derived by M/s Snamprogetti Engineering (the Contractor) from its contract with EFert, is subject to tax as per Clause 4 of Article 5 of Double Taxation Treaty between Pakistan and the Netherlands. As per the terms of the contract, EFert is liable to reimburse the contractor for any taxes applied to the income of the Contractor under the contract by the taxation authorities. In respect thereof, the Contractor is preferring an appeal in the Supreme Court of Pakistan. EFert, based on the opinion of the legal counsel, is of the view that that the income of the Contractor is exempt from tax under the aforementioned clause of the Double Taxation Treaty and the matter will be decided in favour of the Contractor and, hence, no provision in respect thereof has been made in this consolidated condensed interim financial information.

(Amounts in thousand)

10.1.4 During 2016, the Holding Company pledged shares of EFert and Engro Foods Limited (EFoods) against the Standby Letters of Credit (Equity SBLCs) provided by EPL, a subsidiary company, through National Bank of Pakistan amounting to USD 18,900 and USD 51,100 (in PKR equivalent) for its equity commitments related to the Sindh Engro Coal Mining Company Limited (SECMC), its associated company, and Engro Powergen Thar (Private) Limited (EPTL), its subsidiary company, in favour of the Intercreditor Agent (Habib Bank Limited) and the Project Companies (i.e. SECMC and EPTL). Equity SBLCs expire on earlier of (i) four years after the issuance of SBLCs i.e. March 21, 2020; and (ii) fulfillment of sponsor obligations under Sponsor Support Agreements. Subsequent to equity injections / submission of equity SBLC by Huolinhe Open Pit Coal (HK) Investment Co. Limited (HOCIC), after financial close, amounting to USD 4,538 (December 31, 2016: USD 335) and USD 5,417 (December 31, 2016: USD 9,064) (in PKR equivalent) in SECMC and EPTL respectively, the amount of Equity SBLCs have been reduced to USD 14,027 (December 31, 2016: USD 18,565) and USD 36,619 (December 31, 2016: USD 42,036) for SECMC and EPTL, respectively.

10.1.5 On July 07, 2017 Engro Powergen Limited, (EPL), furnished a bank guarantee amounting to Rs.1,633,000 which is expiring on April 14, 2018, to Punjab Power Development Board (PPDB) for extending the validity of letter of interest (LOI) for development of 7.1 MW D.G. Khan Link – III Canal, RD. 0+000 to RD. 14+000, located in District DG Khan by three months. The previous guarantee amounting to Rs.767,000 for obtaining LOI for development of 7.1 MW D.G. Khan Link – III Canal, has been returned by PPDB.

## 10.2 Commitments

10.2.1 Commitments in respect of capital expenditure contracted but not incurred amount to Rs. 57,126,008 (2016: Rs. 54,022,835).

## 11. DISCONTINUED OPERATIONS

Last year, the Holding Company disposed off 54.1% of its investment in Engro Foods Limited (EFoods). Accordingly, the retained investment in EFoods was classified as investment in associates. Financial performance and cash flows of discontinued operations for prior period are as follows:

	(Unaudited) Quarter ended September 30, 2016	(Unaudited) Nine months ended September 30, 2016
	-----Rupees-----	
11.1 Financial performance of discontinued operations		
Net sales	10,980,105	34,311,032
Cost of sales	(8,730,626)	(25,664,383)
Gross profit	<u>2,249,479</u>	<u>8,646,649</u>
Distribution and marketing expenses	(1,051,426)	(3,612,469)
Administrative expenses	(226,138)	(649,182)
Other operating expenses	(24,059)	(296,754)
Other income	31,036	87,213
Operating profit	<u>978,892</u>	<u>4,175,457</u>
Finance costs	(79,403)	(293,050)
Profit before taxation	<u>899,489</u>	<u>3,882,407</u>
Taxation	(266,035)	(1,287,623)
Profit after tax from discontinued operations	<u><u>633,454</u></u>	<u><u>2,594,784</u></u>

(Amounts in thousand)

	(Unaudited) September 30, 2016 Rupees
11.2 Cash flows attributable to discontinued operations	
Net cash generated from operating activities	3,448,277
Net cash utilized in investing activities	(864,838)
Net cash utilized in financing activities	(2,462,938)
Net decrease in cash and cash equivalents	<u>120,501</u>

## 12. OTHER INCOME

This includes income from sales under Government Subsidy amounting to Rs. 4,127,639 (September 30, 2016: Rs. 4,060,373).

## 13. TAXATION

Significant changes since December 31, 2016 in respect of different tax matters in which the Group companies are involved are as follows:

### 13.1 Engro Corporation Limited

13.1.1 Tax provision for the period, includes provision for 'Super Tax for rehabilitation of temporarily displaced persons' levied through Finance Act, 2017 imposing the levy retrospectively on the income for the financial year ended December 31, 2016. The Holding Company has challenged the levy of this tax in the High Court of Sindh and has been granted a stay in this respect. The Holding Company, based on the opinion of its legal advisor, believes that there is a reasonable case in Holding Company's favour. However, based on prudence, the Holding Company has made provision for Super Tax in this consolidated condensed interim financial information.

13.1.2 During the period, with respect to matters as disclosed in notes 35.1.1 of the consolidated financial statements of the Holding Company for the year ended December 31, 2016, the Holding Company has reversed excess provisions in respect of tax years 2011 and 2012, respectively, consequent to denovo processed after which the amended orders were passed in respect of the aforementioned tax years.

13.1.3 In 2016, an amendment was introduced in the Income Tax Ordinance 2001 (the Ordinance) via the Finance Act 2016 which imposed tax on inter-corporate dividends, previously exempt to companies designated as a Group under section 59B of the Ordinance. The Holding Company has challenged the application of the aforementioned amendment in the High Court of Sindh and has been granted a stay in this respect.

13.1.4 During the period, the income tax department, in respect of the tax year 2016, determined additional income tax liability of Rs. 1,419,337 raising a demand of Rs. 1,573,877, whereby, the Additional Commissioner Inland Revenue (ACIR) - Audit has levied super tax on exempt income, disallowed allocation of expenses against interest income and apportioned expenses against dividend income and capital gains among other matters. The Holding Company, being aggrieved with the order of the ACIR - Audit, filed an application for rectification pointing certain mistakes in the aforementioned order which were rectified resulting in a revised demand of Rs. 1,084,733. The Holding Company has filed an appeal with the Commissioner Inland Revenue (CIR) - Appeals which is in the process of being heard. The Holding Company, based on advice of its tax consultant, is confident that these matters will be decided in favor of the Holding Company. Accordingly, no provision has been recognized in this consolidated condensed interim financial information, in this respect.

(Amounts in thousand)

13.2 Engro Powergen Limited (EPL)

Commissioner Inland Revenue (CIR) through his order dated January 12, 2017 made certain additions and disallowances in respect of tax year 2014 as a result of audit of income tax affairs under section 214C of the Income Tax Ordinance, 2001 and raised tax demands of Rs. 268,583. EPL has contested the demand at Appellate Tribunal Inland Revenue (ATIR) and based on the views of its tax advisor, the management believes that the matters will ultimately be decided in favour of EPL. Accordingly, no provision has been made in this respect in this consolidated condensed interim financial information.

14. EARNINGS PER SHARE - BASIC AND DILUTED

	------(Unaudited)-----			
	Quarter ended		Nine months ended	
	September 30, 2017	September 30 2016	September 30, 2017	September 30, 2016
	-----Rupees-----			
Profit for the period (attributable to the owners of the Holding Company) from:				
- continuing operations	3,138,801	2,512,600	6,915,921	6,323,814
- discontinued operations	-	551,485	-	2,259,019
	<u>3,138,801</u>	<u>3,064,085</u>	<u>6,915,921</u>	<u>8,582,833</u>
The information necessary to calculate basic and diluted earnings per share is as follows:				
Profit for the period from continuing operations	3,138,801	2,512,600	6,915,921	6,323,814
Add:				
- Finance cost related to IFC loan and derivative - net of tax	-	373	326	1,553
- Gain on revaluation of IFC loan conversion option	-	(3,270)	(1,235)	(58,830)
	<u>3,138,801</u>	<u>2,509,703</u>	<u>6,915,012</u>	<u>6,266,537</u>
	-----Number in thousands-----			
Weighted average number of ordinary shares for basic and diluted EPS	<u>523,785</u>	<u>523,785</u>	<u>523,785</u>	<u>523,785</u>

(Amounts in thousand)

## 15. CASH GENERATED FROM OPERATIONS

	------(Unaudited)----- Nine months ended	
	September 30, 2017	September 30, 2016
	-----Rupees-----	
Profit before taxation	19,838,894	16,537,448
Less: Profit before taxation attributable to discontinued operations	-	(3,882,407)
Profit before taxation from continuing operations	19,838,894	12,655,041
Adjustment for non-cash charges and other items:		
Depreciation and amortization	5,523,009	5,711,252
Gain on disposal of:		
- property, plant and equipment and biological assets	(23,721)	(6,474)
- investments - net	-	(72,314)
Provision for retirement and other service benefits	140,187	108,821
Income on deposits / other financial assets	(2,774,398)	(951,476)
Share of income from joint venture and associates	(1,127,081)	(953,736)
Finance cost	3,447,958	4,198,987
Loss / (Gain) on foreign currency translations	41,435	(23,296)
Working capital changes (note 15.1)	(7,992,834)	(20,307,369)
	<u>17,073,449</u>	<u>359,436</u>

	------(Unaudited)----- Nine months ended	
	September 30, 2017	September 30, 2016
	-----Rupees-----	
15.1 Working capital changes		
Increase in current assets		
- Stores, spares and loose tools	(464,115)	(719,148)
- Stock-in-trade	(2,647,392)	(9,300,365)
- Trade debts	(2,489,270)	(5,289,286)
- Loans, advances, deposits and prepayments	32,992	(223,554)
- Other receivables - net	(1,997,463)	(4,097,628)
	<u>(7,565,248)</u>	<u>(19,629,981)</u>
Decrease in current liabilities		
- Trade and other payables, including other service benefits - net	(427,586)	(677,388)
	<u>(7,992,834)</u>	<u>(20,307,369)</u>

## 16. CASH AND CASH EQUIVALENTS

Cash and bank balances	7,853,647	8,425,883
Short term investments	56,167,786	6,028,741
Short term borrowings	(5,190,963)	(10,982,867)
	<u>58,830,470</u>	<u>3,471,757</u>

(Amounts in thousand)

## 17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 17.1 Financial risk factors

The Group's activities expose it to a variety of financial risks including market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently this consolidated condensed interim financial information does not include all the financial risk management information and disclosures required in the annual consolidated financial statements.

### 17.2 Fair value estimation

The table below analyzes financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)"
- Inputs for the asset or liability that are not based on observable market data (level 3)

	Level 1	Level 2	Level 3
	----- Rupees -----		
Assets			
Financial assets at fair value through profit and loss			
- Short term investments	-	60,810,661	-
Held to maturity			
- Short term investments	-	699,922	-
Liabilities			
Derivatives			
- Derivative financial instruments	-	713	-

There were no transfers between Levels during the period. Further, there were no changes in valuation techniques during the period.

(Amounts in thousand)

17.3 Valuation techniques used to derive Level 2 fair values

Level 2 fair valued instruments comprise short term investments and hedging derivatives which include forward exchange contracts. These forward foreign exchange contracts have been fair valued using forward exchange rates that are received from the contracting banks and financial institutions.

Short term investments comprise of fixed income placements and treasury bills which are valued using discounted cash flow model.

17.4 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in this consolidated condensed interim financial information approximate their fair value.

18. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of parent company, joint venture companies, associates, other companies with common directors, retirement benefit funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in this consolidated condensed interim financial information, are as follows:

	------(Unaudited)-----	
	Nine months ended	
	September 30, 2017	September 30, 2016
	-----Rupees-----	
<b>Parent Company</b>		
Dividend paid	2,695,496	3,241,419
Reimbursements to Parent company	752	103,989
<b>Associated companies and joint ventures</b>		
Purchases and services	3,003,016	3,349,418
Dividends received	3,825,759	720,000
Dividends paid	477,285	566,127
Payment of interest on Term Finance Certificates and repayment of principal amount	20,463	80,669
Investment from Associated Companies	-	9,984,463
Contribution for corporate social responsibility	97,100	73,767
Payment against EPC contract	11,342,396	12,938,979
Reimbursements from associates	22,100	29,050
Reimbursements to associates	12,541	71,777
Utilization of overdraft facility	-	130,000
Repayment of overdraft facility	-	130,000
Loan received	101,449	293,993
Loan paid	141,683	78,317
Mark-up on utilization of overdraft	85,057	45,066
Finance cost paid	57,819	-
Share capital issued	1,067,873	-
Commitment fee	-	9,325
Interest on deposit	47	433
Others	39	25
<b>Key Management Personnel</b>		
Remuneration paid to key management personnel / Directors	712,222	845,015
Reimbursement of expenses	12,313	8,600
Directors Fees	34,292	47,975
Dividend paid	99,097	87,885
Profit on Term Finance Certificates	19,602	18,629
<b>Contribution for retirement benefits</b>	380,109	619,522
<b>Balances due from Joint Ventures</b>	3,339	1,981



(Amounts in thousand)

## 19. SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments.

Type of segments	Nature of business
Fertilizer	Manufacture, purchase and market fertilizers.
Polymer	Manufacture, market and sell Poly Vinyl Chloride (PVC), PVC compounds, Caustic Soda and related chemicals.
Food	Manufacture, process and trade all kinds of raw and processed agricultural products.
Power	Includes Independent Power Projects (IPP).
Other operations	Includes LNG and engineering business.

19.1 Liabilities are segment-wise reported to the Board of Directors on an annual basis. Hence, these liabilities are not presented in this consolidated condensed interim financial information.

19.2 Information regarding the Group's operating segment is as follows:

	------(Unaudited)-----			
	Quarter ended		Nine months ended	
	September 30, 2017	September 30 2016	September 30, 2017	September 30, 2016
	-----Rupees-----			
Revenue				
Fertilizer	21,162,095	18,633,189	48,473,114	40,910,757
Polymer	7,344,131	5,448,348	20,389,788	16,609,561
Food	442,249	258,384	1,289,496	667,386
Power	2,660,488	3,399,304	8,828,460	8,129,363
Other operations	4,903,027	4,372,422	15,654,640	13,118,428
Discontinued operations	-	10,980,105	-	34,311,032
Elimination - net	(2,322,056)	(2,026,237)	(8,204,232)	(5,912,521)
Consolidated	<u>34,189,934</u>	<u>41,065,515</u>	<u>86,431,266</u>	<u>107,834,006</u>
Profit / (loss) for the period				
Fertilizer	2,807,545	2,927,878	6,924,017	5,745,131
Polymer	900,850	(8,144)	1,947,020	31,848
Food	(8,144)	(118,711)	(59,117)	(356,438)
Power	244,845	278,921	1,395,765	1,316,134
Other operations	2,822,576	2,213,923	7,904,034	22,636,710
Discontinued operations	-	633,454	-	2,594,784
Elimination - net	(1,839,363)	(1,516,796)	(6,466,118)	(20,646,048)
Consolidated	<u>4,928,309</u>	<u>4,410,525</u>	<u>11,645,601</u>	<u>11,322,121</u>

(Amounts in thousand)

	(Unaudited) September 30, 2017	(Audited) September 31, 2016
	------(Rupees)-----	
<b>Assets</b>		
Fertilizer	108,484,028	102,803,512
Polymer	23,462,297	24,420,761
Food	2,102,080	1,885,446
Power	66,559,051	54,780,474
Other operations	108,443,183	107,036,808
Discontinued operations	-	31,180,875
Elimination - net	(6,156,281)	(31,774,569)
Consolidated	<u>302,894,358</u>	<u>290,333,307</u>

## 20. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

- 20.1 The Board of Directors of the Holding Company in its meeting held on October 26, 2017 has approved an interim cash dividend of Rs. 7.00 per share for the year ending December 31, 2017. This consolidated condensed interim financial information does not include the effect of the said interim dividend.
- 20.2 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on October 13, 2017 has declared an interim cash dividend of 5.00 per share for the year ending December 31, 2017. This consolidated condensed interim financial information does not reflect the dividend receivable.

## 21. SEASONALITY

- 21.1 The Group'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 Group manages seasonality in the business through appropriate inventory management.
- 21.2 The Group's agri business is subject to seasonal fluctuation as majority of paddy / unprocessed rice is procured during the last quarter of the year which is the harvesting period for all rice varieties grown in Pakistan. However, rice is sold evenly throughout the year. The Group manages seasonality in the business through appropriate inventory management.

## 22. CORRESPONDING FIGURES

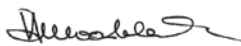
- 22.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.
- 22.2 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the consolidated condensed interim balance sheet has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the consolidated condensed interim profit and loss account, the consolidated condensed interim statement of comprehensive income, the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

## 23. DATE OF AUTHORIZATION

This consolidated condensed interim financial information is authorized for issue on October 26, 2017 by the Board of Directors of the Holding Company.



Hussain Dawood  
Chairman



Hasnain Mochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

## قادر پور پاور پلانٹ

کے برآمدی کوٹے کو پورا کرے گی۔ پچھلی سہ ماہی میں بین الاقوامی قیمتوں میں اضافہ، چوتھی سہ ماہی کے اختتام تک لب اور رسد کے فیکٹرز کی بدولت کم ہو جائے گا اور قیمتوں میں استحکام آئے گا۔ ڈی اے پی کی بین الاقوامی قیمتوں میں البتہ بڑھوتی کا امکان ہے کیونکہ سیزن کی وجہ سے خرید میں اضافہ ہو سکتا ہے۔

## پیٹر ویکمیکلز

بین الاقوامی پی وی سی اور اتھیلین کی قیمتیں طلب اور رسد کے ڈائنامکس اور عالمی کساد بازاری کی بنیاد پر مستحکم رہ سکتی ہیں۔ مقامی مارکیٹ میں پی وی سی کی طلب میں اضافہ متوقع ہے جبکہ کاسٹک کی مارکیٹ مستحکم رہنے کا اندازہ لگایا گیا ہے۔ کاروبار میں آپریشنل استعداد کار کو اعلیٰ درجے پر لیجانے پر توجہ مرکوز رہے گی۔

## کوئلہ کان کنی اور توانائی کے منصوبے

اینگرو ملک میں جاری توانائی کے بحران میں اپنا کلیدی کردار ادا کرنے کی خواہاں ہے۔ ہم توانائی کے شعبے میں نئی جہتوں اور مواقعوں کی تلاش میں رہتے ہیں اس کے لئے ہم نے عالمی سطح پر شراکت داری کی کوشش ہنوز کی ہیں تاکہ اینگرو کی مخصوص انجینئرنگ اور پراجیکٹ مینجمنٹ کی صلاحیتوں کو دنیا میں روشناس کروا سکیں۔ حکومت سندھ کے ساتھ شراکت داری میں تھرکان کنی اور توانائی کے منصوبے تیزی سے مکمل کئے جا رہے ہیں اور امید ہے کہ اگلے دو سالوں میں یہ منصوبے بروقت مکمل کر لئے جائیں گے۔

## ٹرینٹل آپریشنز

ایل این جی ٹرینٹل ملک میں توانائی کے بحران کے خاتمے میں بہت مثبت کردار ادا کر رہا ہے۔ کیمیکل کی ملکی صنعت کے مستحکم رہنے کی امید ہے اور اینگرو وویک اپنے مارکیٹ شیئر کو برقرار رکھنے میں کامیاب رہے گی اور ساتھ ساتھ ایل پی جی، کیمیکلز اور ایندھن ڈسٹری بیوشن کے سیکٹر میں بھی موجود مواقعوں سے فائدہ اٹھائے گی۔

ستمبر 2017ء کو مکمل ہونے والی مالی سال کے پہلے 9 ماہ میں EPQL پلانٹ نے 100.7 فیصد بلنگ کے قابل فیکٹر کی دستیابی کو یقینی بنایا جبکہ گزشتہ سال 2016ء کی اسی مدت میں پلانٹ نے 100.2 فیصد بلنگ کے قابل فیکٹر کی دستیابی کی تھی۔ پلانٹ نے نیشنل گرڈ میں 1,314 گیگاواٹ کی نیٹ ایکٹر کل آؤٹ پٹ (NEO) شامل کی۔ برنس نے 2016 کے پہلے نو مہینے میں منافع بعد از ٹیکس 1,527 ملین روپے کے برعکس 2017ء کے پہلے نو مہینے میں منافع بعد از ٹیکس 1,853 ملین روپے کمایا

## ٹریٹل آپریشنز

ایل این جی سی نے جنوری 2017ء سے ٹریٹل سے اضافی 200 ایم ایم سی ایف ڈی - ایل این جی ری گیس فیٹیکیشن صلاحیت حاصل کرنا شروع کی۔ ایل

ایل این جی ٹریٹل نے زیر جائزہ مدت کے دوران ایل این جی کے 52 کارگو کو ہینڈل کیا جبکہ گزشتہ سال کی اسی مدت میں ٹریٹل نے 32 کارگو ہینڈل کئے تھے۔ دستیابی کا فیکٹر اس مدت کے دوران 97.5 رہا اور منافع بہتری کی جانب گامزن رہا۔

اینگرو وویک ٹریٹل نے کیمیکلز اور ایل پی جی کے 6 فیصد حجم کو ہینڈل کیا۔ کاروبار مستحکم رہا اور مثبت منافع پوسٹ کیا۔

## کاروباری منظر نامہ

اینگرو کارپوریشن تمام سیکٹرز میں سرمایہ کاری کے نئے مواقع پر توجہ مرکوز رکھے گی تاکہ شیئر ہولڈرز کی ویلیو بڑھے اور اپنی آمدن کے ذرائع اور صارفین کی بیس متنوع ہو۔ کارپوریشن نئی ٹیکنالوجی اور پروڈکشن میں بہتری اور جدت پر بھی اپنی توجہ رکھے گی۔

## فریڈائزر

کسانوں کی آمدن میں اضافے اور یورپا کی کم قیمتوں کی بدولت مقامی طلب میں سیزن کے دوران اضافہ متوقع ہے۔ ہم امید کرتے ہیں کہ صنعت 600 کے ٹی



حسین داؤد  
چیئر مین

غیاث خان  
چیف ایگزیکٹو

# ڈائریکٹرز رپورٹ

## فریلائزر

سال 2017ء پہلے نو مہینوں میں فریلائزر کاروبار کی آمدن میں 18 فیصد اضافہ ہوا اور منافع بعد از ٹیکس 924،6،6 ملین روپے ریکارڈ ہوا جو 21 فیصد اضافہ ہے۔ ذائد منافع کے عوامل میں 211 کے ٹی یورپا کی برآمد، یورپا کی ذائد فروخت اور پلانٹ 1 کے لئے کیس کی قیمتوں میں ریگولائزیشن شامل ہیں۔

## پیٹر و کیمیکلز

یہ وی سی کی عمدہ پیداوار اور فروخت کی بدولت پیٹر و کیمیکلز کاروبار زیر جائزہ مدت میں بہت منافع بخش رہا۔ سال 2017ء کے پہلے نو ماہ میں انتھیلین کور ڈیپلا اور مینوفیکچرنگ اسٹعداد کار میں بہتری بھی اس کاروبار کے پر منافع ہونے کے اہم محرکات ہیں۔ زیر جائزہ مدت کے دوران کاروبار میں 20,390 ملین روپے کی آمدنی ہوئی جو گزشتہ سال کی اسی مدت کے مقابل 23 فیصد زیادہ ہے۔ کاروبار میں منافع بعد از ٹیکس 1,947 ملین روپے رہا جبکہ گزشتہ سال کے پہلے نو ماہ کی مدت میں منافع بعد از ٹیکس 32 ملین روپے تھا۔ کاروبار نے زیر جائزہ مدت میں پی وی سی اور وی سی ایم کی پروڈکشن کی بلند ترین سطح کو عبور کیا۔ اسی طرح زیر جائزہ سہ ماہی اور نو ماہ کی مدت میں کاروبار نے فروخت کے حجم کی بھی بلند ترین سطح کو عبور کیا۔ پلانٹ سال 2017ء کے اختتام تک یا 2018ء کی پہلی سہ ماہی میں 195 کے ٹی کی پیداوار کی بلند سطح کو چھو لے گا۔

## کوئلہ کان کنی اور بجلی کے منصوبے

### تھر کوئلہ کان کنی منصوبہ:

پروجیکٹ اپنی پلاننگ اور شیڈول سے تیز تیار ہو رہا ہے۔ سال 2017ء کی تیسری سہ ماہی کے اختتام پر 56 ایم پی سی ایم (50 فیصد ٹوٹل حجم) مٹی کان میں سے ہنائی جا چکی ہے۔ سہ ماہی کے دوران منصوبے کو ستمبر میں 50 فیصد مکمل کرنے کا ٹارگٹ کامیابی سے حاصل کیا گیا۔ کان سے پانی نکالنے کے فل اسکیل آپریشنز کا پریل کے وسط میں آغاز کیا گیا اور اب تک 10.8 ملین کیوبک میٹر پانی نکالا جا چکا ہے۔

### تھر توانائی منصوبہ

تسلل کے ساتھ تھر میں قائم کئے جانے والے توانائی کے تمام منصوبے مکمل کئے جا رہے ہیں۔ انجینئرنگ اور تعمیراتی کام تیزی سے جاری ہے اور شیڈول سے آگے ہے۔ مینوفیکچرنگ فیسٹیٹیٹی پر آلات کو لگانے اور ان کی جانچ پڑتال جاری و ساری ہے۔

پاکستان کی جی ڈی پی نمو بتدریج بڑھ رہی ہے تاہم اپنے سال 2017ء کے پہلے نو ماہ کی مدت کے دوران جی ڈی پی اپنے ہدف 5.7 فیصد سے کم 5.3 فیصد رہی۔ اس کے وجہ ملک کے صنعتی شعبے کے کمزور کارکردگی ہے۔ یوں تو پاکستان کی اقتصادی نمو مسلسل بڑھ رہی ہے تاہم ملکی کرنٹ اور بیرونی قرضوں میں بڑھتے عدم توازن اس نمو کے لئے ایک لمحہ فکریہ بن سکتا ہے۔ کرنٹ اکاؤنٹ عدم توازن اور اسٹرکچرل اصلاحات کو تسلسل سے جاری رکھنے کی ضرورت ہوگی۔

## کاروبار کا جائزہ

مجموعی بنیاد پر اینگرو کارپوریشن کی آمدن سال 2017ء کی تیسری سہ ماہی میں 86,431 ملین روپے رہی جبکہ گزشتہ سال کارپوریشن نے اسی مدت کے اختتام پر 107,834 ملین روپے کی آمدن رپورٹ کی تھی۔ یہ 20% فیصد کمی ہے۔ اس کمی کی بنیاد وجہ اینگرو فوڈز کے مالیاتی نتائج کا اینگرو کارپوریشن کے کل نتائج میں شامل نہ ہونا ہے۔ سال 2016ء کے آخر میں اینگرو کارپوریشن نے اینگرو فوڈز میں سچروی سرمایہ کاری واپس نکال لی تھی۔ اینگرو فوڈز کے نتائج کو شامل نہ کرنے پر گزشتہ سال کی اسی زیر جائزہ مدت میں کارپوریشن کی آمدنی 8,727 ملین روپے تھی جو 18% فیصد بنتی ہے۔ زیر جائزہ مدت میں مارکیٹ کے عمدہ بنیادی شماریات کے نتیجے میں فریلائزر اور پیٹر و کیمیکلز کے کاروبار منافع بخش رہے۔ تسلسل کے ساتھ کارکردگی کی وجہ سے ٹرمینل سرومز اور توانائی کے شعبے جات بھی منافع بخش رہے۔ جاری آپریشنز (اینگرو فوڈز کے علاوہ) میں منافع بعد از ٹیکس 8,727 ملین روپے سے 11,646 ملین روپے ہو گئی جس میں 33 فیصد اضافہ ہوا۔ سال 2016ء میں فوڈز اور فریلائزر کاروباروں سے جزوی سرمایہ کاری واپس نکالنے اور فنانس ایکٹ 2017ء میں متعارف کروائی جانے والی ٹیکس میں تبدیلیوں کے نتیجے میں شیئر ہولڈرز کے لیے مختص کیا گیا منافع 2016ء کی تیسری سہ ماہی میں 8,583 ملین روپے ہونے کے برعکس 2017ء کی تیسری سہ ماہی میں کر کے 6,916 ملین روپے ہو گیا۔

بورڈ مسرت کے ساتھ عبوری منافع منقسمہ اختتام پذیر سہ ماہی ۳۰ ستمبر ۲۰۱۷ کے لئے 7.00 روپے فی شیئر کا اعلان کرتی ہے۔ یہ پہلے سے اعلان شدہ عبوری منافع منقسمہ 12.00 روپے کے علاوہ ہے۔ بورڈ کی کوشش ہے کہ ڈویڈنڈ کو سہ ماہی بنیادوں پر زیادہ سے زیادہ کیا جائے۔ سال کا آخری ڈویڈنڈ 31 دسمبر 2017 کے اختتام پر سال بھر میں ہونے والے منافع کی بنیاد پر دیا جائے گا۔ اہم کاروباری سیکٹرز کا مختصر جائزہ درج ذیل ہے:



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