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is the ability to face the future with confidence and tenacity.

First Quarter 2014 Accounts

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Engro’s investments in agriculture, foods, energy and chemicals 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, a bulk liquid chemical terminal, foods, power generation and commodity trade.

Engro Fertilizers Limited

Engro Fertilizers Limited is a 88% owned subsidiary is one of the leading fertilizer manufacturing and marketing companies in the country. It is primarily engaged in the manufacturing and marketing of urea and NPK fertilizers.

As an example of the synergies between Engro's business lines, Engro Eximp imports phosphate based fertilizers, which are distributed and marketed through Engro Fertilizer's network as an extension of Engro's overall fertilizer portfolio.

The business offers a wide variety of fertilizer brands, which include some of the most trusted brand names by Pakistani farmers. These include Engro Zorawar, a high-phosphate fertilizer developed for alkaline soils. Engro Zarkhez is a high-end blended fertilizer product that offers a unique balance of nutrients for a wide variety of crops. Zingro is an imported zinc micro nutrient, meant to overcome zinc deficiency in a diverse range of crops.

Engro Foods Limited

Engro Foods Limited is a 87% owned subsidiary engaged in the manufacturing, processing and marketing of dairy products, ice cream and fruit juices. The business owns two milk processing plants in Sukkur & Sahiwal and operates a dairy farm in Nara. As an example of Engro's pursuit of excellence, the business has established several brands that have already become household names in Pakistan such as Olper's (milk), Omore (ice cream), Olper's Lite (low fat milk), Dairy Omung (UHT dairy liquid), Tarang (tea whitener) and Olfrute (fruit juice).

The business has also acquired Al Safa Halal, a meat processing company based in Canada.

Engro Powergen Limited

Engro Powergen owns and operates Engro Powergen Qadirpur Limited, a 220 megawatt power plant and the group's first initiative in the power sector of Pakistan, which is 10% directly owned by the holding company and 85% owned by Engro Powergen. The remainder is owned by the International Finance Corporation (IFC), a subsidiary of the World Bank.

In 2010, Engro Powergen's joint venture with the Sindh government, the Sindh Engro Coal Mining Company Limited, completed a detailed feasibility study (DFS) analysing the technical, social and environmental viability of the Thar coal mining project.

Engro Polymer & Chemicals Limited

Engro Polymer & Chemicals Limited is a 56% owned subsidiary of the holding company and the only manufacturer of polyvinyl chloride (PVC) in the country, in addition to manufacturing and marketing caustic soda. The business's vinyl chloride monomer (VCM) plant began production in the first quarter of 2010 and was able to achieve commercial production capacity by September 2010, making the entire integrated facility fully operational. The firm produces 150,000 tonnes of PVC a year and markets its products under the name of “SABZ”.

Engro Eximp (Private) Limited

Engro Eximp (Private) Limited is the group's commodity trading business that deals primarily in the import and trading of phosphate-based fertilizers for Engro Fertilizers Limited such as DAP, MAP, MOP and SOP, and also imports micro-nutrients like Zinc Sulphate, which it supplies as raw materials to Engro Fertilizer's Zarkhez plant for manufacturing blended fertilizers.

In addition, Eximp also manages the procurement, processing and export of rice to markets in the Middle East and the European Union. Over the past five years, Engro Eximp has become the single largest importer of phosphates and potash fertilizers in Pakistan.

Engro Vopak Terminal Limited

Engro Vopak Terminal Limited is a joint venture with Royal Vopak of the Netherlands, Engro owns 50% of Engro Vopak Terminal Limited, a business engaged in the handling and storage of chemicals and liquefied petroleum gas (LPG).

The business launched Pakistan's first cryogenic import facility for ethylene, in line with the group's overall motto of pursuing and enabling excellence.

Elengy Terminal Pakistan Limited

Elengy Terminal Pakistan Limited, a wholly owned subsidiary of Engro Corporation Limited, is the Corporation's newest initiative aimed at establishing an open access, merchant floating storage re-gasification terminal with a storage capacity of 3.5mtpa under the LNG Policy 2011. Through the establishment of the terminal, the Company will market its capacity to LNG buyers for storage and regasification of LNG purchased.

Elengy Terminal Pakistan Limited's aim is to be a lead developer, owner and operator of independent LNG terminal projects structured on a concession or utility outsourcing contract model and has a multi-disciplinary team available with necessary professional skills ranging from technical, legal, environmental, insurance to tax and financial expertise to undertake the role.

During the period, the company continued its efforts to position itself for the short and long-term LNG imports business at Port Qasim.

directors' report

Global GDP is forecast by IMF to increase by 3.6% during 2014, up from an estimated 3% during 2013. Developed economies are anticipated to grow at 2.2% vs. 1.3% in 2013. Nevertheless, output gap remains large as indicated by lower than expected inflation levels. Although the emerging world is also expected to show improvement from 4.7% in 2013 to 4.9% in 2014, concerns remain on potential risks of reversal in capital flows from advanced countries. Furthermore, economic activity during 2H 2013 was stronger due to inventory buildup which may cause 1H 2014 to be slower as inventories deplete to a normal level.

The first quarter of 2014 has been marked by a significant improvement in investor sentiment in Pakistan as CPI Inflation has come down from 9.2% YOY in December 2013 to 8.5% in March 2014, the foreign exchange reserves have increased from USD 8.3 billion in December 2013 to USD 10.1 billion in March 2014 and the currency has appreciated by 6.9% due to unanticipated dollar flows to the country.

Business Review

On a consolidated basis, Engro Corporation recorded a 23% increase in revenue from PKR 31,301 million in 1Q 2013 to PKR 38,354 million in the current reporting period. The increase in revenue was driven by higher fertilizer sales at Engro Fertlizers and Engro EXIMP. The profit after tax increased from PKR 1,786 million to PKR 2,001 million in 1Q 2014. Improved gas supply to Engro Fertilizers' urea manufacturing plants led to better earnings partly offset by lower bottom line of EXIMP's Rice business. Engro Foods' profit after tax was also lower. However, the Company's operational issues have been addressed and Engro Foods is on a firmer footing for sustainable growth. A summary of the company-wise financial performance is as follows:

	1Q' 2014		1Q' 2013	
Company	Revenue	Profit After Tax	Revenue	Profit After Tax
Engro Corporation Standalone	441	805	842	732
Engro Fertilizers	14,896	1,437	9,717	646
Engro EXIMP	4,696	(352)	2,986	(241)
Engro Polymers	5,367	148	5,888	263
Engro Foods	10,168	190	9,624	653
Engro PowerGen Qadirpur	3,225	585	2,844	592
Engro Consolidated	38,354	2,001*	31,301	1,786*

(Excluding Non-controlling interest)

Engro Fertilizers

Urea industry off-take of 1.38 million tons remained stable during the period as compared to 1.34 million tons in 1Q 2013. However, domestic urea production increased from 1,042 kt in 1Q 2013 to 1,146 kt in 1Q 2014 due to improved gas supply to the sector. Further, the government has now matched the price of imported urea to domestic. These factors led share of domestic urea in total off-take to increase from 75% in 1Q 2013 to 81% in 1Q 2014.

The domestic fertilizer industry continued to contribute billions of rupees to the farmer by keeping urea prices well below international prices. Price of urea in international market averaged USD 365/ton CFR Karachi basis during 1Q 2014. This translates into local cost of PKR 2,740/bag which is a significant gap as compared to prevailing domestic urea price of PKR 1,786/bag. Although government increased Gas Infrastructure Development Cess (GIDC) effective December 31, 2013, a substantial portion of this cost increase was absorbed by the Industry. The Company continued to receive additional gas from Mari which enabled two-plant operations leading to increase in production from 296 kt in 1Q 2013 to 456 kt in the current reporting period. Similarly, the sales increased from 298 kt to 451 kt respectively. The Company recorded a 53% increase in revenue to PKR 14,896 million during 1Q 2014 vs. same period last year and its profit after tax increased from PKR 646 million in 1Q 2013 to PKR 1,437 million in 1Q 2014.

Engro Foods

During 1Q 2014, the Company maintained its trend in improving performance which started with resolution of distribution issues in 4Q 2013. Revenue increased by 5.7% to PKR 10,168 million vs. PKR 9,624 million in the same period last year, consolidated profit was PKR 190 million vs. PKR 653 million in 1Q 2013 mainly due to lower gross margins in dairy segment.

The downward trend in the Company's performance has been arrested as the Company witnessed volumetric growth of 6% in dairy and beverages segment vs. the same period last year. This was primarily driven by focused marketing activities and innovation in various brands. The new Powder Plant was commissioned successfully during the quarter, which will enable the Company to further diversify its product portfolio and improve overall margins.

The ice cream segment achieved 9% volume growth vs. 1Q 2013. The operational loss for the segment, however, was higher at PKR 169 million vs. PKR 143 million in 1Q 2013 due to early product launches this year. Nara dairy farm produced 43.5k liters of milk during 1Q 2014 vs. 28.9k liters in the same period last year. Due to appreciation in the Rupee, an animal valuation loss of PKR 14 million was booked leading to loss after tax of PKR 20 million vs. PKR 18 million in the comparative period.

During last quarter of 2013, the Company entered into fresh dairy segment on a trial basis. As of March 31, 2014, the Company has operationalized 8 fresh dairy shops under the brand name "Mabrook" on a franchise model.

Al-Safa Halal, the Company's North American subsidiary witnessed a decline in revenue from CAD$2,197K in 1Q 2013 to CAD$1,408K in 1Q 2014 due to increased competition with new entrants pushing shelf-space at retailers. The Company reported a loss after tax of CAD$315K vs. CAD$303K in the same period last year.

Engro EXIMP

International DAP prices have rebound to USD475/ton CFR Karachi level in March 2014 up from USD400/ton level in December 2013. Industry sales are estimated at 184kt for the quarter vs. 141kt in comparative period of last year. EXIMP sold 43kt of DAP during 1Q 2014 vs. 27kt in 1Q of last year.

The Company's wholly owned subsidiary, Engro EXIMP Agriproducts (EEAP), exported 11.6kt rice, 93% higher as compared to first quarter of 2013. Domestic rice sales stood at 4kt vs. 5.6kt in 1Q 2013. The plant's operational parameters also improved significantly. However, a strong revaluation of the Rupee and softer rice prices have adversely impacted the business, leading to a loss in the quarter which has more than offset the earnings from the phosphate business.

Engro EXIMP recorded consolidated revenue of PKR 4,696 million during the period vs. PKR 2,986 million in the first quarter of 2013. The Company's consolidated loss after tax stood at PKR 352 million during 1Q 2014 as compared to a loss of PKR 241 million in the comparative period due primarily to the impact of the rice business.

Engro Powergen

The Company's subsidiary, Engro Powergen Qadirpur (EPQL), earned a profit after tax of PKR 585 million in 1Q 2014 vs. PKR 592 million in the same period last year due to higher unbillable outages during the current quarter mainly because of issues at OGDCL's end. Net electrical output for the period was 442 GWh vs. 455 GWh in 1Q 2013. As at March 31, 2014, overdue receivables from PEPCO stood at PKR 1,512 million vs. PKR 1,248 million at Dec. 31, 2013. The payables to SNGPL amounted to PKR 984 million vs. PKR 923 million at Dec. 31, 2013.

Effective March 31, 2014, Engro Powergen's (EPL) holding in Sindh Engro Coal Mining Company (SECMC) was reduced to 32%. However, the management control of the Company will remain with Engro. Change in shareholding has been effected as one of the conditions to utilize the Sovereign Guarantee from the GoP. The Company is in the process of evaluating and shortlisting successful EPC bidders. In order to expedite mine development, the Company has awarded a top soil over-burden removal contract to start work in April 2014. EPC bidders for the power plant are being evaluated. NEPRA held a tariff petition hearing for Thar Coal based power plant on April 2, 2014 based on initial information provided by the Company.

Engro Polymer & Chemicals

The domestic PVC market experienced a slowdown during 1Q 2013. The overall demand remained depressed due to carried forward inventory from last year, continued uncertainty regarding exchange rate and PVC prices. Domestic Caustic Soda market witnessed long supplies due to which the prices remained under pressure.

The Company produced 33 kt VCM and 33kt PVC during 1Q 2014 vs. 40 kt VCM and 34 kt PVC in the comparative period of 2013. The production was lower due to operational issues at the plant. PVC domestic sales volume during the quarter was 25 kt vs. 34 kt in the comparative period. 4.6 kt PVC was exported as compared to 1.9 kt last year. During the quarter the Company also exported 3 kt of surplus VCM and sold 22 kt of Caustic Soda versus 25 kt last year. The slide in overall revenues along with margin compression impacted the bottom line earnings, however, gain on foreign exchange liabilities provided support to the overall profitability. During 1Q 2014, the Company recorded a revenue of PKR 5,367 million as compared to

PKR 5,888 million and a profit after tax of PKR 148 million compared to Rs.263 million during the same period last year.

Engro Vopak
The Company recorded a revenue of PKR 518 million and profit after tax of PKR 394 million during 1Q 2014 vs. PKR 452 million and PKR271 million respectively in the first quarter of last year. The Company achieved its higher ever score in a customer satisfaction survey by regional office Vopak Middle East.

Engro Elengy
Significant progress was made on various fronts including contract detailing and negotiations on key terms of contracts with SSGC, PQA and various other stakeholders. Post the quarter end, the Government in its Cabinet meeting approved the LNG project which is expected to take 11 months to complete post signing of requisite documents.

Business Outlook

Engro Fertilizers
We are hopeful of resolution of the Company's long-term gas supply issues as the country has sufficient production capacity that can save millions of dollars in annual foreign exchange. Due to the Government's desire to reduce urea imports, the temporary gas allocation of 60 mmscfd from Mari is expected to continue in the short term. In January 2014, ECC has approved the provision of Mari gas to the Company at contracted rate in order to discharge the Government's obligations. Implementation of this decision is expected in due course.

Engro Foods
With distribution issues mostly addressed, the Company maintains a positive outlook for the next quarter. Exponential growth in milk collection and successful commissioning of the new powder plant will provide a clear advantage in terms of margin growth in the summers. Furthermore, the management will continue to focus on key growth parameters of innovation, brand differentiation and continuous business expansion through diversification into new product lines.

Engro EXIMP
India is expected to start buying of Phosphates in Q2 which will set a price benchmark for the market. Despite the price rebound, the local phosphates industry is expected to remain healthy due to positive crop economics. If the Rupee stays at current level or international rice prices remain soft, the rice business will continue to be under pressure during the year.

Engro Powergen
Engro Powergen Qadirpur's power plant operates on permeate gas. Due to its higher rank in PEPCO's merit order, the plant is expected to continue receiving unhindered gas supply. The Company will continue maintaining its focus on plant and equipment reliability and other performance improvement initiatives, ensuring uninterrupted dispatch of electricity.

The Thar Mining project has been declared a “Project of National Importance” and has been listed under Pakistan-China Economic Corridor by Ministry of Planning and Reforms. We believe that this project can play a vital role in overcoming Pakistan's energy shortage and Engro has the requisite skillset to successfully setup and operationalize the coal mine and power plants. However, government will need to expedite the necessary approvals.

EPL's Nigerian project is well underway and expected to be operational in 3Q 2014. The Company continues 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.

Engro Polymer & Chemicals
Domestic market of PVC in 2Q 2014 is expected to remain uncertain on account of exchange rate volatility while the margins on PVC will remain under pressure due to high feed stock prices and slow global demand. The domestic demand and prices of Caustic Soda, in 2Q 2014, are expected to remain under pressure due to high inventory situation. Furthermore, any abrupt rise in domestic natural gas prices could be a possible challenge during next quarter. The Company plans to complete the second phase of PVC debottlenecking by 2Q which will increase PVC production capacity by 15 kt. This capacity enhancement will allow the Company to convert its surplus VCM into PVC which will result in better margins for the Company.

Engro Vopak
The Company is expected to maintain its operations in a stable fashion and we foresee it providing a stable cash flow in form of regular dividends in coming years. Engro Vopak's facilities and experience position it very well for any future projects involving imports and handling of liquid chemicals at the port.

Engro Elengy
Various contracts for setting up the fast track LNG import terminal are expected to be signed in near future. The Company is also working simultaneously to achieve financial close. Being the first LNG import terminal, we believe that Engro will be very well positioned to embark upon other such projects in the future.

Engro Corporation is geared to contributing positively to resolving the country's energy crisis with the Thar coal project and the LNG business as its cornerstones. The Company continues to explore the agri/food vertical as it aligns its businesses to serve the future demands of the country. With growth as the Company's foremost priority we remain on the look-out to venture into new product lines and businesses within our strategic realm.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

condensed interim balance sheet as at march 31, 2014

(Amounts in thousand)

	Note	(Unaudited) March 31, 2014	(Audited) December 31, 2013
		---------------(Rupees)---------------	
ASSETS			
Non-current assets			
Property, plant and equipment	4	40,403	45,557
Long term investments	5	27,328,985	28,140,994
Deferred taxation		5,424	4,204
Long term loans and advances	6	4,577,221	5,163,511
		31,952,033	33,354,266
Current assets			
Loans, advances and prepayments	7	862,001	636,301
Other receivables		492,318	513,554
Short term investments		2,001	2,672,915
Cash and bank balances		3,050,967	250,584
		4,407,287	4,073,354
Investment classified as held for sale		320,000	320,000
TOTAL ASSETS		36,679,320	37,747,620
EQUITY & LIABILITIES			
Equity			
Share capital		5,112,694	5,112,694
Share premium		10,550,061	10,550,061
General reserve		4,429,240	4,429,240
Unappropriated profit		9,950,730	9,657,752
Remeasurement of post employment benefits - Actuarial gain		9,871	9,871
		24,939,902	24,646,924
TOTAL EQUITY		30,052,596	29,759,618
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations		17,549	21,268
Current Liabilities			
Trade and other payables		311,772	1,192,128
Accrued interest / mark-up		71,078	337,866
Borrowings	8	3,106,799	6,290,142
Advance against Issue of Engro Islamic Rupiya	9	3,000,000	-
Taxation		27,964	54,225
Unclaimed dividends		91,562	92,373
		6,609,175	7,966,734
TOTAL LIABILITIES		6,626,724	7,988,002
Contingencies and Commitments	10		
TOTAL EQUITY & LIABILITIES		36,679,320	37,747,620

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

condensed interim statement of comprehensive income (unaudited) for the three months ended march 31, 2014

(Amounts in thousand except for earnings per share)

	Note	March 31, 2014	March31, 2013
		---------------(Rupees)---------------	
Dividend income		225,000	704,750
Royalty income		215,716	137,111
		440,716	841,861
Administrative expenses		(49,819)	(35,108)
		390,897	806,753
Other income		790,828	235,342
Other operating expenses		(20,619)	(15,911)
Operating Profit		1,161,106	1,026,184
Finance cost		(218,728)	(246,556)
Profit before taxation		942,378	779,628
Taxation		(137,665)	(47,374)
Profit for the period		804,713	732,254
Other comprehensive income for the period			
Items that will not be reclassified to profit or loss - Remeasurement of retirement benefit obligation - Actuarial (loss)/gain-net of tax		-	(4,029)
Total comprehensive income for the period		804,713	728,225
Earnings per share - basic and diluted	11	1.57	1.43

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

Hussain Dawood
Chairman

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President and Chief Executive

condensed interim statement of changes in equity (unaudited) for the three months ended March 31, 2014

(Amounts in thousand)

	Share capital	Capital reserves: Share premium	Revenue reserves: General reserve	Revenue reserves: Unappropriated profit	Remeasurement of post employment benefits - Actuarial gain	Total
	(Rupees)					
Balance as at January 01, 2013	5,112,694	10,550,061	4,429,240	6,543,362	25,986	26,661,343
Total comprehensive income for the three months ended March 31, 2013	-	-	-	732,254	(4,029)	728,225
Balance as at March 31, 2013	5,112,694	10,550,061	4,429,240	7,275,616	21,957	27,389,568
Total comprehensive income for the nine months ended December 31, 2013	-	-	-	2,382,136	(12,086)	2,370,050
Balance as at December 31, 2013 / January 01, 2014	5,112,694	10,550,061	4,429,240	9,657,752	9,871	29,759,618
Total comprehensive income for the three months ended March 31, 2014	-	-	-	804,713	-	804,713
Transactions with owners						
Dividend in specie for the year ended December 31, 2013 declared during the period in the ratio of 1 share of Engro Fertilizers Limited for every 10 shares of the Company held	-	-	-	(511,735)	-	(511,735)
Balance as at March 31, 2014	5,112,694	10,550,061	4,429,240	9,950,730	9,871	30,052,596

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

Hussain Dawood
Chairman

President and Chief Executive

condensed interim statement of cash flows (unaudited) for the three months ended March 31, 2014

(Amounts in thousand)

	Note	March 31, 2014	March31, 2013
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operation	12	(150,229)	(100,126)
Royalty received		160,254	137,111
Taxes paid		(165,146)	(6,965)
Retirement and other service benefits paid		(14,374)	(22,306)
Long term loans and advances - net		(13,511)	(2,029)
Net cash (utilized in) / generated from operating activities		(183,006)	5,685
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		225,000	704,750
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries		357,213	302,103
Advance received against investment classified as held for sale		-	99,913
Long term investments		-	(99,913)
Purchases of property, plant and equipment (PPE)		(1,848)	(2,216)
Sale proceeds on disposal of PPE		1,780	-
Net cash generated from investing activities		582,145	1,004,637
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of financial charges		(472,013)	(460,515)
Loan disbursed to subsidiary company		(200,000)	-
Repayment of loan disbursed to subsidiary company		600,000	-
Repayment of Engro Rupiya Certificates I		(3,784,126)	(763)
Advance against Issue of Engro Islamic Rupiya		3,000,000	-
Dividends paid		(811)	(560)
Net cash utilized in financing activities		(856,950)	(461,838)
Net (decrease) / increase in cash and cash equivalents		(457,811)	548,484
Cash and cash equivalents at beginning of the period		2,921,498	1,181,572
Cash and cash equivalents at end of the period	13	2,463,687	1,730,056

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

notes to the condensed interim financial information (unaudited) for the three months ended March 31, 2014

1 LEGAL STATUS AND OPERATIONS

Engro Corporation Limited (the Company), is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 and its shares are quoted on Karachi, Lahore and Islamabad stock exchanges of Pakistan. The principal activity of the Company, is to manage investments in subsidiary companies and joint venture, engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, exploration, 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The condensed interim financial information is unaudited and has been prepared and is being submitted to the shareholders in accordance with section 245 of the Companies Ordinance 1984 and International Accounting Standard 34 - 'Interim Financial Reporting'. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2013 of the Company.

3 ACCOUNTING ESTIMATES

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 financial statements of the Company for the year ended December 31, 2013.

	Unaudited March 31, 2014	Audited December 31, 2013
	-------------(Rupees)-------------	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets	38,742	44,660
Capital work in progress	1,661	897
	40,403	45,557

(Amounts in thousand)

5 LONG TERM INVESTMENTS

5.1 Engro Fertilizers Limited

During 2013, Engro Fertilizers Limited (Subsidiary Company) made an Initial Public Offer (IPO) through issue of 75 million ordinary shares having face value of Rs. 10 each at a price of Rs. 28.25 per share determined through the book building process. Further, the Company also divested 30 million ordinary shares of the Subsidiary Company (representing 2.45% of its total investment in the Subsidiary Company) having face value of Rs.10 each at a price of Rs.28.25 per share, as determined above, to certain local / foreign institutional investors and High Net Worth Individuals (Informed Buyers). The advance received by the Company, net of transaction cost of Rs. 11,421, amounting to Rs. 836,079 was classified as 'Advance received against partial disposal of investment in subsidiary company' under 'Trade and other payables' in the audited financial statements for the year ended December 31, 2013. During the period, the Subsidiary Company was formally listed on the Karachi and Lahore Stock Exchanges and the shares have been duly allotted to the shareholders. The gain on such disposal amounting to Rs. 535,805 has been reflected in Other Income.

On March 31, 2014, the shareholders of the Company in its Annual General Meeting approved a Dividend in Specie for the year ended December 31, 2013 in the ratio of 1:10 (one share of Engro Fertilizers Limited for every ten shares of the Company held). Accordingly, 51,126,943 shares of the Subsidiary Company (representing 4.29% of Company's investment in the Subsidiary Company) have been duly allotted to the Company's shareholders, subsequent to the period end.

As a result of the above, the Company, as of balance sheet date, holds 87.97% of the share capital of Engro Fertilizers Limited.

5.2 Engro PowerGen Limited

Sindh Engro Coal Mining Company Limited (SECMC), a subsidiary of Engro PowerGen Limited (EPL), a wholly owned subsidiary, has been formed under a Joint Venture Agreement (JVA), dated September 8, 2009, between the Company, the Government of Sindh (GoS 40%) and EPL (60%) to carry out a Detailed Mining Feasibility Study of the Mining Project and if deemed appropriate to develop the Mining Project. The Detailed Mining Feasibility Study has been completed and the all the parties have decided to develop the Mining Project. During the current quarter, a revised and amended JVA was signed on January 24, 2014, under which GoS will have minimum shareholding of 51% and Engro will retain the right to manage the Company as long as Engro and its affiliates hold a minimum of 26% shareholding in SECMC. Further, as of March 31, 2014, EPL reduced its equity stake in SECMC from 60% to 32% and GoS increased its stake to 68%. Consequent to this change, SECMC became an associated undertaking of EPL.

6 LONG TERM LOANS AND ADVANCES

During 2010-11, the Company has extended a subordinated loan of Rs 3,000,0000 to Engro Fertilizers Limited, a subsidiary company, for a period of five years. The loan is repayable on or before the end of the term i.e. September 14, 2015. During the period, the subsidiary company, has repaid an amount of Rs. 600,000 to the Company.

7 LOANS, ADVANCES AND PREPAYMENTS

On March 20, 2014, the Company and Engro PowerGen Limited (a wholly owned subsidiary) entered into a short-term finance agreement for Rs 200,000. The loan carries markup at the rate of 3 Months KIBOR plus 3.5% per annum, payable on a quarterly basis. The principal is due in one lump sum installment falling due on September 28, 2014.

(Amounts in thousand)

	Unaudited March 31, 2014	Audited December 31, 2013
	-------------(Rupees)-------------	
8 BORROWINGS		
Engro Rupiya Certificates I (note 8.1)	-	3,777,949
Engro Rupiya Certificates II	2,519,519	2,512,174
Short-term finance from banks - secured (note 8.2)	587,280	19
	3,106,799	6,290,142

8.1 During the period, upon completion of the three years tenure, the Company repaid the entire remaining principal balance of Engro Rupiya Certificates I aggregating to Rs. 3,784,110 to the Certificate holders along with profit thereon.

8.2 During the period, the Company utilized its short term finance facilities aggregating to Rs. 2,500,000 (2013: Rs. 2,500,000) from various banks to meet its working capital requirements. The facilities are primarily secured against ranking floating charge over all present and future loans, advances, receivables and other current assets (excluding investments) of the Company. Additionally, the facilities are also secured through a pledge over shares of Engro Foods Limited (a subsidiary company).

9 ADVANCE AGAINST ISSUE OF ENGRO ISLAMIC RUPIYA

During the current period, the Company received subscription money amounting to Rs. 3,000,000 against the issuance of Engro Islamic Rupiya (EIR) from Institutional Investors under Private Placement and Individual Investors of Engro Rupiya Certificates under Preferential Allocation. Engro Islamic Rupiya shall be Rated, Listed and Secured Islamic Sukuk Certificates of a total Issue size of Rs. 4,000,000 subject to the approval by the Securities and Exchange Commission of Pakistan (SECP). The remaining Rs. 1,000,000 of the total issue size shall be offered through an Initial Public Offer on a first come first serve basis during second quarter of 2014, which is intended for retail investors. Subsequent to the period-end, on April 7, 2014, the Karachi Stock Exchange Limited accorded their clearance on the draft Prospectus of Sukuk subject to fulfillment of certain terms and conditions and obtaining approval from the SECP as required under the Companies Ordinance 1984. The Company has applied for the required approval from the SECP.

(Amounts in thousand)

10 CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments since December 31, 2013 are mentioned below:

	Unaudited March 31, 2014	Audited December 31, 2013
	-------------(Rupees)-------------	
Corporate Guarantees issued in favor of Subsidiary Companies:		
- Engro Fertilizers Limited (note 10.1)	53,739,880	56,448,271
- Engro PowerGen Qadirpur Limited	985,200	1,057,700
- Engro Foods Canada Limited	226,707	247,785
- Elengy Terminal Pakistan Limited (note 10.2)	98,520	104,507
	55,050,307	57,858,263

10.1 The above amount also includes a Corporate Guarantee issued by the Company to International Finance Corporation (IFC) for USD 80,000 under the Amended Agreement entered into by the Subsidiary Company with IFC. Till December 31, 2011, the total amount of the facility has been drawn down by the Subsidiary Company. Further, IFC has an option to convert a tranche of the disbursed loan amounting to USD 15,000, into ordinary shares of the Company at Rs. 205 per ordinary share (reduced to Rs. 119.46 consequent to bonus issues) calculated at the dollar rupee exchange rate prevailing on the business day prior to the date of notices issued by IFC to exercise the conversion option. Such option is to be exercised within a period of no more than five years from the date of disbursement of loan (i.e. December 28, 2009).

The Company has also entered into an agreement with the Subsidiary Company that in the event IFC exercises the aforementioned conversion option, the IFC loan amount then outstanding against the Subsidiary Company would stand reduced by the conversion option amount and the Subsidiary Company would pay the rupee equivalent of the corresponding conversion amount to the Company which would simultaneously be given to the Subsidiary Company as a subordinated loan, carrying mark-up payable by the Company for rupee finances of like maturities plus a margin of 1%. The effect of IFC conversion in substance would result in a loan from the Company having the same repayment terms / dates as that of the extinguished loan of IFC i.e. three half yearly installments commencing from September 15, 2015.

Subsequent to the period-end, on April 11, 2014, the Company received a Conversion Notice from IFC requesting to convert USD 7,000 of its conversion option of USD 15,000, into 5,700,318 ordinary shares of the Company at Rs. 119.46 (adjusted option exercise price). Accordingly, these shares have been issued to IFC, subsequent to the period-end. Further, with the conversion option exercised, the subsidiary company has paid the Company Rs. 680,960 i.e. rupee equivalent of USD 7,000 which has been given back to the subsidiary company as a subordinated loan as mentioned above. This condensed interim financial information does not include the effects of the aforementioned conversion, which will be accounted for in the condensed interim financial information for the half year ending June 30, 2014.

10.2 During 2013, Elengy Terminal Pakistan Ltd, a wholly owned subsidiary, submitted a Letter of Guarantee for USD 1,000 in favour of Inter State Gas Systems (Private) Limited as part of its bid for the Fast Track LNG project. The Company has secured the issuance of the Letter of Guarantee through a counter guarantee issued in favour of Soneri Bank Limited which has marked a lien on the running finance facility extended to the Company. During the period, the Letter of Guarantee was extended till June 30, 2014.

(Amounts in thousand)

11 EARNINGS PER SHARE

	3 Months ended March 31, 2014	3 Months ended March 31, 2013
	--------------(Rupees)--------------	
The basic and diluted earnings per share is based on:		
Profit after taxation	804,713	732,254
	-------------(Number)-------------	
Weighted average number of ordinary shares (in thousand)	511,269	511,269

There is no dilutive effect on the basic earnings per share of the Company, after taking the effect of options granted on Company's shares to International Finance Corporation (note 10.1).

12 CASH UTILIZED IN OPERATIONS

	3 Months ended March 31, 2014	3 Months ended March 31, 2013
	--------------(Rupees)--------------	
Profit before taxation	942,378	779,628
Adjustment for non-cash charges and other items:		
Depreciation	5,055	12,098
Loss on disposal of property, plant and equipment	167	-
Provision for retirement and other service benefits	15,161	5,484
Income on deposits / other financial assets	(255,190)	(235,342)
Dividend income	(225,000)	(704,750)
Royalty income	(215,716)	(137,111)
Financial charges	218,728	246,556
Capital gain on partial disposal of Engro Fertilizers Limited	(535,805)	-
Working capital changes (note 12.1)	(100,007)	(66,689)
	(150,229)	(100,126)

12.1 Working capital changes

	3 Months ended March 31, 2014	3 Months ended March 31, 2013
(Increase) / decrease in current assets		
- Loans, advances, deposits and prepayments	(25,701)	(11,716)
- Other receivables (net)	(30,029)	(33,928)
	(55,730)	(45,644)
Increase / (decrease) in current liabilities		
- Trade and other payables including other service benefits (net)	(44,277)	(21,045)
	(100,007)	(66,689)

(Amounts in thousand)

13 CASH AND CASH EQUIVALENTS

	March 31, 2014	March 31, 2013
	--------------(Rupees)--------------	
Short term investments	-	1,158,897
Cash and bank balances	3,050,967	571,159
Short-term finance from banks	(587,280)	-
	2,463,687	1,730,056

14 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise 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 statements, are as follows:

	3 Months ended March 31, 2014	3 Months ended March 31, 2013
	--------------(Rupees)--------------	
Subsidiary companies		
Purchases and services	4,777	3,326
Services rendered	158,258	15,229
Expenses paid on behalf of subsidiary companies	96,012	158,016
Mark up from subsidiaries	199,102	188,443
Investments	-	99,913
Reimbursements to subsidiary companies	5,759	12,637
Disbursement of loan	200,000	-
Repayment of loan by Subsidiary Companies	600,000	-
Dividend received	-	524,750
Royalty Income, net of sales tax	215,716	137,111
Commission Against Corporate Guarantees	2,826	3,057
Associated companies		
Purchases and services	341	202
Retirement Benefits	4,348	7,022
Donations	6,000	9,300
Investment in T-bills	-	1,257,680
Redemptions in T-bills	-	583,176
Joint ventures		
Services rendered	372	298
Dividend received	225,000	180,000
Expenses paid on behalf of Joint Venture company	290	24
Others		
Directors' fees	1,900	1,800
Remuneration of key management personnel	22,465	30,803

(Amounts in thousand)

15 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 29, 2014 by the Board of Directors of the Company.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

consolidated condensed interim balance sheet (unaudited) as at march 31, 2014

(Amounts in thousand)	Note	(Unaudited) March 31, 2014	(Audited) December 31, 2013
		--------------------(Rupees)--------------------	
ASSETS			
Non-current assets			
Property, plant and equipment	4	130,222,501	131,969,040
Biological assets		692,845	716,465
Intangible assets		740,750	807,966
Deferred taxation		1,662,751	1,425,299
Deferred employee share compensation expense		203,210	168,865
Long term investments	5	2,492,815	1,873,995
Long term loans and advances		353,018	307,435
		136,367,890	137,269,065
Current Assets			
Stores, spares and loose tools		7,233,376	7,038,623
Stock-in-trade	6	22,496,421	20,699,771
Trade debts	7	5,033,765	3,033,487
Deferred employee share compensation expense		171,007	136,153
Derivative financial instruments		-	130,207
Loans, advances, deposits and prepayments		1,282,897	1,451,026
Other receivables		4,494,743	4,995,503
Taxes recoverable		3,257,352	2,908,257
Short term investments		12,827,416	21,366,091
Cash and bank balances		5,675,085	6,899,123
		62,472,062	68,658,241
Assets attributable to discontinued operations	5	-	980,140
TOTAL ASSETS		198,839,952	206,907,446

(Amounts in thousand)	Note	(Unaudited) march 31, 2014	(Audited) December 31, 2013
		--------------(Rupees)---------------	
EQUITY & LIABILITIES			
Equity			
Share capital		5,112,694	5,112,694
Share premium		10,550,061	10,550,061
Employee share compensation reserve		521,387	407,133
Revaluation reserve on business combination		71,542	74,092
Maintenance reserve		213,335	213,335
Exchange revaluation reserve		(22,828)	35,418
Hedging reserve		(133,901)	(185,689)
General reserve		4,429,240	4,429,240
Unappropriated profit		31,302,491	27,353,306
Remeasurement of post-employment benefits		(60,760)	(60,760)
		46,870,567	42,816,136
		51,983,261	47,928,830
Non-controlling interest		6,134,976	5,319,491
Advance against issuance of shares to Non-Controlling Interest by subsidiary company		-	2,954,829
Total Equity		58,118,237	56,203,150
Liabilities			
Non-current liabilities			
Borrowings	8	71,446,123	78,321,114
Derivative financial instruments		1,765,951	1,611,258
Deferred taxation		6,880,494	6,301,051
Deferred liabilities		168,721	221,856
		80,261,289	86,455,279
Current Liabilities			
Trade and other payables		33,392,003	40,128,696
Accrued interest / mark-up		1,595,346	2,252,256
Current portion of :			
- borrowings		13,387,980	14,754,508
- deferred liabilities		42,413	45,883
Advance against Issue of Engro Islamic Rupiya	9	3,000,000	-
Short term borrowings		6,709,254	6,380,255
Derivative financial instruments		2,241,868	455,990
Unclaimed dividends		91,562	92,375
		60,460,426	64,109,963
Total Liabilities		140,721,715	150,565,242
Liabilities associated with discontinued operations	5	-	139,054
Contingencies and Commitments	10		
TOTAL EQUITY & LIABILITIES		198,839,952	206,907,446

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

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

consolidated condensed interim profit and loss account (unaudited) for the three months ended march 31, 2014

(Amounts in thousand except for earning per share)

	Note	March 31, 2014	March 31, 2013
		(Rupees)	
Net sales		38,354,404	31,301,165
Cost of sales		(28,979,116)	(22,096,430)
Gross profit		9,375,288	9,204,735
Selling and distribution expenses		(2,397,650)	(2,376,983)
Administrative expenses		(984,176)	(773,944)
		5,993,462	6,053,808
Other income		616,741	512,546
Other operating expenses		(1,517,883)	(688,477)
Finance cost		(2,200,509)	(3,298,207)
Share of income from joint ventures		203,378	135,456
Profit before taxation		3,095,189	2,715,126
Taxation		(859,670)	(700,831)
Profit for the period		2,235,519	2,014,295
Profit attributable to:			
- Owners of the Holding Company		2,001,374	1,785,812
- Non-controlling interest		234,145	228,483
		2,235,519	2,014,295
Earnings per share	11		
- basic		3.91	3.49
- diluted		3.90	3.49

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

Hussain Dawood Chairman	Muhammad Aliuddin Ansari President and Chief Executive

consolidated condensed interim statement of comprehensive income (unaudited) for the three months ended march 31, 2014

(Amounts in thousand)

	March 31, 2014	March 31, 2013
	(Rupees)	
Profit for the period	2,235,519	2,014,295
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss account		
Hedging reserve - cash flow hedges		
Losses arising during the period	(1,139,300)	(207,370)
Reclassification adjustments for losses included in profit and loss	1,237,005	244,133
Adjustments for amounts transferred to initial carrying amount of hedged items	35,710	547
	133,415	37,310
Revaluation reserve on business combination	(5,409)	(5,492)
Exchange differences on translation of foreign operations	(64,661)	(3,848)
	63,345	27,970
Income tax relating to:		
- Hedging reserve - cash flow hedges	(65,515)	(13,058)
- Revaluation reserve on business combination	1,839	1,922
	(63,676)	(11,136)
Other comprehensive (loss) / income for the period, net of tax	(331)	16,834
Total comprehensive income for the period	2,235,188	2,031,129
Total comprehensive income attributable to:		
- Owners of the Holding Company	1,992,366	1,807,067
- Non-controlling interest	242,822	224,062
	2,235,188	2,031,129

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

Hussain Dawood Chairman	Muhammad Aliuddin Ansari President and Chief Executive

consolidated condensed interim statement of changes in equity (unaudited) for the three months ended march 31, 2014

(Amounts in thousand)

	Attributable to owners of the Holding Company												
			Capital reserves				Revenue reserves						
	Share capital	Share premium	Employee share option compensation reserve	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Un-appropriated profit	Remeasurement of post employment benefits - Actuarial gain / (loss)	Sub total	Non-controlling interest	Total
							Rupees						
Balance as at January 1, 2013 (audited)	5,112,694	10,550,061	-	84,294	213,335	69,122	(362,925)	4,429,240	18,423,593	(12,883)	38,506,531	4,713,908	43,220,439
Total comprehensive income / (loss) for the three months ended March 31, 2013 (unaudited)													
Profit for the period	-	-		-	-	-	-	-	1,785,812	-	1,785,812	228,483	2,014,295
Other comprehensive income	-	-	-	(2,550)	-	(3,848)	27,653	-	-	-	21,255	(4,421)	16,834
	-	-	-	(2,550)	-	(3,848)	27,653	-	1,785,812	-	1,807,067	224,062	2,031,129
Transactions with owners													
Shares issued during the year by subsidiaries under Employees Share Option Scheme	-	-		-	-	-	-	-	19,504	-	19,504	27,705	47,209
Dividend by subsidiary allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(42,570)	(42,570)
	-	-	-	-	-	-	-	-	19,504	-	19,504	(14,865)	4,639
Balance as at March 31, 2013 (unaudited)	5,112,694	10,550,061	-	81,744	213,335	65,274	(335,272)	4,429,240	20,228,909	(12,883)	40,333,102	4,923,105	45,256,207
Total comprehensive income / (loss) for the nine months ended December 31, 2013													
Profit for the period	-	-	-	-	-	-	-	-	6,397,341	-	6,397,341	278,286	6,675,627
Other comprehensive income	-	-	-	(7,652)	-	(29,856)	149,583	-	-	(47,877)	64,198	3,794	67,992
	-	-	-	(7,652)	-	(29,856)	149,583	-	6,397,341	(47,877)	6,461,539	282,080	6,743,619
Transactions with owners													
Effect of partial disposal of shares held in subsidiary company by Holding Company	-	-	-	-	-	-	-	-	701,938	-	701,938	84,388	786,326
Shares issued during the period by subsidiary company	-	-	-	-	-	-	-	-	25,118	-	25,118	153,248	178,366
Options granted during the period by subsidiary company under Employees Share Option Scheme	-	-	407,133	-	-	-	-	-	-	-	407,133	-	407,133
Dividend by subsidiary allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(123,330)	(123,330)
	-	-	407,133	-	-	-	-	-	727,056	-	1,134,189	114,306	1,248,495
Balance as at December 31, 2013 (audited)	5,112,694	10,550,061	407,133	74,092	213,335	35,418	(185,689)	4,429,240	27,353,306	(60,760)	47,928,830	5,319,491	53,248,321
Total comprehensive income / (loss) for the three months ended March 31, 2014 (unaudited)													
Profit for the period	-	-	-	-	-	-	-	-	2,001,374	-	2,001,374	234,145	2,235,519
Other comprehensive income	-	-	-	(2,550)	-	(58,246)	51,788	-	-	-	(9,008)	8,677	(331)
	-	-	-	(2,550)	-	(58,246)	51,788	-	2,001,374	-	1,992,366	242,822	2,235,188
Transactions with owners													
Derecognition of NCI relating to investment in SECMC	-	-	-	-	-	-	-	-	-	-	-	(336,434)	(336,434)
Dividend in Specie declared during the period in theratio of 1 share of Engro Fertilizers Limited for every 10 shares of the Company held	-	-	-	-	-	-	-	-	(511,735)	-	(511,735)	-	(511,735)
Effect of Dividend in Specie (shares of subsidiary company transferred to owners of Holding Company)	-	-	-	-	-	-	-	-	511,735	-	511,735	-	511,735
Options granted during the period by subsidiary company under Employees Share Option Scheme	-	-	114,254	-	-	-	-	-		-	114,254	-	114,254
Share issued during the period by subsidiary company	-	-	-	-	-	-	-	-	1,174,867	-	1,174,867	845,963	2,020,830
Capital gain on divestment of shares of subsidiary company	-	-	-	-	-	-	-	-	772,944	-	772,944	63,134	836,078
	-	-	114,254	-	-	-	-	-	1,947,811	-	2,062,065	572,663	2,634,728
Balance as at March 31, 2014 (unaudited)	5,112,694	10,550,061	521,387	71,542	213,335	(22,828)	(133,901)	4,429,240	31,302,491	(60,760)	51,983,261	6,134,976	58,118,237

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

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

consolidated condensed interim statement of cash flows (unaudited) for the three months ended march 31, 2014

(Amounts in thousand)		March 31, 2014	March 31, 2013
		(Rupees)	
Cash flows from operating activities			
Cash (utilized in) / generated from operations	12	(1,329,861)	4,630,247
Retirement and other service benefits paid		(78,737)	(40,797)
Finance costs paid		(4,071,082)	(3,563,195)
Taxes paid		(898,355)	(247,065)
Long term loans and advances - net		(31,279)	(36,867)
Net cash (utilized in) / generated from operating activities		(6,409,314)	742,323
Cash flows from investing activities			
Purchase of Property, plant and equipment (PPE) and Biological assets		(1,430,298)	(1,311,537)
Sale proceeds on disposal of PPE		70,792	93,844
Income on deposits / other financial assets		638,297	164,099
Long term investments - net		(142,166)	-
Dividends received		225,000	180,000
Net cash utilized in investing activities		(638,375)	(873,594)
Cash flows from financing activities			
Repayments of borrowings - net		(6,172,550)	(1,276,960)
Obligations under finance lease - net		-	(647)
Proceeds from short term investment		100,008	-
Proceeds from issuance of shares by subsidiary company		-	47,209
Advance against Issue of Engro Islamic Rupiya		3,000,000	-
Dividends paid		(811)	(43,130)
Net cash utilized in financing activities		(3,073,353)	(1,273,528)
Net decrease in cash and cash equivalents		(10,121,042)	(1,404,799)
Cash and cash equivalents at beginning of the period		21,914,289	5,333,212
Cash and cash equivalents at end of the period	13	11,793,247	3,928,413

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

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

notes to the consolidated condensed interim finacial information (unaudited) for the three months ended march 31, 2014

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

Engro Corporation Limited (the Holding Company) is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 and its shares are quoted on Karachi, Lahore & Islamabad stock exchanges of Pakistan. The principal activity of the Holding Company is to manage investments in subsidiary companies and joint venture, engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, exploration 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.

1.1 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	
	March 31, 2014	December 31, 2013
- Engro Fertilizers Limited (note 1.1.1)	87.97	100
- Engro Eximp (Private) Limited	100	100
- Engro PowerGen Limited (note 1.1.2)	100	100
- Elengy Terminal Pakistan Limited (note 1.1.3)	100	100
- Engro Foods Limited	87.07	87.07
- Engro Polymer and Chemicals Limited	56.19	56.19
Joint Venture Company:		
- Engro Vopak Terminal Limited	50	50

1.1.1 Engro Fertilizers Limited (Subsidiary Company)

During last year, the Subsidiary Company made an Initial Public Offer (IPO) through issue of 75 million ordinary shares of Rs. 10 each at a price of Rs. 28.25 per share determined through book building process. Out of the total issue of 75 million ordinary shares, 56.25 million shares were subscribed through book building by High Net Worth Individuals and institutional investors whereas the remaining 18.75 million shares were subscribed by the general public. The shares were allotted on January 17, 2014, and the Karachi and Lahore Stock Exchanges approved the Subsidiary Company's application for formal listing and quotation of shares on the same date. On March 20, 2014, the Islamabad Stock Exchange also approved the listing of the Subsidiary Company. The Subsidiary Company's Term Finance Certificates are also listed at the Karachi Stock Exchange.

The Holding Company as at December 31, 2013 held 100% ordinary shares in the Subsidiary Company. However, during 2013, the Holding Company divested 30 million ordinary shares of the Subsidiary Company, which were alloted to the share holders of the Subsidiary Company during the current period. Furthermore, on March 31, 2014, the shareholders of the Holding Company in its Annual General Meeting approved a Dividend in Specie for the year ended December 31, 2013 in the ratio of 1:10 (one share of Engro Fertilizers Limited for every ten shares of the Holding Company held). Accordingly, 51,126,943 shares of the Subsidiary Company (representing 4.29% of Holding Company's investment in the Subsidiary Company) have been duly allotted to the Holding Company's shareholders subsequent to the period end.

(Amounts in thousand)

1.1.2 Engro PowerGen Limited (EPL) (Subsidiary Company)

Sindh Engro Coal Mining Company Limited (SECMC), a subsidiary of EPL, has been formed under a Joint Venture Agreement (JVA), dated September 8, 2009, between the Government of Sindh (GoS 40%), the Subsidiary Company (60%) and EPL. The aforementioned JVA is consequent to the selection of SECMC as GoS's joint venture partner, through an International Competitive Bidding process, for the development, construction and operations of an open cast lignite mine in Block-II of Thar Coal Field, Sindh (the Project), with an annual mining capacity of 6.5 million tons of coal. In this regard, as per JVA, SECMC initiated a Detailed Feasibility Study (DFS) in November 2009 by a team of international consultants and local experts to confirm the technical, environmental, social and economic viability of the Project. The DFS was carried out on an area of 79.6 sq. km allocated to SECMC in Thar Coal field. On August 31, 2010, SECMC completed DFS which was approved by the Technical Committee of GoS.

GoS has granted 30 years mining lease to SECMC for exploration and mining activities in Thar Block-II. Based on the detailed feasibility study conducted by SECMC, Thar Block-II has estimated coal reserves of approximately 2 billion tons, independently verified by a Competent Person Statement (CPS) in 2012, of which 195 million tons will be mined at the rate of 6.5 million tons per year over the period of the mining lease. SECMC and EPL, during 2011, had also received a firm proposal for Engineering, Procurement & Construction (EPC) for 6.5 million tons per annum mining capacity and 1,200 MW power plant from an international contractor. However, in May 2013, SECMC in order to reduce its capital investment and optimize the project size and cost decided to decouple the mining and power projects and accordingly, established its wholly owned subsidiary company, Thar Power Company Limited (TPCL), to set up a 2 x 300 MW power plant. Further, pursuant to the decision of the Cabinet of Economic Coordination Committee (ECC) dated May 31, 2013, Sovereign Guarantee has been approved for the debt portion of the mining project conditional upon the revision of the Joint Venture Agreement whereby GoS shall undertake majority stake in SECMC.

During the current quarter, a revised and ammended JVA was signed on January 24, 2014, under which GoS will have minimum shareholding of 51% and Engro will retain the right to manage SECMC as long as Engro and its affiliates hold a minimum of 26% shareholding in SECMC. Further, as of March 31, 2014, EPL reduced its equity stake in SECMC from 60% to 32% and GoS increased its stake to 68%. Consequent to this change, SECMC became an associated undertaking of EPL and has been accounted for as such in these consolidated condensed interim financial information.

1.1.3 Elengy Terminal Pakistan Limited (Subsidiary Company)

During October 2013, the Subsidiary Company submitted its bid for a Fast Track LNG project tender issued by Inter State Gas Systems (Private) Limited (ISGS) on behalf of Government of Pakistan for receipt, storage and re-gasification of 1.5 million tons of LNG in first year and 3.0 million tons for next 14 years. One more bidder submitted its proposal along with the Company and after technical evaluation by ISGS, only the Company's bid was found technically compliant. The commercial bid was opened as per defined process in the Request for Proposal (RFP) and the project was subsequently approved by the Sui Southern Gas Company Limited (SSGCL) Board on November 26, 2013. The Subsidiary Company immediately entered into discussions for the LNG Services Agreement (LSA) with SSGCL which is expected to be finalized by April 2014. Under the RFP, the Subsidiary Company is required to incorporate a special purpose vehicle which will own and operate the LNG facilities and enter into all project related agreements including the LSA. On January 9, 2014, the Subsidiary Company has incorporated a wholly owned subsidiary, Engro Elengy Terminal (Private) Limited, for this purpose.

(Amounts in thousand)

1.2 The consolidated 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.

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.

The Group's interest in jointly controlled entities, Engro Vopak Terminal Limited and Sindh Engro Coal Mining Company Limited have been accounted for using the Equity Method.

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 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This consolidated condensed interim financial information is being submitted to the shareholders in accordance with section 245 of the Ordinance and should be read in conjunction with the financial statements of the Holding Company for the year ended December 31, 2013.

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 financial statements of the Holding Company for the year ended December 31, 2013.

3. ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of audited annual published financial statements of the Group for the year ended December 31, 2013.

(Amounts in thousand)

4. PROPERTY, PLANT AND EQUIPMENT

	Unaudited March 31, 2014	Audited December 31, 2013
	-----(Rupees)-----	
Operating assets, at net book value	125,110,855	124,581,275
Capital work-in-progress		
- Expansion and other projects	3,796,071	5,805,677
- Major spare parts and stand-by equipment	1,315,575	1,582,088
	130,222,501	131,969,040

5. LONG TERM INVESTMENTS

As more fully explained in note 1.1.2 above, the Joint Venture Agreement (JVA) was in process of being revised as at December 31, 2013. During the current period, JVA has been revised and equity stake of Engro PowerGen Limited (EPL) and Government of Sindh (GOS) in Sindh Engro Coal Mining Company Limited (SECMC) has been changed to 32:68 from 60:40 at the last year end. Accordingly, the nature of investment in the books of EPL has been changed in the current year from a subsidiary company to an associated company, and has been classified as a long term investment at a carrying cost of Rs. 646,818 (Nil:2013)

6. STOCK-IN-TRADE

	Unaudited March 31, 2014	Audited December 31, 2013
	-----(Rupees)-----	
Raw and packing materials	5,802,352	5,068,226
Unprocessed rice	8,427,863	10,930,297
Fuel stock	385,844	366,432
Work-in-process	2,359,131	489,936
Finished goods		
- own manufactured product	4,894,646	3,647,394
- purchased product	626,585	197,486
	5,521,231	3,844,880
	22,496,421	20,699,771

(Amounts in thousand)

	Unaudited March 31, 2014	Audited December 31, 2013
	-----------------(Rupees)-----------------	

7. TRADE DEBTS

Considered good		
- secured	4,711,320	2,331,483
- unsecured	322,445	702,004
	5,033,765	3,033,487
Considered doubtful	38,149	38,595
	5,071,914	3,072,082
Provision for impairment	(38,149)	(38,595)
	5,033,765	3,033,487

8. BORROWINGS

8.1 Engro Corporation Limited (Holding Company)
During the period, upon completion of the three years tenure, the Holding Company repaid the entire remaining principal balance of Engro Rupiya Certificates I aggregating to Rs. 3,784,110 to the Certificate holders along with profit thereon.

8.2 Engro Fertilizers Limited (Subsidiary Company)

8.2.1 The long term finance facilities include Rs 38,539,440 on account of long term finance utilized under markup arrangements by the Subsidiary Company. The long term financing includes a loan of USD 30,000 from the International Finance Corporation (IFC) which carries interest of six months LIBOR plus a spread of 6% or 10% depending on the available free float shares of the Subsidiary Company at June 15, 2015. The management is confident that it will avail the spread of 6% for the entire loan tenor, and hence no related provision for the differential aggregating to Rs 330,487 (December 31, 2013 : Rs. 323,512) has been made in these consolidated condensed interim financial information.This loan is divided into (I) 30% convertible loan on the shares of the Subsidiary Company at Rs. 24 per ordinary share calculated at the dollar rupee exchange rate prevailing on the business day prior to the date of the notices issued by IFC to exercise the conversion option and (ii) 70% non-convertible loan. This conversion option can be exercised upto March 31, 2017. The fair value of the aforementioned conversion option, included in derivative financial instruments, amounts to Rs. 1,655,134 (December 31, 2013: Rs. 654,133).

8.2.2 Under the terms of the agreements for long term borrowings, the Subsidiary Company is required to comply with certain financial debt covenants. As at March 31, 2014 all financial debt covenants have been complied with.

8.2.3 During the period ended March 31, 2014, the documentation of DEG with respect to reprofiling has been completed. Further, as part of the restructuring agreement, USD 36,000 out of total USD 72,000 (Balance as at December 31, 2013) of the Islamic Finance has been converted into a rupee loan.

(Amounts in thousand)

8.3 Engro Polymer and Chemicals Limited (Subsidiary Company)
Under the terms of the agreements for long term borrowings from International Finance Corporation (IFC) and syndicates of banks, the Subsidiary Company is required to comply with certain debt covenants. As at March 31, 2014, all debt covenants have been complied with except for current ratio. Waiver for current ratio deviation has been obtained from IFC, whereas, the same has been applied for local syndicates.

9. ADVANCE AGAINST ISSUE OF ENGRO ISLAMIC RUPIYA

During the current period, the Holding Company received subscription money amounting to Rs. 3,000,000 against the issuance of Engro Islamic Rupiya (EIR) from Institutional Investors under Private Placement and Individual Investors of Engro Rupiya Certificates under Preferential Allocation. Engro Islamic Rupiya shall be Rated, Listed and Secured Islamic Sukuk Certificates of a total Issue size of Rs. 4,000,000 subject to the approval by the Securities and Exchange Commission of Pakistan (SECP). The remaining Rs. 1,000,000 of the total issue size shall be offered through an Initial Public Offer on a first come first serve basis during second quarter of 2014, which is intended for retail investors. Subsequent to the period-end, on April 7, 2014, the Karachi Stock Exchange Limited accorded their clearance on the draft Prospectus of Sukuk subject to fulfillment of certain terms and conditions and obtaining approval from the SECP as required under the Companies Ordinance 1984. The Holding Company has applied to the SECP for the requisite approvals.

10. CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments since December 31, 2013 are mentioned below:

	Unaudited March 31, 2014	Audited December 31, 2013
	-----------------(Rupees)-----------------	
Contingencies:		
Corporate Guarantees issued by Engro Corporation Limited in favor of Subsidiary Companies:		
- Engro Fertilizers Limited (note 10.1)	53,739,880	56,448,271
- Engro PowerGen Qadirpur Limited	985,200	1,057,700
- Engro Foods Canada Limited	226,707	247,785
- Elengy Terminal Pakistan Limited (note10.2)	98,520	104,507
	55,050,307	57,858,263

10.1 The above amount also includes a Corporate Guarantee issued by the Holding Company to International Finance Corporation (IFC) for USD 80,000 under the Amended Agreement entered into by the Subsidiary Company with IFC. Till December 31, 2011, the total amount of the facility has been drawn down by the Subsidiary Company. Further, IFC has an option to convert a tranche of the disbursed loan amounting to USD 15,000, into ordinary shares of the Holding Company at Rs. 205 per ordinary share (reduced to Rs. 119.46 consequent to bonus issues) calculated at the dollar rupee exchange rate prevailing on the business day prior to the date of notices issued by IFC to exercise the conversion option. Such option is to be exercised within a period of no more than five years from the date of disbursement of loan (i.e. December 28, 2009).

(Amounts in thousand)

The Holding Company has also entered into an agreement with the Subsidiary Company that in the event IFC exercises the aforementioned conversion option, the IFC loan amount then outstanding against the Subsidiary Company would stand reduced by the conversion option amount and the Subsidiary Company would pay the rupee equivalent of the corresponding conversion amount to the Company which would simultaneously be given to the Subsidiary Company as a subordinated loan, carrying mark-up payable by the Holding Company for rupee finances of like maturities plus a margin of 1%. The effect of IFC conversion in substance would result in a loan from the Holding Company having the same repayment terms / dates as that of the extinguished loan of IFC i.e. three half yearly installments commencing from September 15, 2015.

Subsequent to the period-end, on April 11, 2014, the Holding Company received a Conversion Notice from IFC requesting to convert USD 7,000 of its conversion option of USD 15,000, into 5,700,318 ordinary shares of the Holding Company at Rs. 119.46 (adjusted option exercise price). Accordingly, these shares have been issued to IFC, subsequent to the period-end. Further, with the conversion option exercised, the subsidiary company has paid the Holding Company Rs. 680,960 i.e. rupee equivalent of USD 7,000 which has been given back to the subsidiary company as a subordinated loan as mentioned above. This condensed interim financial information does not include the effects of the aforementioned conversion, which will be accounted for in the condensed interim financial information for the half year ending June 30, 2014.

10.2 During 2013, Elengy Terminal Pakistan Ltd, a wholly owned subsidiary, submitted a Letter of Guarantee for USD 1,000 in favour of Inter State Gas Systems (Private) Limited as part of its bid for the Fast Track LNG project. The Holding Company has secured the issuance of the Letter of Guarantee through a counter guarantee issued in favour of Soneri Bank Limited which has marked a lien on the running finance facility extended to the Company. During the period, the Letter of Guarantee was extended till June 30, 2014.

(Amounts in thousand)

11. EARNINGS PER SHARE - BASIC AND DILUTED

There is a dilutive effect on the basic earnings per share of the Group, after taking effect of options granted on the Holding Company's shares to IFC, on the loan provided to Engro Fertilizers Limited. Such dilution is based on the average market price of the Holding Company's shares, which is higher than the respective exercise price of options granted to IFC.

	March 31, 2014	March 31, 2013
	-----------------(Rupees)-----------------	
The basic and dilutive earnings per share is based on:		
Profit after taxation (attributable to the owners of the Holding Company)	2,001,374	1,785,812
The information necessary to calculate basic and diluted earnings per share is as follows:		
Profit for the period	2,001,374	1,785,812
Add: Interest on IFC loan of USD 15,000 (net of tax)	43,230	-
	2,044,604	1,785,812
	-----------(Number in Thousands)-----------	
Weighted average number of ordinary shares	511,269	511,269
Add: Weighted average adjustment for assumed conversion of USD 15,000 IFC loan	12,826	-
Weighted average number of ordinary shares for determination of diluted EPS	524,095	511,269

As at March 31, 2013, there was no dilutive effect on the basic earnings per share of the Group since the average annual market share price of the Holding Company's share was less than the exercise price of the options granted on the Holding Company shares to IFC.

(Amounts in thousand)

12. CASH GENERATED FROM OPERATIONS

	March 31, 2014	March 31, 2013
	---(Rupees)---	
Profit before taxation	3,095,189	2,715,126
Adjustment for non-cash charges and other items:		
Depreciation and amortization	2,265,743	2,240,897
Loss / (profit) on disposal/write off of property, plant and equipment and biological assets	195,188	(45,260)
Loss arising from changes in fair value less estimated point-of-sale costs of biological assets	7,460	-
Provision for retirement and other service benefits	21,509	26,617
Income on deposits / other financial assets	(549,779)	(154,976)
Share of income from joint venture companies	(197,003)	(135,456)
Finance costs	2,200,509	3,060,946
Change in fair value of derivative financial instruments	1,001,001	192,322
Foreign currency translation	110,368	3,968
Working capital changes (note 12.1)	(9,480,046)	(3,273,937)
	(1,329,861)	4,630,247

12.1 Working capital changes

Decrease / (increase) in current assets		
- Stores spares and loose tools	(194,753)	(199,042)
- Stock-in-trade	(1,796,650)	1,907,114
- Trade debts	(2,000,278)	(1,067,558)
- Loans, advances, deposits and prepayments	168,129	(54,861)
- Derivative financial instruments	130,207	-
- Other receivables (net)	500,760	(157,939)
	(3,192,585)	427,714
Decrease in current liabilities		
- Trade and other payables including other service benefits (net)	(6,287,461)	(3,701,651)
	(9,480,046)	(3,273,937)

13. CASH AND CASH EQUIVALENTS

Cash and bank balances	5,675,085	2,772,400
Short term investments	12,827,416	4,439,883
Short term borrowings	(6,709,254)	(3,283,870)
	11,793,247	3,928,413

(Amounts in thousand)

14. TRANSACTIONS WITH RELATED PARTIES

Related party comprise subsidiaries, 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:

	March 31, 2014	March 31, 2013
	---(Rupees)---	
Associates and joint ventures		
Purchases and services	1,330,431	1,284,030
Services rendered / sale of goods	41,073	348,251
Retirement benefits	37,408	-
Payment of interest on TFCs and repayment of principal amount	3,315	3,834
Purchase of T-Bills	-	5,325,577
Sale of T-Bills	-	4,745,069
Donations	9,500	-
Investment in mutual funds and T-Bills	-	780,000
Redemption of investments in mutual funds and T-Bills	20,000	781,195
Key Management Personnel		
Remuneration paid to key management personnel / directors	152,345	139,135
Directors Fees	3,400	2,900

15. 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 and related chemicals.
Food	Manufacture, process and sell dairy and other food products.
Power	Includes Independent Power Projects (IPP)
Other operations	Includes chemical terminal & storage services.

(Amounts in thousand)

	March 31, 2014	March 31, 2013
	-----------------(Rupees)-----------------	
Revenue		
Fertilizer	17,679,842	11,484,022
Polymer	5,366,876	5,887,506
Food	12,079,728	11,054,627
Power	3,225,384	2,843,709
Other operations	440,716	841,861
Elimination - net	(438,142)	(810,560)
Consolidated	38,354,404	31,301,165
Profit / (loss) after taxation		
Fertilizer	1,701,674	723,696
Polymer	148,270	262,874
Food	(426,807)	304,442
Power	579,273	579,467
Other operations	803,077	717,621
Elimination - net	(569,968)	(573,805)
Consolidated	2,235,519	2,014,295

	Unaudited March 31, 2014	Audited Dec 31, 2013
	-----------------(Rupees)-----------------	
Assets		
Fertilizer	102,598,827	112,279,943
Polymer	25,467,990	25,368,363
Food	44,590,723	44,017,218
Power	21,022,310	20,562,316
Other operations	36,772,896	37,802,515
Elimination - net	(31,612,794)	(33,122,909)
Consolidated	198,839,952	206,907,446

(Amounts in thousand)

16. CORRESPONDING FIGURES

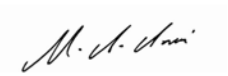
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the consolidated condensed interim balance sheet has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the consolidated condensed 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.

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

17. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information is authorized for issue on April 29, 2014 by the Board of Directors of the Holding Company.

Hussain Dawood
Chairman



Muhammad Aliuddin Ansari
President and Chief Executive