111-211-211
engro.com
engro.corporation
engrocorp

GREEN OFFICE

engro corp

together, we will change the world

First Quarter 2015 Accounts

engro corp

engro corp

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, LNG, a bulk liquid chemical terminal, foods, power generation and commodity trade.

Engro Fertilizers Limited

Engro Fertilizers Limited is a 86% 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) and Tarang (tea whitener).

Engro Powergen Limited

Engro Powergen Limited 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. As of now Engro Powergen Qadirpur Limited is 69% owned by Engro Corp via Engro Powergen whereas the remainder is owned by the International Finance Corporation (IFC) and general public.

In 2010, Engro Powergen's joint venture with the Sindh government, and established The Sindh Engro Coal Mining Company Limited for the purpose of mining coal from Thar Block II in Tharparker district of Sindh. SECMC has achieved substantial progress on the mining project during the 2013 – 2014. Firm EPC bids have been received from four leading Chinese firms. The acquisition process is in progress for initial 5,500 acres of land and the works for 113 million cubic meter overburden removal in Thar Block – II has started.

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 is a 100% owned subsidiary of the company, which has been created to establish and operate a terminal for the handling, regasification, storage, treatment and processing of Liquefied Natural Gas (LNG) , Re-gasified Liquefied Natural Gas (RLNG), Liquid Petroleum Gas (LPG), Natural Gas Liquid (NGL) and all other related liquids, gases and chemical & petroleum products. The Federal Cabinet has approved import of Liquefied Natural Gas (LNG) and a LNG terminal to be constructed in Port Qasim Karachi. In line with the approval, LNG Services Agreement (LSA) has been signed between SSGC and Elengy Terminal Pakistan Limited (ETPL)

directors' report

Global GDP is forecasted to grow by 3.5% during 2015 by IMF, down from earlier projections of 3.8%. The 2015 growth expectations were cut down despite a net positive effect due to lower oil prices as the boost was more than offset by a downward adjustment in the advanced economies except USA. Further, the expectations were significantly revised downwards for emerging and developing markets. The major fall came from revisions in prospects of China, Russia, Euro area, Japan as well as weaker activity in major oil exporters.

On the other hand, Pakistan's economy continues to strengthen. Pakistan's credit rating outlook was raised from stable to positive, signaling an upgrade in the future if the economy continues growth at the same momentum. Lower oil prices have resulted in higher foreign exchange reserves and lower inflation, further boosting consumption and growth. State Bank also announced 150bps cuts during 1Q15, in light of decreasing inflationary pressures. The Current Account deficit shrank by USD 1.23 billion in 9MFY15 compared to the same nine-month period of FY14 when it was USD 2.69 billion. The decrease is partly attributable to the Coalition Support Fund (CSF), as Pakistan received $717 million in the second week of February. By the end of the first quarter, IMF also granted approval of seventh tranche of USD 501mn under Extended Fund Facility (EFF).

Business Review

On a consolidated basis, Engro Corporation recorded an 8% increase in revenue up from PKR 38.4 billion in 1Q14 to PKR 41.4 billion in 1Q15. The increase came from the fertilizers, foods and polymers businesses, slightly offset due to lower power generation and rice sales. The earnings also increased significantly on the back of better margins from various businesses. The profit-after-tax grew from PKR 2,057 million in 1Q14 to PKR 3,636 million in 1Q15, posting an increase of 77% over the same quarter last period. Based on its strong first quarter results, the Company declared an interim cash dividend of PKR 2 per share. A summary of business-wise financial performance is as follows:

	1Q 2015		1Q 2014	
Company	Revenue	Profit / (Loss) After Tax	Revenue	Profit / (Loss) After Tax
Engro Corp (Standalone)	487	351	441	860
Engro Fertilizers	17,673	3,059	14,896	1,437
Engro EXIMP	1,762	(578)	4,670	(352)
Engro Foods	12,576	1,069	10,168	190
Engro PowerGen	2,501	459	3,225	579
Engro Polymers	6,701	(107)	5,367	148
Engro Corp Consolidated	41,372	3,636*	38,354	2,057*

(Excluding Non-controlling interest)

Engro Fertilizers

Domestic industry off-take increased to 1.5 million tons in 1Q15 as compared to 1.38 million tons for same period last year, largely due to carryover demand from 4Q14 on account of delayed sowing of wheat. Further, the demand increase was also linked to expected gas price hike from April 2015, which has not yet materialized. On the production front, domestic production rose to 1.22 million tons in 1Q15, versus 1.15 million tons same period last year due to higher production by plants on the Mari network. Domestic Urea prices remained stable at PKR 1,813 per bag during the quarter due to unchanged gas prices. On the international front, after a relatively uneventful Jan-Feb, urea prices showed some softness by end Mar – early Apr. Even so, the gap between domestic and international prices remains at a comfortable level.

EFert's urea production for the quarter stood at 486KT as compared to 456KT in the first quarter of the last year i.e. an increase of 6.6%, mainly due to continuous operation of both plants during the first quarter of 2015. Further, the Company sold 481KT of urea versus 451KT in the first quarter of 2014 showing a growth of 6.2% and locking in an overall urea market share of 32% and a branded urea market share of 40%. The Company's blended fertilizers (Zarkhez & Engro NP) sales for the quarter increased to 27.8KT from 25.8KT in 1Q 14.

At the request of the Government, and without compromising our legal stance on the same, the fertilizer industry agreed to pay GIDC arrears (in installments till June 30, 2015) barring on concessionary gas to the Government. The 1st installment of PKR 4.2 billion was paid in March.

Following ECC approval in December 2014, EFert continued to receive 60 MMSCFD additional gas from Mari Shallow throughout 1Q15. Further, as part of the said ECC decision, the Company was also required to install compressors for Guddu Power Plant (Genco II) at its own cost. Guddu compressor project is underway and is expected to be completed within the upcoming quarter.

During the quarter, the company was also successful in obtaining gas at concessionary rates effective March 16, 2015, subsequent to OGRA endorsement of SNGPL-Mari novation agreement. Therefore the company was able to double its net profit to PKR 3.1 billion from PKR 1.4 billion for the same period last year on account of higher sales and implementation of concessionary pricing.

Engro Eximp

Subsequent to the year-end, the shareholders of Engro Corporation, in the Annual General Meeting held on April 22, 2015 have approved the sale of entire shareholding of the Company in Engro Eximp (including Eximp FZE) to Engro Fertilizers, together with the rights to use 'Engro' trademarks (under license from Company to Eximp) for imported fertilizers and associated products. The consolidation of fertilizers business under one entity will further strengthen synergies between the Engro's business lines and allow the Group to create value and increase its footprint in agricultural inputs. To maintain focus on the core business, Eximp has discontinued its Coal and Agri-commodities trading businesses. The rice business is also being delinked from trading business, in order to bring the required focus as part of rice business restructuring plan.

DAP sales were 36KT during the quarter, with EFert selling 25KT. Eximp's DAP trade was restricted to only one vessel which was locked in last year. This level of activity is as per the Company's plans and in line with the cyclical nature of the business. Of the 14KT imported, 11KT of DAP was sold during the quarter at an improved margin due to lower priced purchase.
Our rice business strategy is to minimize open exposures by locking in sales prior to paddy procurement. Within the first quarter, 9KT of paddy and 373 tons of unfinished rice was procured. The business exported 1,724 tons and locally sold 6,097 tons of rice during the quarter. The Company's procurement strategy was focused on restricting quantities to the extent high quality (low moisture) paddy is procured. This approach resulted in price advantage during the purchase cycle, as well as an important step towards curtailing losses. Hence, the rice business reduced its loss-after-tax to PKR 448 million for the quarter as compared to loss-after-tax of PKR 612 million for corresponding period last year.

Engro Foods

EFoods had a resounding start to the year with 25% growth in revenues and 385% growth in overall profitability, on a year over year basis, on the back of robust performance in the dairy and beverages segment. Revenue for the period was PKR 12.6 billion versus PKR 10 billion in the same period last year, while the overall profits were PKR 1,069 million versus PKR 190 million in the same period last quarter. Sustained and impactful investment on brands and effective pricing strategy were the key elements in achieving a double digit growth, further accentuated by favorable commodity prices.

Dairy and Beverages segment built on the momentum it created in 4Q14 whereby the segment witnessed volumetric growth of around 22% in first quarter versus the same period last year. The Company share of the dairy market was 56% as of February 2015 (as per AC Nielsen). The segment reported a top line of PKR 12 billion registering a growth of 26% versus the same period last year. Marketing investment doubled as compared to same period last year to further strengthen brand equities. Profit-after-tax for the three months was PKR 1,172 million showing an increase of 165% versus the same period last year. The increase in PAT was due to higher volumes as well as lower milk procurement prices, fuel and energy cost.

During 1Q15, the Ice Cream business witnessed volumetric growth of 16% versus the same period last year. This growth was led by consumer relevant product launches, geographical expansion and operational excellence in the distribution network.

The Company's Dairy Farm continued to remain a rich and nutritious source of raw material for our dairy segment. Due to impact of animals' valuation and better yield, the segment reported a profit of PKR 33 million for 1Q15 versus loss of PKR 20 million during 1Q14.

Engro Powergen

Engro Powergen Qadirpur Limited (EPQL) earned a PAT of PKR 459 million in 1Q15 versus PKR 585 million in the same period last year, as a result of WAPDA grid issues resulting in lower Net Electric Output of 365 GwH dispatched to the national grid versus 442 GwH dispatched in same period last year. This resulted in lower load factor of 79% compared to 95% in 1Q14. At the quarter-end, overdue receivables from PEPCO stood at PKR 1,852 million versus PKR 1,210 million at the last year-end. The overdue payables to SNGPL at quarter-end were PKR 329 million versus PKR 232 million at year-end.

Mining activities of SECMC are on track. During the quarter, over-burden removal continued and 2.7 million BCM removal work has been completed. The development of Phase I of LBOD fresh water supply scheme stands at 64%. Similarly, Phase II is being continuously monitored for development and is expected to be completed by December 2016. Coal Tariff Petition submitted by SECMC has been admitted and public hearing on tariff petition was held during February 2015 in Karachi.

During the quarter, generation license has been issued to Engro Powergen Thar Ltd and the upfront tariff has been notified.

Engro Polymer

PVC resin production during the quarter increased by 23.4% to 41.2KT as the Company realized full benefit of PVC debottlenecking projects that were completed last year. Due to higher PVC capacity, the Company was able to consume 90% of VCM available for PVC production. Caustic production during the quarter was 26KT. Towards the end of 1Q15, the company undertook a routine maintenance shutdown and plant startups are expected in first week of April 2015.

EPolymer posted revenues of PKR 6.7 billion in 1Q15 versus PKR 5.4 billion in same period last year. 61% increase in domestic PVC sales to 40.3KT and 9% increase of caustic domestic sales to 23.7KT as compared to same period last year accounted for the 25% increase in revenues versus same period last year.

The PVC – Ethylene core delta was on the high side during 1Q15 due to low Ethylene prices as international crude oil prices fell sharply. However, Caustic prices remained under pressure due to competitive pressures and high energy prices in the domestic market which adversely effected margins of all products. Imposition of 5% regulatory duty last year on imports of Ethylene and EDC by the Federal Board of Revenue (FBR) continued to increase company's raw material cost and impacted financial performance. The company is in close coordination with FBR to obtain duty withdrawal on Ethylene and EDC.

Despite higher sales volume, the company posted a loss-after-tax of PKR 107 million versus profit-after-tax of PKR 148 million for the same period last year, due to higher energy prices, duty impact on raw material and high cost raw material inventory carried over from last year.

Engro Vopak

The company recorded revenue of PKR 646 million and profit-after-tax of PKR 431 million during 1Q15 versus PKR 518 million and PKR 394 million respectively during same period last quarter. The increase in top and bottom line mainly came from positive tariff impact of LPG import as SSGCL's terminal remained close for the first two months and all LPG imported to the country was therefore handled by EVTL.

Engro Elengy

During the year 2014, Engro embarked on the journey to build Pakistan's first LNG Storage and Regasification Terminal. A LNG Operations and Services Agreement (LSA) was entered into with Sui Southern Gas Company Limited (SSGCL) in April 2014, whereby we had committed to achieve commercial operations by March 31, 2015. On March 29, 2015, the Company received Certificate of Acceptance from SSGCL after successful completion of tests as per LSA and initiated delivery of re-gasified LNG to SSGCL. The project was constructed ahead of time on March 29, 2015, in a record period of 300 days, making it amongst the fastest terminals built in the world. The terminal facility has successfully started its commercial operations and shall be contributing towards the Company's profitability.

The project has yet again demonstrated Engro's commitment towards the betterment of the country as it will enable the Government of Pakistan to alleviate the increasing natural gas shortage of the country by up to 30%. The Project has been built utilizing the existing infrastructure of Engro thus resulting in reduced capital expenditure as compared to other terminals across the globe and one of the lowest tariff in the world of $0.66/mmbtu.

Business Outlook

Engro Fertilizers

Fertilizer Review Committee has proposed import of 350KT of urea, out of which 80KT is expected to arrive by end of April. Local urea demand is expected to remain stable in 2Q15 despite the government decision to import urea which is likely to bridge the gap between local production and sales for the upcoming Kharif season.

Based on the earlier ECC approved temporary gas allocation of 60 MMSCFD, the Company expects to continue to operate both its plants throughout 2015. In March 2015, the ECC also approved additional 3 MMSCFD gas to EFert from Maru East which is likely to flow in the next few weeks.

Engro Eximp

The rice margins are expected to remain under pressure due to excess supply situation in the local and export markets. Going forward the company shall be focusing on enhancing export sales and developing local branded sales channel while minimizing its open exposures.

Engro Foods

The company maintains a positive outlook on the economy due to improving macroeconomic indicators and declining commodity prices. The company will continue its thrust to grow in all categories by making significant brand investment and remains confident of maintaining a strong performance for 2015, by sharpening focus on key growth parameters including innovation, brand health and operational excellence.

Engro Powergen

EPQL continues to focus on plant performance improvement initiatives to ensure its reliability and availability to the national grid and ensure maximum benefit for all stakeholders. Accordingly, the company plans to undertake its first major turnaround activity (due after every 6 years) during April and is expected to complete the activity within the available allowance of 60 days under the Power Purchase Agreement.

Engro Powergen continues to seek new opportunities in the energy sector around the world in partnership with international players to utilize Engro's strong engineering and project management skills. Further, in partnership with Government, the Thar mining and power projects are expected to remain on track for completion within next four years, playing an important part in resolving the country's energy crisis.

Engro Polymer

Domestic PVC and Caustic demand is expected to remain stable during 2Q15, however, core PVC and Ethylene margins are expected to witness pressure due to rise in Ethylene prices as Ethylene plants in the region undergo turnarounds. The product margins will remain under pressure due to high energy prices and any further increase in energy prices could be a possible challenge during next quarter.

Engro Vopak

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

Engro Elengy

After successful completion and acceptance of tests on 29th March, 2015, the company is expected to maintain its operations. The project will play a significant role in alleviating some of the energy shortage faced by the country and it will place Engro at the forefront for 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, 2015

(Amounts in thousand)

	Note	(Unaudited) March 31, 2015	(Audited) December 31, 2014
		----------Rupees----------	
ASSETS			
Non-current assets			
Property, plant and equipment	3	73,859	76,119
Long term investments	4	26,984,885	28,879,985
Long term loans and advances	5	33,745	2,165,599
Deferred taxation		13,721	84,450
		27,106,210	31,206,153
Current assets			
Loans, advances and prepayments	6	4,937,986	4,725,454
Other receivables		364,715	184,801
Taxes recoverable		219,154	214,301
Short term investments		610,070	721,700
Cash and bank balances		442,939	531,534
		6,574,864	6,377,790
Investment classified as held for sale	4	4,045,100	-
TOTAL ASSETS		37,726,174	37,583,943
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 gain		5,462	5,462
Unappropriated profit		10,424,201	10,072,770
		27,927,135	27,575,704
TOTAL EQUITY		33,164,983	32,813,552
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations		18,219	17,029
Current liabilities			
Trade and other payables		383,443	461,075
Borrowings		3,955,171	3,951,521
Accrued interest / mark-up		115,073	250,274
Unclaimed dividends		89,285	90,492
		4,542,972	4,753,362
TOTAL LIABILITIES		4,561,191	4,770,391
Contingencies and Commitments	7		
TOTAL EQUITY & LIABILITIES		37,726,174	37,583,943

The annexed notes from 1 to 14 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, 2015

(Amounts in thousand except for earnings per share)

	Note	March 31, 2015	(Restated) March 31, 2014
		----------Rupees----------	
Dividend income		247,500	225,000
Royalty income		239,638	215,716
		487,138	440,716
Administrative expenses		(49,643)	(49,819)
		437,495	390,897
Other income		166,301	790,828
Other operating expenses		(9,387)	(17,723)
Operating Profit		594,409	1,164,002
Finance cost		(145,154)	(313,363)
Profit before taxation		449,255	850,639
Taxation		(97,824)	9,264
Profit for the period		351,431	859,903
Other comprehensive income for the period			
Items that will not be reclassified to profit or loss			
- Remeasurement of retirement benefit obligation - Actuarial loss - net of tax		-	(1,102)
Total comprehensive income for the period		351,431	858,801
Earnings per share - basic and diluted	8	0.67	1.68

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

condensed interim statement of changes in equity for the three months ended march 31, 2015

(Amounts in thousand)

	Share capital	Capital Reserve Share premium	Revenue Reserves General reserve	Revenue Reserves Remeasurement of post employment benefits - Actuarial gain	Revenue Reserves Unappropriated profit	Total
	---Rupees---					
Balance as at January 01, 2014	5,112,694	10,550,061	4,429,240	9,871	9,137,267	29,239,133
Total comprehensive income for the three months ended March 31, 2014	-	-	-	(1,102)	859,903	858,801
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	8,769	9,485,435	29,586,199
Total comprehensive income for the nine months ended December 31, 2014	-	-	-	(3,307)	1,621,275	1,617,968
Transactions with owners						
Shares issued upon exercise of conversion option	125,154	2,518,171	-	-	-	2,643,325
Interim cash dividend for the year ended December 31, 2014 @ Rs. 2.00 per share	-	-	-	-	(1,033,940)	(1,033,940)
Balance as at December 31, 2014 / January 01, 2015	5,237,848	13,068,232	4,429,240	5,462	10,072,770	32,813,552
Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	351,431	351,431
Balance as at March 31, 2015	5,237,848	13,068,232	4,429,240	5,462	10,424,201	33,164,983

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

condensed interim statement of cash flows (unaudited) for the three months ended march 31, 2015

(Amounts in thousand)

	Note	March 31, 2015	(Restated) March 31, 2014
		---Rupees---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	9	(173,301)	(150,229)
Royalty received		245,894	160,254
Taxes paid		(31,948)	(165,146)
Retirement and other service benefits paid		(277)	(14,374)
Long term loans and advances - net		(18,146)	(13,511)
Net cash generated from / (utilized in) operating activities		22,222	(183,006)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		247,500	225,000
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries		32,942	357,213
Investment in subsidiary company		(2,150,000)	-
Loan disbursed to subsidiary company		(221,000)	(200,000)
Repayment of loan disbursed to subsidiary company		2,150,000	600,000
Purchases of property, plant and equipment (PPE)		(4,335)	(1,848)
Sale proceeds on disposal of PPE		743	1,780
Net cash generated from investing activities		55,850	982,145
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of financial charges		(277,090)	(472,013)
Repayment of Engro Rupiya Certificates I		-	(3,784,126)
Advance against Issue of Engro Islamic Rupiya Certificates		-	3,000,000
Dividends paid		(1,207)	(811)
Net cash utilized in financing activities		(278,297)	(1,256,950)
Net decrease in cash and cash equivalents		(200,225)	(457,811)
Cash and cash equivalents at beginning of the period		1,253,234	2,921,498
Cash and cash equivalents at end of the period	10	1,053,009	2,463,687

The annexed notes from 1 to 14 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 for the three months ended march 31, 2015

(Amounts in thousand)

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 BASIS OF PREPARATION

2.1 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 or 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 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 Company for the year ended December 31, 2014.

2.2 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, 2014.

2.3 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.

2.4 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, 2014.

3. PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) March 31, 2015	(Audited) December 31, 2014
	-----Rupees-----	
Operating assets (note 3.1)	60,384	66,823
Capital work in progress (note 3.2)	13,475	9,296
	73,859	76,119

3.1 Additions to operating assets during the period / year amounted to Rs. 147 (December 31, 2014: Rs. 49,255). Operating assets costing Rs. 1,041 (December 31, 2014: Rs. 14,196) having a net book value of Rs. 350 (December 31, 2014: Rs. 3,749), were disposed off during the period / year for Rs. 743 (December 31, 2014: Rs. 4,571).

3.2 This mainly represents advance paid to suppliers.

(Amounts in thousand)

4 LONG TERM INVESTMENTS

4.1 Engro Eximp (Private) Limited
During the period, the Company has made a further equity investment of Rs. 2,150,000 through subscription of 215,000 ordinary shares of Rs. 10 each (at a premium of Rs. 9,990 per share), in Engro Eximp (Private) Limited (EXIMP).

EXIMP, a wholly owned subsidiary of the Company, is engaged in the commodity trading business that deals primarily in the import and trading of phosphate and potash based fertilizers for Engro Fertilizers Limited (EFert), a 85.8% owned quoted subsidiary of the Company. The imported phosphates based fertilizers are distributed and marketed through EFert's network as an extension of Engro's overall fertilizer portfolio. EXIMP has two wholly owned subsidiaries i.e. Engro Eximp Agriproducts (Private) Limited and Engro Eximp FZE, UAE.

On February 18, 2015, the Board of Directors of the Company in its meeting has proposed (subject to regulatory approvals) to transfer 100% of the Company's equity in EXIMP (along with its wholly owned subsidiary - Engro Eximp FZE, UAE) to EFert, together with rights to use 'Engro' trademarks (under license from the Company to EXIMP) for imported fertilizers / associated products, against a lump sum consideration of Rs 4,400,000 which has been determined on the basis of an independent third party valuation. The book value of the investment as carried in the Company's books is Rs 4,045,100. The consideration payable assumes the net book value (not including intangible assets) of EXIMP to be Rs 63 million and any variation in such value will be adjusted in the purchase price. EXIMP's other wholly owned subsidiary, Engro Eximp Agriproducts (Private) Limited, which is engaged in the rice processing business, is to be acquired by the Company from EXIMP for Rs 4,400,000 in order to delink the rice business from the trading entity and bring in the required focus as part of its restructuring plans. These corporate actions are expected to be value enhancing for the Company as it creates value through synergies and increases its footprint in the agricultural inputs. Accordingly, as of the balance sheet date, the Company has classified the investment in Engro Eximp (Private) Limited as 'Held for Sale'.

Subsequent to the balance sheet date, the shareholders of the Company, in its Annual General Meeting held on April 22, 2015, have approved the sale of Company's entire shareholding in Engro Eximp (Private) Limited to Engro Fertilizers Limited.

4.2 Engro Fertilizers Limited (EFert)
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, 2014, IFC had partially exercised its option on loan amounting to USD 5,000. Accordingly, 20,541,667 ordinary shares of EFert were allotted to the IFC.

During the period, on January 9, 2015, EFert received a second notice from IFC for exercise of options on further USD 3,000 of the loan amount. Accordingly, 12,590,625 ordinary shares of EFert have been allotted to IFC on January 14, 2015.

As a result of the above, the Company, as of balance sheet date, holds 85.78% of the share capital of Engro Fertilizers Limited.

5 LONG TERM LOANS AND ADVANCES

During 2012-13, the Company had extended loans of Rs 2,150,000 to Engro Eximp (Private) Limited, a wholly owned subsidiary. The loans were repayable through one lump sum installment due on June 28, 2017. During the period, the subsidiary company, has fully repaid the loans to the Company.

(Amounts in thousand)

6 LOANS, ADVANCES AND PREPAYMENTS

During the period, the Company further extended Rs 221,000 (December 31, 2014: Rs 4,036,124) to Elengy Terminal Pakistan Limited, a wholly owned subsidiary company, to meet its working capital requirements. The loan is subordinated to the finances provided to the subsidiary company by its creditors (other than trade creditors) at the rate of 3 months KIBOR plus 3.5% per annum, payable on a quarterly basis.

7 CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments since December 31, 2014 are mentioned below :

	(Unaudited) March 31, 2015	(Audited) December 31, 2014
	----------Rupees----------	
Corporate Guarantees issued in favor of Subsidiary Companies:		
- Engro Fertilizers Limited (note 7.1)	36,870,388	40,460,159
- Engro Powergen Limited (note 7.2)	295,122	-
- Engro Powergen Qadirpur Limited	1,017,000	1,006,000
- Engro Elengy Terminal (Private) Limited	2,034,000	2,012,000
- Engro Eximp (Private) Limited	559,350	553,300
	40,775,860	44,031,459

7.1 The above amount includes Corporate Guarantee amounting to USD 57,000 (December 31, 2014: USD 60,000) to International Finance Corporation (IFC) against loans of USD 50,000 under the C Loan Agreement and further USD 30,000 under the Amended Facility Agreement entered into by the Subsidiary Company with IFC.

During the period, as fully explained in note 4.2 above, IFC has further exercised its conversion option on Subsidiary Company's shares, under the Amended Facility Agreement converting loan of USD 3,000 into 12,590,625 ordinary shares of the Subsidiary Company.

7.2 The Company has extended Corporate Guarantees amounting to Rs. 228,000 and USD 660 to banks against Letter of Guarantee facility granted to Engro Powergen Limited, a wholly owned subsidiary company.

8 EARNINGS PER SHARE

	March 31, 2015	(Restated) December 31, 2014
	----------Rupees----------	
Profit for the year	351,431	859,903
Add: Loss on revaluation of conversion options on IFC loan - net of tax	-	63,405
Less: Interest on subordinated loan	-	(14,812)
Profit used for the determination of Diluted EPS	351,431	923,308
	(Number of shares)	
Weighted average number of ordinary shares	523,785	511,269
Add : Weighted average adjustments for conversion of USD 15,000 IFC loan	-	1,077
Weighted average number of shares for determination of diluted EPS	523,785	512,346

(Amounts in thousand)

	3 months ended March 31, 2015	(Restated) 3 months ended March 31, 2014
	----------Rupees----------	
9 CASH UTILIZED IN OPERATIONS		
Profit before taxation	449,255	850,639
Adjustment for non-cash charges and other items:		
Depreciation	6,245	5,055
(Gain) / loss on disposal of property, plant and equipment	(393)	167
Provision for retirement and other service benefits	1,467	15,161
Income on deposits / other financial assets	(165,908)	(255,190)
Capital gain on partial disposal of long-term investment	-	(535,805)
Dividend income	(247,500)	(225,000)
Royalty income	(239,638)	(215,716)
Financial charges	145,154	313,363
Working capital changes (note 9.1)	(121,983)	(101,900)
	(173,301)	(149,226)
9.1 Working capital changes		
Decrease / (increase) in current assets		
- Loans, advances, deposits and prepayments	8,468	(25,701)
- Other receivables (net)	(52,819)	(30,029)
	(44,351)	(55,730)
Decrease in current liabilities		
- Trade and other payables including other service benefits (net)	(77,632)	(46,170)
	(121,983)	(101,900)

10 CASH AND CASH EQUIVALENTS

	March 31, 2015	March 31, 2014
	----------Rupees----------	
Short term investments	610,070	-
Cash and bank balances	442,939	3,050,967
Short term finance from banks	-	(587,280)
	1,053,009	2,463,687

11 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, 2015	3 months ended March 31, 2014
	----------------------Rupees----------------------	
Subsidiary companies		
Purchases and services	4,150	4,777
Services rendered	151,334	158,258
Mark up from subsidiaries	146,168	199,102
Disbursement of loan	221,000	200,000
Repayment of loan by subsidiary companies	2,150,000	600,000
Royalty Income, net of sales tax	239,638	215,716
Reimbursements to subsidiary companies	13,930	5,759
Expenses paid on behalf of subsidiary companies	66,950	96,012
Investments	2,150,000	-
Service fees against Corporate Guarantees	2,508	2,826
Remittance in subsidiary company	5,405	-
Associated companies		
Purchases and services	5	341
Services rendered	18,400	-
Retirement Benefits	8,239	4,348
Donations	8,000	6,000
Investment in T-bills	608,070	-
Redemptions in T-bills	719,701	-
Reimbursement to associated companies	1,535	13
Expenses paid on behalf of associated companies	2,442	2,068
Joint ventures		
Services rendered	273	372
Dividend received	247,500	225,000
Reimbursement to joint venture company	-	17,736
Expenses paid on behalf of joint venture company	212	290
Others		
Directors' fees	2,700	1,900
Remuneration of key management personnel	24,197	22,465
Sale of operating assets	-	1,780
Reimbursements to key management personnel	1,670	1,544

(Amounts in thousand)

12 NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

12.1 The Board of Directors in its meeting held on February 18, 2015 had proposed a final cash dividend of Rs. 4.00 per share for the year ended December 31, 2014 amounting to Rs. 2,095,139 for approval of the members at the Annual General Meeting (AGM). The members have approved the dividend in the AGM held on April 22, 2015. The effect of this has not been incorporated in this condensed financial information.

12.2 The Board of Directors in its meeting held on April 28, 2015 has approved an interim cash dividend of Rs 2.00 per share for the year ending December 31, 2015 (December 31, 2014 : Rs 6.00 per share). This condensed interim financial information does not reflect the dividend payable.

13 CORRESPONDING FIGURES

Prior period's figures in condensed interim statement of comprehensive income and condensed interim statement of cash flows have been restated consequent to the exercise of option on the Company's shares by the International Finance Corporation on its loan to Engro Fertilizers Limited, as more fully explained in the note 4 of the annual audited financial statements of the Company for the year ended December 31, 2014. Other corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.

14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 28, 2015 by the Board of Directors of the Company.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

consolidated condensed interim balance sheet as at march 31, 2015

(Amounts in thousand)

	Note	(Unaudited) March 31, 2015	(Audited) December 31, 2014
		------Rupees------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	135,674,405	134,507,257
Biological assets		898,753	858,680
Intangible assets		274,754	296,093
Deferred taxation		1,119,557	1,103,153
Deferred employee compensation expense	6	119,032	112,581
Long term investments		2,707,605	2,735,157
Long term loans and advances		1,626,572	1,183,224
		142,420,678	140,796,145
Current assets			
Stores, spares and loose tools		7,692,237	7,547,456
Deferred taxation		960,537	960,537
Stock-in-trade		12,675,118	11,567,174
Trade debts		3,790,663	4,615,213
Deferred employee compensation expense	6	76,630	90,430
Derivative financial instruments		1,505	-
Loans, advances, deposits and prepayments		1,344,631	1,708,023
Other receivables		5,548,401	5,317,228
Taxes recoverable		3,227,304	3,252,789
Short term investments		22,099,639	28,987,084
Cash and bank balances		5,783,124	12,244,533
		63,199,789	76,290,467
TOTAL ASSETS		205,620,467	217,086,612

(Amounts in thousand)

	Note	(Unaudited) March 31, 2015	(Audited) December 31, 2014
		------Rupees------	
EQUITY AND LIABILITIES			
Equity			
Share capital		5,237,848	5,237,848
Share premium		13,068,232	13,068,232
Employee share compensation reserve		398,894	399,740
Revaluation reserve on business combination		61,340	63,890
Maintenance reserve		178,758	178,758
Exchange revaluation reserve		7,274	4,289
Hedging reserve		(109,079)	(143,339)
General reserve		4,429,240	4,429,240
Unappropriated profit		38,342,626	33,996,946
Remeasurement of post-employment benefits		(58,358)	(58,358)
		56,318,927	51,939,398
		61,556,775	57,177,246
Non-controlling interest		11,740,362	10,847,266
Total Equity		73,297,137	68,024,512
Liabilities			
Non-current liabilities			
Borrowings	7	52,263,032	55,379,841
Derivative financial instruments		338,846	51,103
Deferred taxation		7,777,361	6,558,433
Deferred liabilities		123,004	197,543
		60,502,243	62,186,920
Current liabilities			
Trade and other payables	8	36,883,814	53,498,390
Accrued interest / mark-up		1,486,931	2,067,680
Current portion of :			
-borrowings		17,308,883	17,945,494
-deferred liabilities		45,879	43,338
Short term borrowings		15,823,719	11,764,678
Derivative financial instruments		182,576	1,465,108
Unclaimed dividends		89,285	90,492
		71,821,087	86,875,180
Total Liabilities		132,323,330	149,062,100
Contingencies and Commitments	9		
TOTAL EQUITY AND LIABILITIES		205,620,467	217,086,612

The annexed notes 1 to 18 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, 2015

(Amounts in thousand except for earnings per share)

	Note	March 31, 2015	(Restated) March 31, 2014
		----------Rupees----------	
Net sales		41,372,169	38,354,404
Cost of sales		(29,925,128)	(28,979,116)
Gross profit		11,447,041	9,375,288
Selling and distribution expenses		(2,502,034)	(2,397,650)
Administrative expenses		(951,060)	(984,176)
		7,993,947	5,993,462
Other income		1,135,327	616,741
Other operating expenses		(578,739)	(1,514,987)
Finance cost		(2,368,908)	(2,295,144)
Share of income from joint ventures		219,949	203,378
Profit before taxation		6,401,576	3,003,450
Taxation	10	(2,163,385)	(712,741)
Profit for the period		4,238,191	2,290,709
Profit attributable to:			
- Owners of the Holding Company		3,636,286	2,056,564
- Non-controlling interest		601,905	234,145
		4,238,191	2,290,709
Earnings per share			
- Basic	11	6.94	4.02
- Diluted	11	6.94	4.02

The annexed notes 1 to 18 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, 2015

(Amounts in thousand)

	March 31, 2015	(Restated) March 31, 2014
	----------Rupees----------	
Profit for the period	4,238,191	2,290,709
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Hedging reserve - cash flow hedges		
Losses arising during the period	(11,679)	(1,139,300)
Reclassification adjustments for losses included in profit or loss	30,585	1,237,005
Adjustments for amounts transferred to initial carrying amount of hedged items	37,621	35,710
	56,527	133,415
Revaluation reserve on business combination	(5,328)	(5,409)
Exchange differences on translation of foreign operations	2,984	(64,661)
	54,183	63,345
Income tax relating to:		
-Hedging reserve - cash flow hedges	(17,964)	(65,515)
-Revaluation reserve on business combination	1,758	1,839
	(16,206)	(63,676)
Other comprehensive income for the period, net of tax	37,977	(331)
Total comprehensive income for the period	4,276,168	2,290,378
Total comprehensive income attributable to:		
- Owners of the Holding Company	3,670,981	2,047,556
- Non-controlling interest	605,187	242,822
	4,276,168	2,290,378

The annexed notes 1 to 18 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 for the three months ended march 31, 2015

(Amounts in thousand)

	Attributable to owners of the Holding Company												
		Capital reserves					Revenue reserves						
	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 post employment benefits - Actuarial gain / (loss)	Sub total	Non-controlling interest	Total
	Rupees												
Balance as at January 1, 2014 (audited and restated)	5,112,694	10,550,061	407,133	74,092	213,335	35,418	(185,689)	4,429,240	26,832,821	(60,760)	47,408,345	5,319,491	52,727,836
Total comprehensive income / (loss) for the three months ended March 31, 2014 (unaudited)													
Profit for the period (restated)	-	-		-	-		-	-	2,056,564	-	2,056,564	234,145	2,290,709
Other comprehensive income	-	-	-	(2,550)	-	(58,246)	51,788	-	-	-	(9,008)	8,677	(331)
	-	-	-	(2,550)	-	(58,246)	51,788	-	2,056,564	-	2,047,556	242,822	2,290,378
Transactions with owners													
Derecognition of NCI relating to investment in SECMC	-	-		-	-	-	-	-	-	-	-	(336,434)	(336,434)
Dividend in Specie 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)	-	(511,735)
Effect of Dividend in Specie (shares of subsidiary company transferred to owners of Holding Company)	-	-	-	-	-	-	-	-	511,735	-	511,735	-	511,735
Employees Share Option Scheme of subsidiary company	-	-	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
Gain on disposal 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	30,837,196	(60,760)	51,517,966	6,134,976	57,652,942
Total comprehensive income / (loss) for the nine months ended December 31, 2014 (unaudited)													
Profit for the period (restated)	-	-	-	-	-	-	-	-	4,950,268	-	4,950,268	559,869	5,510,137
Other comprehensive income	-	-	-	(7,652)	-	27,117	(9,438)	-	-	2,133	12,160	3,408	15,568
	-	-	-	(7,652)	-	27,117	(9,438)	-	4,950,268	2,133	4,962,428	563,277	5,525,705
Transactions with owners													
Shares issued to IFC upon exercise of conversion option	125,154	2,518,171	-	-	-	-	-	-	-	-	2,643,325	-	2,643,325
Derecognition of Non-controlling interest relating to investment in subsidiary company	-	-	-	-	-	-	-	-	-	269	269	(1,423)	(1,154)
Effect of Dividend in specie - Shares of Subsidiary company transferred to owners of Holding Company	-	-	-	-	-	-	-	-	(1,087,971)	-	(1,087,971)	1,087,971	-
Employees Share Option Scheme of subsidiary company	-	-	(121,647)	-	-	-	-	-	-	-	(121,647)	-	(121,647)
Shares issued during the period by subsidiary company	-	-	-	-	-	-	-	-	(571,406)	-	(571,406)	571,406	-
Gain on disposal of shares of subsidiary company	-	-	-	-	-	-	-	-	(556,002)	-	(556,002)	556,002	-
Dividend by subsidiary allocable to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(182,056)	(182,056)
Effect of conversion of IFC loan into ordinary shares by subsidiary company	-	-	-	-	-	-	-	-	775,657	-	775,657	408,570	1,184,227
Transfer of maintenance reserve to Non-Controlling Interest	-	-	-	-	(34,577)	-	-	-	-	-	(34,577)	34,577	-
Gain on disposal of equity reserves in subsidiary company	-	-	-	-	-	-	-	-	683,144	-	683,144	-	683,144
Increase in Non-Controlling Interest due to disposal of shareholding in subsidiary company	-	-	-	-	-	-	-	-	-	-	-	1,673,966	1,673,966
Interim cash dividend for the year ended December 31, 2014 @ Rs. 2.00 per share	-	-	-	-	-	-	-	-	(1,033,940)	-	(1,033,940)	-	(1,033,940)
	125,154	2,518,171	(121,647)	-	(34,577)	-	-	-	(1,790,518)	269	696,852	4,149,013	4,845,865
Balance as at December 31, 2014 (audited)	5,237,848	13,068,232	399,740	63,890	178,758	4,289	(143,339)	4,429,240	33,996,946	(58,358)	57,177,246	10,847,266	68,024,512
Total comprehensive income / (loss) for the three months ended March 31, 2015 (unaudited)													
Profit for the period	-	-	-	-	-	-	-	-	3,636,286	-	3,636,286	601,905	4,238,191
Other comprehensive income	-	-	-	(2,550)	-	2,985	34,260	-	-	-	34,695	3,282	37,977
	-	-	-	(2,550)	-	2,985	34,260	-	3,636,286	-	3,670,981	605,187	4,276,168
Transactions with owners													
Shares issued to IFC on exercise of conversion	-	-		-	-	-	-	-	709,394	-	709,394	287,909	997,303
Employees Share Option Scheme of subsidiary Company option	-	-	(846)	-	-	-	-	-	-	-	(846)	-	(846)
	-	-	(846)	-	-	-	-	-	709,394	-	708,548	287,909	996,457
Balance as at March 31, 2015 (unaudited)	5,237,848	13,068,232	398,894	61,340	178,758	7,274	(109,079)	4,429,240	38,342,626	(58,358)	61,556,775	11,740,362	73,297,137

The annexed notes 1 to 18 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, 2015

(Amounts in thousand)

	Note	March 31, 2015	(Restated) March 31, 2014
		Rupees	
Cash flows from operating activities			
Cash utilized in operations	12	(7,074,339)	(1,329,861)
Retirement and other service benefits paid		(39,264)	(78,737)
Finance cost paid		(2,673,496)	(4,071,082)
Taxes paid		(952,923)	(898,355)
Long term loans and advances - net		(443,348)	(31,279)
Net cash utilized in operating activities		(11,183,370)	(6,409,314)
Cash flows from investing activities			
Purchase of property, plant and equipment (PPE) and biological assets		(3,409,903)	(1,430,298)
Sale proceeds on disposal of PPE and biological assets		55,483	70,792
Income on deposits / other financial assets		616,853	638,297
Proceeds from short term investments		15,960,740	100,008
Investment made during the period		(67,902)	(142,166)
Dividends received		247,500	225,000
Net cash generated from / (utilized in) investing activities		13,402,771	(538,367)
Cash flows from financing activities			
Repayments of borrowings - net		(3,787,196)	(6,172,550)
Proceeds from short term finance		1,000,000	-
Proceeds from issuance of Engro Islamic Rupiya certificates		-	3,000,000
Dividends paid		(1,207)	(811)
Net cash utilized in financing activities		(2,788,403)	(3,173,361)
Net decrease in cash and cash equivalents		(569,002)	(10,121,042)
Cash and cash equivalents at beginning of the period		8,488,637	21,914,289
Cash and cash equivalents at end of the period	13	7,919,635	11,793,247

The annexed notes 1 to 18 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 financial information (unaudited) for the three months ended march 31, 2015

(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 and 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, 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.

1.1 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, 2015	December 31, 2014
- Engro Eximp (Private) Limited (note 1.1.1)	100	100
- Engro Powergen Limited	100	100
- Elengy Terminal Pakistan Limited (note 1.1.2)	100	100
- Engro Foods Limited	87.06	87.06
- Engro Fertilizers Limited (note 1.1.3)	85.78	86.60
- Engro Polymer and Chemicals Limited	56.19	56.19
Joint Venture Company:		
- Engro Vopak Terminal Limited	50	50

1.1.1 Engro Eximp (Private) Limited (EXIMP)

EXIMP, a wholly owned subsidiary of the Holding Company, is engaged in the commodity trading business that deals primarily in the import and trading of phosphate and potash based fertilizers for Engro Fertilizers Limited (EFert), a 85.78% owned quoted subsidiary. The imported phosphates based fertilizers are distributed and marketed through EFert's network as an extension of Engro's overall fertilizer portfolio. EXIMP has two wholly owned subsidiaries i.e. Engro Eximp Agriproducts (Private) Limited and Engro Eximp FZE, UAE.

(Amounts in thousand)

On February 18, 2015, the Board of Directors of the Holding Company in its meeting has proposed (subject to regulatory approvals) to transfer 100% of the Company's equity in EXIMP (along with its wholly owned subsidiary - Engro Eximp FZE, UAE) to EFert, together with rights to use 'Engro' trademarks (under license from the Holding Company to EXIMP) for imported fertilizers / associated products. EXIMP's other wholly owned subsidiary, Engro Eximp Agriproducts (Private) Limited, which is engaged in the rice processing business, is to be acquired by the Holding Company from EXIMP in order to delink the rice business from the trading entity and bring in the required focus as part of its restructuring plans.

Subsequent to the balance sheet date, the shareholders of the Holding Company, in its Annual General Meeting held on April 22, 2015, have approved the sale of Holding Company's entire shareholding in Engro Eximp (Private) Limited to Engro Fertilizers Limited.

1.1.2 Elengy Terminal Pakistan Limited

A tender for Fast Track LNG Project (the Project) was issued by Inter State Gas Systems (Private) Limited (ISGS) on behalf of the Government of Pakistan on August 15, 2013 for receipt, storage and re-gasification of 1.5 million tons of LNG in the first year and 3.0 million tons for next 14 years. Elengy Terminal (Pakistan) Limited, (ETPL)'s bid for this project was successful, and under the Request for Proposal for the Project, ETPL was required to incorporate a special purpose vehicle which will own and operate the LNG facilities and enter into all project related agreements including the LNG Operations and Services Agreement (LSA). During 2014, ETPL incorporated a wholly owned subsidiary, Engro Elengy Terminal (Private) Limited, (EETPL), for this purpose. During 2014, LSA was formally signed by EETPL with Sui Southern Gas Company Limited (SSGCL) on April 30, 2014, whereby the LNG terminal was to be commissioned by the due date of March 31, 2015.

On March 29, 2015, at 0000 hours, EETPL received Certificate of Acceptance from SSGCL after successful completion of tests as per LSA and initiated delivery of regasified LNG to SSGCL.

1.1.3 Engro Fertilizers Limited (EFert)

EFert, a subsidiary company, has 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 dollar rupee exchange rate prevailing on the business day prior to the date of the notice issued by IFC to exercise the conversion option and (ii) 70% non-convertible loan. Until December 31, 2014, IFC had partially exercised its option on loan amounting to USD 5,000. Accordingly, 20,541,667 ordinary shares of the subsidiary company were allotted to IFC.

During the period, on January 9, 2015, EFert received a second notice from IFC for exercise of options on further USD 3,000 of the loan amount. Accordingly, 12,590,625 ordinary shares of the subsidiary company have been allotted to IFC on January 14, 2015.

As a result of the aforementioned events, the Holding Company, as at the balance sheet date, holds 85.78% of the share capital of the subsidiary company.

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 consolidated financial statements of the Group for the year ended December 31, 2014.

(Amounts in thousand)

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 the consolidated financial statements of the Group for the year ended December 31, 2014, except for change in certain estimates regarding the new Employees Share Options Scheme (ESOS) of Engro Foods Limited, a Subsidiary Company. The estimated fair value of these options and the underlying assumptions are disclosed in note 6. Any changes in these assumptions may materially impact the carrying amount of deferred employee share compensation expense and employee share compensation reserve within the current and next financial year.

3. BASIS OF CONSOLIDATION

The condensed interim financial information of the subsidiary companies has 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, Sindh Engro Coal Mining Company Limited and GEL Utility Limited has been accounted for using the equity method.

4. 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 consolidated financial statements of the Group for the year ended December 31, 2014.

	Unaudited March 31, 2015	Audited December 31, 2014
	----------Rupees----------	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value	130,935,783	122,940,571
Capital work-in-progress		
- Expansion and other projects	2,973,071	9,886,547
- Capital spares	1,765,551	1,680,139
	135,674,405	134,507,257

6. EMPLOYEES' SHARE OPTION SCHEME

In 2013, the shareholders of Engro Foods Limited (EFoods) approved Employees' Share Option Scheme (the Scheme) for granting of options to certain critical employees up to 16.9 million new ordinary shares, to be determined by the Board Compensation Committee of EFoods.

Under the Scheme, options can be granted in the years 2013 to April 2015. 50% of the options granted will vest in two years whereas the remaining 50% will vest in three years from the date of the grant of options. These options are exercisable within 3 years from the end of vesting period. The details of share options granted to date, which remained outstanding as at March 31, 2015 are as follows:

- number of options	4,400,000
- range of exercise price	Rs. 191.89 - Rs. 253.77
- weighted average remaining contractual life	3.65 years

The weighted average fair value of options granted till date, as estimated at the date of grant using the Black-Scholes model was Rs. 28.89 per option, whereas weighted average fair value of options to be granted has been estimated as Rs. 21.74 per option. The following weighted average assumptions were used in calculating the fair values of the options:

	Options granted in 2013	Options to be granted
- number of options	4,400,000	12,500,000
- share price	Rs. 133.58	Rs. 110.60
- exercise price	Rs. 220.67	Rs. 210.28
- expected volatility	32.54%	30.48%
- expected life	4.1 years	5.26 years
- annual risk free interest rate	9.42%	7.93%

No new options have been granted during the period.

The volatility has been measured as the standard deviation of quoted share prices over the last one year from each respective / expected grant date. In addition, EFoods as at March 31, 2015 estimates that during the current year options for remaining 12.5 million shares will be granted, after taking approval of modification in the Scheme, regarding extension in option grant period, from the SECP.

In respect of the Scheme, Employee share option compensation reserve and the related deferred expense amounting to Rs. 398,894 has been recognized, out of which Rs.203,232 has been amortized to date, including Rs. 6,502 being charge for the current period, in respect of related employees services received to the balance sheet date."

7. BORROWINGS

7.1 Engro Fertilizers Limited (Subsidiary Company)

7.1.1 The long term financing includes a loan of USD 30,000 from the IFC, 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 notice issued by IFC to exercise the conversion option and (ii) 70% non-convertible loan. This conversion option is exercisable upto March 31, 2017. Option on USD 5,000 was exercised in 2014. During the period, the Subsidiary Company received a notice from IFC for exercise of further USD 3,000 loan on January 9, 2015 out of the remaining USD 4,000 of Tranche A2. Accordingly 12,590,625 ordinary shares of the Subsidiary Company have been allotted to IFC on January 14, 2015. The fair value of the remaining conversion option, included in derivative financial instruments, amounts to Rs. 277,385.

7.1.2 The long term financing also includes offshore Islamic Finance Facility Agreement of USD 36,000 with Habib Bank Limited, National Bank of Pakistan and SAMBA Financial Group and Rs. 3,618,000 with Faysal Bank (previously share belonged to Citi Bank N.A,), Dubai Islamic Bank Pakistan Limited and Standard Chartered Bank (Pakistan) Limited.

On March 31, 2015, Faysal Bank has acquired Citi Bank N.A.'s share in the PKR portion of the Islamic Finance Facility.

7.2 Engro Polymer & Chemicals Limited (Subsidiary Company)

Under the terms of the agreements for long term borrowings from International Finance Corporation (IFC) and Syndicate banks and under the bilateral loans agreements, the Subsidiary Company is required to comply with certain debt covenants. As at March 31, 2015, the Subsidiary Company is not in compliance with some of these debt covenants and has accordingly notified the concerned financial institutions.

8. TRADE AND OTHER PAYABLES

	Unaudited March 31, 2015	Audited December 31, 2014
	----------Rupees----------	
Creditors (note 8.1)	24,780,652	36,270,417
Accrued liabilities	6,371,843	6,835,731
Advances from customers	2,913,502	7,215,324
Deposits from dealers / distributors refundable on termination of dealership	15,915	16,373
Retention money	401,912	250,762
Contractors' / suppliers' deposits	43,310	81,978
Workers' profits participation fund	353,309	76,422
Workers' welfare fund	1,580,882	1,385,169
Sales tax payable	-	994,521
Payable to retirement benefit funds	43,895	24,230
Withholding tax payable	97,996	93,441
Others	280,598	254,022
	36,883,814	53,498,390

(Amounts in thousand)

8.1 Includes Rs 12,432,523 (2014: Rs. 14,168,427) on account of the levy of Gas Infrastructure Development Cess (GIDC). The Honorable Supreme Court through its Judgment dated August 22, 2014 had upheld the decision of the High Court of Peshawar declaring the entire levy of GIDC through GIDC Act, 2011 (the Act) as unconstitutional and invalid. The Government has filed a review petition against the decision of the Honorable Supreme Court, which is pending. In the meanwhile, the President of Pakistan promulgated the GIDC Ordinance, 2014, on September 25, 2014 seeking to impose GIDC levy since 2011. The Group's subsidiary companies have challenged the validity and promulgation of GIDC Ordinance, 2014 before the Honorable High Court of Sindh. Based on advice of Group's legal advisor, the management of the Group is of the view that ultimate decision of the matter will be in Group's favor, however, till the pendency of the matter, the Group has maintained the payables / accrual in this respect in this consolidated condensed financial information.

However, during the period, the fertilizer industry based on an undertaking received from Ministry of Petroleum & Natural Resources (MPNR) has agreed to pay GIDC accrued up to December 31, 2014 in installments till June 30, 2015. Accordingly, out of total accrual of Rs. 14.1 billion as of December 31, 2014, Rs. 4.2 billion has been paid during March 2015 and remaining Rs 8.4 billion will be paid by June 2015 along with current billing. The MPNR has given undertaking that in the event of favorable outcome of court cases, the amount so paid will be refunded. The GIDC so paid does not include any GIDC on concessionary / fixed price contract.

9. CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments since December 31, 2014 are mentioned below :

	Unaudited March 31, 2015	Audited December 31, 2014
Contingencies:	----------Rupees----------	
9.1 Corporate Guarantees issued by Engro Corporation Limited in favor of Subsidiary Companies:		
- Engro Fertilizers Limited (note 9.1.1)	36,870,388	40,460,159
- Engro Powergen Limited (note 9.1.2)	295,122	-
- Engro Powergen Qadirpur Limited	1,017,000	1,006,000
- Engro Elengy Terminal (Private) Limited	2,034,000	2,012,000
- Engro Eximp (Private) Limited	559,350	553,300
	40,775,860	44,031,459

9.1.1 The above amount includes Corporate Guarantee amounting to USD 57,000 (December 31, 2014: USD 60,000) to International Finance Corporation (IFC) against loans of USD 50,000 under the C Loan Agreement and further USD 30,000 under the Amended Facility Agreement entered into by the Subsidiary Company with IFC.

During the period, IFC has further exercised its conversion option on Subsidiary Company's shares, under the Amended Facility Agreement converting loan of USD 3,000 into 12,590,625 ordinary shares of the Subsidiary Company.

9.1.2 The Holding Company has extended Corporate Guarantees amounting to Rs. 228,000 and USD 660 to banks against Letter of Guarantee facility granted to Engro Powergen Limited, a wholly owned subsidiary company.

9.2 During the period, Engro Elengy Terminal (Private) Limited (EETPL), a wholly owned subsidiary of Elengy Terminal Pakistan Limited, has provided a Stand By Letter of Credit (SBLC) amounting to USD 20.7 million to Excelerate Energy - the FSRU owner as credit support for the payments under the Time Charter Party Agreement. The SBLC is primarily secured against assignment of the SBLCs submitted by SSGC under the LSA. SBLC is renewable every year for 15 years.

10. TAXATION

10.1 Engro Fertilizers Limited

During the quarter, the tax department in respect of Engro Fertilizers Limited (Subsidiary Company) has finalized the assessment proceedings for tax year 2014 (Financial year 2013). The Additional Commissioner Inland Revenue (ACIR) has determined Alternative Corporate Tax liability of Rs 1,231,201 in the assessment order, however the Company holds a valid stay order from the High Court for the said tax year. Additionally, the ACIR has made certain disallowances, which mainly include:

- Loss on fair value of derivative (Rs. 1,202,002)
- Charge in respect of unrealized exchange gain and loss (Rs. 1,704,145)

The Subsidiary Company has filed an appeal against the assessment order with the Commissioner Inland Revenue (Appeals).

(Amounts in thousand)

10.2 Engro Elengy Terminal (Private) Limited

The Economic Coordination Committee (ECC) of the Cabinet in its meeting held on April 6, 2012 approved the summary forwarded by the Ministry of Petroleum and Natural Resources (MNPR) regarding exemption of taxes and duties (gas import pipeline and LNG project) which amongst other matters included a proposal for 5 years tax holiday from income tax on terminal operators. Although, a notification from Federal Board of Revenue (FBR) in this respect is pending, management is confident that the same will be issued by FBR soon. Accordingly, no deferred tax asset has been recognized on tax loss. Subsequent to the balance sheet date, the ECC, in its meeting held on April 9, 2015, has reconfirmed a 5 years tax holiday inclusive of minimum tax. A notification from FBR is yet to be issued.

10.3 Engro Eximp (Private) Limited (Subsidiary Company)

Uptil 2011, the Subsidiary Company's major operating activities were taxable under the Final Tax Regime (FTR) except for profit on bank accounts, capital gain on investments and gain on local commodity trading which were taxable under the Normal Tax Regime (NTR). However, through Finance Act, 2012, certain amendments were introduced, whereby the Subsidiary Company had the option to be taxed under NTR in respect of activities previously taxable under FTR, with the condition that minimum tax liability with respect to such income as specified therein. The Subsidiary Company intended to opt for NTR and accordingly has made provision and filed return for tax year 2013 on that basis. During 2014, the Subsidiary Company's return for said year was selected for audit by the tax authorities under section 177 of Income Tax Ordinance, 2001, (ITO). As a result of the audit, the assessing officer has passed a notice of demand along with an amended assessment order in which the officer has treated the entire return as a return under FTR thereby disallowing the refundable adjustment amounting to Rs. 369,329 arising as a result of clause 41A, 41AA and 41AAA of Second Schedule of the ITO.

Further, the notice of Demand was issued for the recovery of Workers Welfare Fund (WWF) and tax on bank deposits amounting to Rs. 17,241 and Rs. 7,243 respectively. In respect thereof, the Subsidiary Company has filed an appeal to the Commissioner Inland Revenue (Appeals) against the disallowance of NTR / FTR adjustment along with the notice for the recovery of WWF and tax on deposits. The CIR (Appeals) in his order dated 26 January 2015 accepted the Subsidiary Company's contention on account of FTR opt out. However, matters in respect of income from deposits and WWF were decided against the Subsidiary Company. The Subsidiary Company has filed an appeal against the orders passed on WWF and tax on deposits by the tax commissioner at ATIR and the management, based on advice of tax consultant, is confident that matters will be decided in favor of the Subsidiary Company. At the same time the department has filed an appeal against the NTR / FTR matter with the ATIR, however, no hearing has taken place to date. Accordingly, no provision has been recognized in this condensed consolidated financial information.

(Amounts in thousand)

11. EARNINGS PER SHARE - BASIC AND DILUTED

	Three months ended March 31, 2015	(Restated) March 31, 2014
	----------Rupees----------	
The basic and dilutive earnings per share is based on:		
Profit after taxation (attributable to the owners of the Holding Company)	3,636,286	2,056,564
The information necessary to calculate basic and diluted earnings per share is as follows:		
Profit for the period	3,636,286	2,056,564
Add: Finance cost related to IFC loan and derivative - net of tax	-	79,228
	3,636,286	2,135,792
	------(Number in thousands)------	
Weighted average number of ordinary shares	523,785	511,269
Add: Weighted average adjustment for effect of conversion of IFC loan	-	1,077
Weighted average number of ordinary shares for determination of diluted EPS	523,785	512,346

12. CASH UTILIZED IN OPERATIONS

	Three months ended March 31, 2015	(Restated) March 31, 2014
	----------Rupees----------	
Profit before taxation	6,401,576	3,003,450
Adjustment for non-cash charges and other items:		
Depreciation and amortization	2,343,699	2,265,743
(Gain) / Loss on disposal / write off of property, plant and equipment and biological assets	(14,149)	195,188
(Gain) / loss arising from changes in fair value less estimated point-of-sale costs of biological assets	(61,494)	7,460
Provision for retirement and other service benefits	12,294	21,509
Income on deposits / other financial assets	(902,388)	(549,779)
Share of income from joint venture companies	(219,949)	(197,003)
Finance cost	2,368,908	2,295,144
Change in fair value of derivative financial instruments	28,800	1,001,001
Foreign currency translations	(29,864)	110,368
Working capital changes (note 12.1)	(17,001,772)	(9,482,942)
	(7,074,339)	(1,329,861)

(Amounts in thousand)

12.1 Working capital changes

	Three months ended March 31, 2015	(Restated) March 31, 2014
	----------Rupees----------	
(Increase) / decrease in current assets		
- Stores spares and loose tools	(144,781)	(194,753)
- Stock-in-trade	(1,107,944)	(1,796,650)
- Trade debts	824,550	(2,000,278)
- Loans, advances, deposits and prepayments	363,392	168,129
- Other receivables - net	(231,173)	630,967
	(295,956)	(3,192,585)
Decrease in current liabilities		
- Trade and other payables including other service benefits - net	(16,705,816)	(6,290,357)
	(17,001,772)	(9,482,942)

13. CASH AND CASH EQUIVALENTS

	March 31, 2015	March 31, 2014
	----------Rupees----------	
Cash and bank balances	5,783,124	5,675,085
Short term investments	12,210,230	12,827,416
Short term borrowings	(10,073,719)	(6,709,254)
	7,919,635	11,793,247

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:

	Three months ended March 31, 2015	March 31, 2014
	----------Rupees----------	
Associated companies and joint ventures		
Purchases and services	2,147,851	1,330,431
Services rendered / sale of goods	71,068	41,073
Retirement benefits	150,776	37,408
Dividends received	247,500	225,000
Payment of interest on TFCs and repayment of principal amount	2,806	3,315
Donations	30,000	9,500
Investment in mutual funds and T-Bills	608,070	-
Redemption of investments in mutual funds and T-Bills	719,701	20,000
Key Management Personnel		
Remuneration paid to key management personnel / directors	184,790	152,345
Directors Fees	5,200	3,400

(Amounts in thousand)

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.

	Three months ended	
		(Restated)
	March 31, 2015	March 31, 2014
	----------Rupees----------	
Revenue		
Fertilizer	18,710,607	17,679,842
Polymer	6,701,446	5,366,876
Food	13,300,903	12,079,728
Power	2,501,203	3,225,384
Other operations	670,262	440,716
Elimination - net	(512,252)	(438,142)
Consolidated	41,372,169	38,354,404
Profit after taxation		
Fertilizer	2,928,841	1,701,674
Polymer	(107,047)	148,270
Food	620,961	(426,807)
Power	459,165	579,273
Other operations	378,828	858,267
Elimination - net	(42,557)	(569,968)
Consolidated	4,238,191	2,290,709

	Three months ended	
	Unaudited	Audited
	March 31, 2015	December 31, 2014
	----------Rupees----------	
Assets		
Fertilizer	107,231,530	117,700,955
Polymer	24,963,806	26,336,715
Food	36,163,918	34,719,874
Power	21,756,409	21,835,491
Other operations	50,199,780	51,312,571
Elimination - net	(34,694,976)	(34,818,994)
Consolidated	205,620,467	217,086,612

16. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

16.1 The Board of Directors in its meeting held on February 18, 2015 had proposed a final cash dividend of Rs. 4.00 per share for the year ended December 31, 2014 amounting to Rs. 2,095,139 for approval of the members at the Annual General Meeting (AGM). The members have approved the dividend in the AGM held on April 22, 2015. The effect of this has not been incorporated in this condensed consolidated financial information.

16.2 The Board of Directors of the Holding Company, in its meeting held on April 28, 2015 has approved an interim cash dividend of Rs 2.00 per share for the year ending December 31, 2015 (December 31, 2014 : Rs 6.00 per share). This condensed consolidated interim financial information does not reflect the dividend payable.

17. 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.

Prior period's figures in condensed consolidated interim profit and loss account and condensed consolidated interim statement of cash flows have been restated consequent to the exercise of option on the Holding Company's shares by the International Finance Corporation on its loan to Engro Fertilizers Limited (a subsidiary company), as more fully explained in the note 4 of the annual audited consolidated financial statements of the Company for the year ended December 31, 2014. Other corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.

18. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information is authorized for issue on April 28, 2015 by the Board of Directors of the Holding Company.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive