



moments of celebration

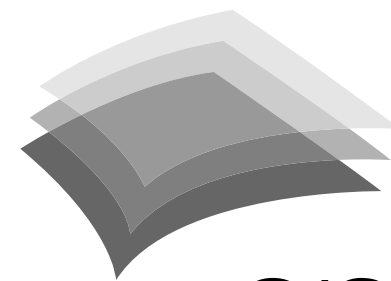
111-211-211

 engro.com
 engro.corporation
 engrocorp



DC|PI THE DHAMIDI PARTNERSHIP DESIGN

First Quarter Accounts 2016



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

Engro Fertilizers Limited

Engro Fertilizers Limited is a 79% 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.

Engro Eximp (Private) Limited is a wholly owned subsidiary of Engro Fertilizers 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.

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).

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 employees.

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 Agri Products (Private) Limited

Engro Eximp Agri Products (Private) Limited is a wholly owned subsidiary of the holding company and it manages the procurement, processing and export of rice to markets in the Middle East and the European Union.

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). 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.

directors' report

Global growth remains weak as emerging markets have begun confronting the reality of subdued growth. However, fears of capital flight and market turbulence in Emerging markets following the US Fed hike in December last year have subsided, preventing any further panic in global markets. The US Fed, being aware of the risks posed by any further appreciation of dollar and sharper than expected slowdown of China, put on hold any further increase in US interest rates during the first quarter. IMF forecasts the world output to grow by 3.4% in 2016.

Contrary to global trends, Pakistan's economy continues its successful recovery under the IMF's Extended Fund Facility arrangement. Towards the end of March, Pakistan successfully completed its 10th review under the program to pave way for a \$503 million disbursement, bringing the total disbursements to \$5.53 billion. Pakistan continues to benefit from low oil prices as inflation remains subdued, while its foreign reserves have grown enough to cover four months' worth of imports. Structural reforms are underway with reduction in power subsidies, rolling back of tax exemptions and progress on restructuring and privatizing plans for ailing public sector enterprises. IMF forecasts Pakistan's real GDP growth in FY 2015-16 at 4.5%.

Business Review

Engro Corporation had a challenging first quarter of the year on account of decreased sales in the Foods and Fertilizer businesses along with low dispatch by Qadirpur plant on account of grid capacity issues at NTDC's end.

On a consolidated basis, Engro Corporation recorded a 17% decrease in revenues down from PKR 41.3 billion in 1Q'15 to PKR 34.3 billion in 1Q'16. However, the profit-after-tax (PAT) grew from PKR 3,636 million in 1Q'15 to PKR 3,691 million in 1Q'16 due to a fall in finance costs and better margins due to full benefit of concessionary gas pricing.

Engro Fertilizers

Domestic Urea industry sales dropped significantly to 767 KT translating to a 49% decrease from 1Q 2015. The decline was mainly due to poor crop economics, falling international urea prices, and rumors of subsidy

on urea. Resultantly, channel inventories have been drawn down to fulfill urea demand. On the other hand, total industry urea production increased to 1,411 KT vs. 1,216 KT during corresponding period last year i.e. an increase of 16% due to higher production by plants on the Mari network and supply of additional gas from LNG. This has resulted in industry closing inventory reaching 1,200 KT mark, at the end of 1Q 2016. Domestic Urea prices relatively stabilized at PKR 1,818 per bag level towards end of the quarter. International Urea prices have showed some respite and have currently stabilized around USD 220-230/ton towards the end of the quarter.

Domestic DAP industry sales increased to 236 KT vs. 186 KT last year (growth of 27%) mainly due to softening of phosphate prices and subsidy on phosphates.

The company's urea production for the quarter stood at 514 KT as compared to 486 KT same period last year i.e. an increase of 6% mainly due to better gas availability. However, the prevailing industry situation restricted sales to 286 KT in 1Q 2016 vs. 481 KT in 1Q 2015, registering a decline of 41%. Urea market share stood at 37% (branded urea market share of 38%) vs. 32% (branded urea market share of 40%) last year.

The company sold 65 KT of DAP vs. 39 KT in 1Q 2015 which also resulted in an improved market share of 28% vs. 19% last year. The company's blended fertilizers' (Zarkhez & Engro NP) sales for the quarter decreased by 36% to 18 KT from 28 KT in 1Q 2015. The overall Pakistan's Potash market declined by 9% during 1Q 2016 to 6.5 KT compared to 7.1 KT (nutrient tons) in 1Q 2015. However, the market share of Zarkhez increased to 49% (43% in 1Q 2015) contributing to a lower than industry decline in actual sales volumes.

Post enactment of the GIDC Act 2015, the company obtained stay orders against the retrospective applicability of GIDC in 2015. However, on the request of the Government, and without compromising its legal stance, the company continues to pay GIDC on all non-concessionary gas. The company also obtained a stay order against GIDC applicability on concessionary gas in 2015, and therefore, no GIDC is being paid

or accrued for concessionary gas supplied to the new urea plant. GIDC on concessionary gas is in direct contravention with the Fertilizer Policy and company's gas supply contracts on the basis of which it invested USD 1.1 Billion to expand its fertilizer manufacturing capacity. Following the ECC decision dated February 18, 2016, directing that the 60MMSCFD of gas flowing to the company be re allocated to the original allottees, the company is in discussion with various relevant parties for allocation of surplus gas to ensure continued two plant operations.

The Gross profit for the period was PKR 4,938 Million as compared to PKR 6,770 Million in the same period last year. The decrease was mainly on account of depressed volumetric sales due to reasons explained above, partly offset by impact of concessionary pricing which was implemented from March 16, 2015. Finance cost was also significantly lower than last year (PKR 751 Million vs. PKR 1,262 Million last year), as a result of loan repayments, lower interest rates and repricing of various long term loans. As a result of the above, the company's consolidated Net Profit stood at PKR 2.1 Billion compared to PKR 3.1 Billion for the same period last year.

Engro Foods

Engro Corporation has received an announcement of intention from Royal FrieslandCampina International Holding B.V (RFC), stating that RFC intend to acquire up to 51% of the ordinary shares of Efoods cumulatively through an agreement with Engro Corporation and a public offer. Due Diligence is well underway and we believe that the potential partnership with RFC, if it comes to fruition, will accelerate our purpose of elevating consumer delight by providing safe and nutritious milk products to every household.

During the period, the company attained revenues of PKR 11.7 billion versus PKR 12.5 billion in the same period last year. Gross margin of the company improved from 26.8% to 28.1%. As a result, the overall profitability of the company increased to PKR 1,108 million from PKR 1,069 million in the same period last year.

The higher margins on account of lower milk prices and fuel costs led

to growth in gross profit. The two key brands Olpers and Omung delivered significant volumetric growth over the same period last year, accordingly profit after tax for the three months was PKR 1,202 million showing an increase of 3% versus the same period last year. However, deep discounting in the STC segment led to Tarang losing share. As a result, the segment reported a top line of PKR 11 billion registering a decline of 7% versus the same period last year. The appropriate strategy to reclaim share has since been deployed with Tarang staging a strong comeback in April. The company intends to continue to strengthen brand equity and extend leadership.

During the first quarter ended March 31, 2016, the Ice Cream business performed well led by consumer relevant product launches and operational excellence in the distribution network. This segment reported loss of PKR 119 million versus loss of PKR 137 million in the corresponding period last year.

The company's Dairy Farm continued to remain a rich and nutritious source of raw material for our dairy segment. The segment reported profit of PKR 25 million in the first quarter versus profit of PKR 33 million in the corresponding period last year.

Engro Polymer

During 1Q 2016, PVC demand in the domestic market remained strong and the company managed to achieve highest ever quarterly sales posting a growth of 12% compared to same period last year. Robust demand from construction sector coupled with strong seasonal demand from shoe and garden-hose manufacturers were key drivers for uptick in PVC sales in the domestic market. PVC- Ethylene core delta, however, remained on the weaker side.

Caustic Soda market remained stable during the quarter. Domestic sales, however, were lower by 13% compared to same period last year, due to stiff market competition. During the quarter, the company also exported excess Caustic Soda to supplement Chlor Alkali margins.

On the production front, the company achieved highest ever quarterly production of PVC. VCM production increased by 22% over same

period last year while Caustic production also remained consistent. Stable production performance helped in ensuring ample product availability for domestic market.

During the quarter, the company recorded revenue of PKR 5,739 Mn as compared to PKR 6,701 Mn during same period last year. The company posted Profit After Tax (PAT) of PKR 18 Mn as compared to Loss After Tax (LAT) of PKR 107 Mn in the corresponding period. The company realized gains due to significant volumetric growth in the domestic market and cost efficiencies on the operational front.

Engro Eximp Agriproducts (EEAP)

With new management last year, EEAP went through a major restructuring to reduce its fixed costs and increase competitiveness. In addition, changes were instituted in EEAP's business strategy to reduce commodity price risk exposure, improve operational efficiencies and improve margins.

In the first Quarter of 2016, the company achieved a total husking of 971 tons of paddy and processed 5,204 tons of rice. The company exported 3,242 KT of rice during the first Quarter of 2016, an increase of 88% year-on-year (2015 Export: 1,724 KT). Paddy processing was lower due to management's decision to reduce open position taking on paddy.

The company posted a loss after tax of PKR 126 million for the Quarter ended 31st March 2016 as compared to loss after tax of PKR 448 million for same period last year.

Engro Powergen

Pakistan continues to face chronic electricity shortage due to demand growth, limited addition in generation capacity, high transmission and distribution losses and the persistent issue of circular debt. The electricity woes continue in the country with demand-supply deficit touching 5,000MW at peak hours. Government is undertaking multiple projects to resolve this issue. Liquefied Natural Gas (LNG) based power generating projects are among some of the initiatives being under taken by the Government.

Engro Powergen remains on the forefront to help alleviate the energy crisis in the country and further strengthen Engro's energy growth vertical.

Qadirpur Power Plant: The EPQL Plant demonstrated a billable availability factor of 99.9% in the current quarter. It dispatched a total Net Electrical Output (NEO) of 99 GWh to the national grid with a load factor of 21% compared to 79% in Q1 2015. The decline in load factor was primarily on account of power purchaser's grid capacity issues. On January 21, 2016 NTDC's auto transformer caught fire and went out of operation thus impacting power evacuation in the region in which the company's Plant operates. While Plant is on standby mode since then, the company is entitled to receive full Capacity Purchase Payment (CPP) as the Plant remained available for dispatch to the power purchaser. As per latest information available from NTDC, the repair work on the transformer is expected to be completed by end April 2016 and Plant's dispatch is expected to resume thereafter.

Sales revenue for the period was PKR 1,509 Mn compared to PKR 2,494 Mn in the same period last year. The decrease in sales revenue was mainly attributable to a decline in load factor as explained above with a corresponding decline in the cost of generation. The company earned a net profit of PKR 368 Mn for Q1, 2016 as compared to PKR 459 Mn in Q1, 2015.

Thar Mining and Power Projects: The financial close for both the projects was achieved on April 4, 2016. The projects envisage a 6.5 million tons per annum mine under Sindh Engro Coal Mining Company (SECMC) in the first phase and the development of 2 x 330 MW mine mouth power plants under Engro Powergen Thar.

During the period, both the mining and power projects completed all legal and other formalities required by lenders as conditions precedent under the financing agreements. Initial equity contribution has been received from Sponsors and security documents have been executed in favor of lenders. This \$2 billion integrated project is a landmark solution to bring energy security to the Country and plays an important role for the future of Pakistan and Thar. This project is a national priority

project and is listed amongst China Pakistan Economic Corridor and the first one to achieve financial close.

Engro Elengy

The company achieved Financial close on 10th March, 2016 and loan disbursements were duly received. Further, the company completed one year of safe operations on 28th March, 2016. Also, SSGC nomination was successfully met each day of the quarter and highest flow of 450 mmscf was achieved in the month of March. The terminal handled 7 cargoes and the average utilization rate for the quarter was 118%.

Engro Vopak

The company recorded an increase in top and bottom line mainly due to positive tariff impact of higher LPG import handled and LNG services provided by the company as compared to same period last year. During the period, 312 KT chemicals handled at site vs. 301 KT handled in the same period last year.

Business Outlook

For Engro, the theme for 2016 is capitalizing on all possible avenues for developing the three growth pillars; Energy & Related Infrastructure, Fertilizer & Agricultural Inputs and Consumer Business. To realize this growth strategy, the company is geared up to meet challenges on human resource, technical and financial fronts. Capital allocation decisions to strategically align the Engro portfolio are a top priority to achieve the desired returns.

Engro Fertilizers

Local urea demand is expected to pick-up in the upcoming months due to Kharif season, and with sufficient inventory available locally, there does not seem to be a need for imports in the near future. Given the better gas availability due to additional gas from Mari and LNG, the industry will continue to remain in a surplus supply situation. Further, softening of International Urea prices may exert some pressure on domestic Urea prices. International DAP prices are also expected to remain under pressure due to soft commodity prices.

Engro Foods

Given the improving macro-economic factors and declining commodity prices, the company maintains a positive outlook and shall continue to strengthen brand equity and maintain competitive market positioning. Growing sales tax refunds will exert pressure on working capital; the company will continue its efforts to engage with relevant stakeholders to expedite refunds recovery. The company is confident about the strength of its performance in 2016 – the focus is directed sharply on growth parameters led on the back of innovation, brand health and consistent operational excellence.

Engro Polymer

Domestic market for PVC is expected to continue its robust performance while Caustic Soda market is expected to remain stable. Ethylene prices are expected to remain high driven by supply tightness due to planned regional turnarounds, which will most likely keep the core delta under pressure. On the operational side, projects are planned to enhance efficiency and reliability of plant operations.

Engro Eximp Agriproducts

Going forward, the company's focus is on continuing to improve its operational efficiency, enhancing export sales and developing local consumer brands to improve margins and reduce commodity price risk.

Engro Powergen

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. In partnership with Government, the Thar mining and power projects are expected to remain on track for completion in next three years to help resolve the energy crisis in the Country.

The company's Plant at Qadirpur would continue to receive uninterrupted supply of permeate gas in 2016. Gas based power plants would continue to be ranked higher on account of their higher efficiencies and environmental parameters. Furthermore, the company expects the current issues related to NTDC's auto-transformer repair and grid capacity to be resolved on priority basis thus resulting in improved

dispatch from the power purchaser in Q2 2016.

Going forward the company will continue to maintain its focus on plant and equipment reliability and other performance improvement initiatives, thereby ensuring uninterrupted power supply to the national grid for the benefit of all stakeholders.

Engro Elengy

The project has started playing its role in alleviating some of the energy shortage faced by the country and will further place Engro at the forefront for other such projects in the future. Annual delivery programme for second year (till December 31, 2016) developed and agreed with SSGC and stable operations are expected as LNG deliveries contract was successfully signed with Qatar Gas.

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.



Hussain Dawood
Chairman



Khalid Siraj Subhani
President and Chief Executive

condensed interim balance sheet as at march 31, 2016

(Amounts in thousand)

	Note	(Unaudited) March 31, 2016 ----- (Rupees)	(Audited) December 31, 2015 ----- (Rupees)
ASSETS			
Non-current assets			
Property, plant and equipment	3	108,229	103,962
Long term investments	4	27,432,294	27,432,294
Long term loans and advances		2,167,328	2,168,202
Deferred taxation		899	1,124
		<u>29,708,750</u>	<u>29,705,582</u>
Current assets			
Loans, advances and prepayments	5	5,973,747	9,952,254
Other receivables	6	3,348,106	153,041
Taxes recoverable		180,025	213,760
Short term investments		4,530,380	793,380
Cash and bank balances		737,833	399,510
		<u>14,770,091</u>	<u>11,511,945</u>
TOTAL ASSETS		<u><u>44,478,841</u></u>	<u><u>41,217,527</u></u>
EQUITY & LIABILITIES			
Equity			
Share capital		5,237,848	5,237,848
Share premium		13,068,232	13,068,232
General reserve		4,429,240	4,429,240
Remeasurement of post employment benefits - Actuarial loss		(5,203)	(5,203)
Unappropriated profit		17,055,394	13,585,382
		<u>34,547,663</u>	<u>31,077,651</u>
TOTAL EQUITY		<u>39,785,511</u>	<u>36,315,499</u>
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations		17,180	19,786
Current Liabilities			
Trade and other payables		450,080	549,271
Borrowings		3,970,588	3,966,617
Accrued interest / mark-up		117,759	250,274
Unclaimed dividends		137,723	116,080
		<u>4,676,150</u>	<u>4,882,242</u>
TOTAL LIABILITIES		<u>4,693,330</u>	<u>4,902,028</u>
Contingencies and Commitments	7		
TOTAL EQUITY & LIABILITIES		<u><u>44,478,841</u></u>	<u><u>41,217,527</u></u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Hussain Dawood
Chairman



Khalid Siraj Subhani
President and Chief Executive

condensed interim statement of comprehensive income (unaudited) for the three months ended march 31, 2016

(Amounts in thousand except for earnings per share)

	Note	March 31, 2016 ----- (Rupees)	March 31, 2015 ----- (Rupees)
Dividend income		3,415,524	247,500
Royalty income		134,240	239,638
		<u>3,549,764</u>	<u>487,138</u>
Administrative expenses		(143,808)	(49,643)
		<u>3,405,956</u>	<u>437,495</u>
Other income		307,352	166,301
Other operating expenses		(907)	(9,387)
Operating Profit		<u>3,712,401</u>	<u>594,409</u>
Finance cost		(146,793)	(145,154)
Profit before taxation		<u>3,565,608</u>	<u>449,255</u>
Taxation		(95,596)	(97,824)
Profit for the period		<u>3,470,012</u>	<u>351,431</u>
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		-	-
Total comprehensive income for the period		<u><u>3,470,012</u></u>	<u><u>351,431</u></u>
Earnings per share - basic and diluted	8	<u>6.62</u>	<u>0.67</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Hussain Dawood
Chairman



Khalid Siraj Subhani
President and Chief Executive

condensed interim statement of changes in equity for the three months ended march 31, 2016

(Amounts in thousand)

	Capital reserves		Revenue reserves			Total
	Share capital	Share premium	General reserve	Remeasurement of post employment benefits - Actuarial gain/ (Loss)	Unappropriated profit	
Balance as at January 01, 2015 (audited)	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 (unaudited)	5,237,848	13,068,232	4,429,240	5,462	10,424,201	33,164,983
Total comprehensive income for the nine months ended December 31, 2015	-	-	-	(10,665)	11,017,953	11,007,288
Transactions with owners						
Final cash dividend for the year ended December 31, 2014 @ Rs. 4.00 per share	-	-	-	-	(2,095,139)	(2,095,139)
Interim cash dividends for the year ended December 31, 2015:						
- 1st interim @ Rs.2.00 per share	-	-	-	-	(1,047,570)	(1,047,570)
- 2nd interim @ Rs.4.00 per share	-	-	-	-	(2,095,139)	(2,095,139)
- 3rd interim @ Rs.5.00 per share	-	-	-	-	(2,618,924)	(2,618,924)
Balance as at December 31, 2015 (audited)	5,237,848	13,068,232	4,429,240	(5,203)	13,585,382	36,315,499
Total comprehensive income for the three months ended March 31, 2016	-	-	-	-	3,470,012	3,470,012
Balance as at March 31, 2016 (unaudited)	5,237,848	13,068,232	4,429,240	(5,203)	17,055,394	39,785,511

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Hussain Dawood
Chairman



Khalid Siraj Subhani
President and Chief Executive

condensed interim statement of cash flows (unaudited) for the three months ended march 31, 2016

(Amounts in thousand)

Note	March 31, 2016	March 31, 2015
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
	9	
Cash utilized in operations	(377,412)	(173,301)
Royalty received	164,516	245,894
Taxes paid	(61,636)	(31,948)
Retirement and other service benefits paid	(5,761)	(277)
Long term loans and advances - net	874	(18,146)
Net cash (utilized in) / generated from operating activities	(279,419)	22,222
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	270,000	247,500
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries	276,291	32,942
Investment in subsidiary company	-	(2,150,000)
Loan disbursed to subsidiary company	(3,560,000)	(221,000)
Repayment of loan disbursed to subsidiary company	7,631,672	2,150,000
Purchases of property, plant and equipment (PPE)	(9,720)	(4,335)
Sale proceeds on disposal of PPE	-	743
Net cash generated from investing activities	4,608,243	55,850
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of financial charges	(275,144)	(277,090)
Dividends paid	(1,587)	(1,207)
Unclaimed dividends	23,230	-
Net cash utilized in financing activities	(253,501)	(278,297)
Net increase / (decrease) in cash and cash equivalents	4,075,323	(200,225)
Cash and cash equivalents at beginning of the year	399,510	1,253,234
Cash and cash equivalents at end of the period	10 4,474,833	1,053,009

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



Hussain Dawood
Chairman



Khalid Siraj Subhani
President and Chief Executive

notes to the condensed interim financial information for the three months ended march 31, 2016

(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 Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged). The Company is a subsidiary of Dawood Hercules Corporation Limited. 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, 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, 2015.
- 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, 2015.
- 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, 2015.

3 PROPERTY, PLANT AND EQUIPMENT

	Unaudited March 31, 2016	Audited December 31, 2015
	----- (Rupees) -----	
Operating assets (note 3.1)	58,412	47,711
Capital work in progress (note 3.2)	49,817	56,251
	<u>108,229</u>	<u>103,962</u>

(Amounts in thousand)

- 3.1 Additions to operating assets during the period / year amounted to Rs. 16,337 (December 31, 2015: Rs. 11,165). Operating assets costing Rs. Nil (December 31, 2015: Rs. 25,715) having a net book value of Rs. Nil (December 31, 2015: Rs. 4,105), were disposed off during the period / year for Rs. Nil (December 31, 2015: Rs. 10,081).

- 3.2 This mainly represents advance paid to suppliers.

4 LONG TERM INVESTMENTS

- 4.1 Engro Polymer & Chemicals Limited (EPCL)
On November 24, 2015, the stock exchanges of Pakistan were notified that the Company has received a public announcement of intention by a potential acquirer to acquire entire shareholding of the Company in EPolymer. Accordingly EPolymer had been asked to provide certain information to enable potential acquirer to conduct due diligence.

Subsequent to the balance sheet date, the shareholders of the Company, in its Annual General Meeting held on April 15, 2016, have approved the sale/disposal of Company's entire shareholding in EPolymer amounting to 56.19% of its shareholding i.e. 372,810,000 shares.

- 4.2 Engro Fertilizers Limited (EFert)
During the period, on February 18, 2016, the Company notified the Pakistan Stock Exchange that as part of its strategic initiatives with respect to its subsidiaries and in order to enable the Company to diversify its portfolio and meet its capital allocation requirements, the Company has appointed advisors for the potential sale, subject to market conditions, of up to 24% of the shares of EFert by way of a private offering to local and international investors.

Subsequent to the balance sheet date, the shareholders of the Company, in its Annual General Meeting held on April 15, 2016, have approved the sale/disposal of upto 24% of Company's shareholding in EFert i.e. 319,423,000 shares.

- 4.3 Engro Foods Limited (EFoods)
During the period, on March 03, 2016, the Company notified the Pakistan Stock Exchange that it has received a public announcement of intention by a potential acquirer to acquire upto 51% of the Company's shareholding in EFoods. Accordingly EFoods has been asked to provide certain information to enable potential acquirer to commence due diligence, which is in progress as at the balance sheet date.

5 LOANS, ADVANCES AND PREPAYMENTS

- 5.1 The Company had extended a loan of Rs 9,296,624 to Elengy Terminal Pakistan Limited, a wholly owned subsidiary company, for it 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) and carries mark-up at the rate of 3 months KIBOR plus 3.5% per annum, payable in a quarterly basis. During the period, loan amounting to Rs. 7,631,672 has been repaid by the subsidiary company.

- 5.2 During the period, the Company extended a subordinated short-term loan of Rs 3,560,000 to Engro Powergen Limited, a wholly owned subsidiary company. The loan carries mark-up at the rate of 3 months KIBOR plus 1.5% per annum, payable in a quarterly basis, and is repayable through one lump sum installment falling due on March 16, 2017.

(Amounts in thousand)

6 OTHER RECEIVABLES

This includes an amount of Rs 3,145,524 on account of dividend receivable from Engro Fertilizers Limited, a subsidiary company. (December 31, 2015: Nil).

7 CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments since December 31, 2015 are mentioned below:

	Unaudited March 31, 2016	Audited December 31, 2015
	------(Rupees)-----	
Corporate Guarantees issued in favor of Subsidiary Companies:		
- Engro Fertilizers Limited (note 7.1)	22,571,235	30,905,573
- Engro Powergen Limited (note 7.2 and 7.3)	9,772,136	228,000
- Engro Powergen Qadirpur Limited	1,048,000	1,047,500
- Engro Elengy Terminal (Private) Limited (note 7.4)	3,217,360	3,320,575
	<u>36,608,731</u>	<u>35,501,648</u>
- Others	610,000	610,000
	<u>37,218,731</u>	<u>36,111,648</u>

7.1 Includes Corporate Guarantee amounting to USD 33,670 to International Finance Corporation (IFC) against outstanding loans of USD 11,670 (December 31, 2015: USD 23,335) under the C Loan Agreement (Original Agreement) and further USD 22,000 (December 31, 2015: USD 22,000) under the Amended Facility Agreement entered into by the Subsidiary Company with IFC.

Subsequent to the balance sheet date, all Corporate guarantees (other than those extended to IFC) have been released.

7.2 The Company has pledged shares of Engro Fertilizers Limited and Engro Foods Limited against the Standby Letters of Credit (Equity SBLCs) provided by Engro Powergen Limited, the subsidiary company through National Bank of Pakistan amounting to USD 18,900 and 51,100 (in PKR equivalent) for its equity commitments related to the Sindh Engro Coal Mining Company Limited (SECMC), its associated company and Engro Powergen Thar (Pvt.) Limited (EPTL), its subsidiary company, in favour of the Intercreditor Agent (Habib Bank Limited) and the Project Companies (SECMC and EPTL respectively). Equity SBLCs expire on earlier of (i) four years after the issuance of SBLCs i.e. March 21, 2020 and (ii) fulfillment of sponsor obligations under Sponsor Support Agreements.

7.3 The Company has pledged shares of Engro Fertilizers Limited and Engro Foods Limited against a Standby Letter of Credit (Put Option SBLC) provided by Engro Powergen Limited, the subsidiary company through Allied Bank of Pakistan amounting to USD 21,070 in favour of the Put Option Fronting Bank (Habib Bank Limited). The Put Option SBLC has been furnished to meet sponsor obligations under Sponsor Support Agreement (Put Option SSA) and expires on earlier of (i) June 30, 2017 and (ii) fulfillment of sponsor obligations pursuant to Put Option SSA.

(Amounts in thousand)

7.4 The Company, as Sponsor Support, has permitted United Bank Limited to mark a lien on its treasury bills against the Letter of Guarantee provided by Engro Elengy Terminal (Private) Limited, the subsidiary company through the bank amounting to USD 1,000 in favour of Port Qasim Authority (PQA) to guarantee the performance of the obligations of the subsidiary company under the Implementation Agreement. During the period, the letter of Guarantee has expired.

8 EARNINGS PER SHARE

	March 31, 2016	March 31, 2015
	------(Rupees)-----	
Profit for the year	<u>3,470,012</u>	<u>351,431</u>
	------(Number of shares)-----	
Weighted average number of ordinary shares	<u>523,785</u>	<u>523,785</u>

	3 months ended March 31, 2016	3 months ended March 31, 2015
	------(Rupees)-----	
Profit before taxation	3,565,608	449,255

9 CASH UTILIZED IN OPERATIONS

Adjustment for non-cash charges and other items:		
Depreciation	5,453	6,245
Gain on disposal of property, plant and equipment	-	(393)
Provision for retirement and other service benefits	3,155	1,467
Income on deposits / other financial assets	(307,352)	(165,908)
Dividend income	(3,415,524)	(247,500)
Royalty income	(134,240)	(239,638)
Financial charges	146,793	145,154
Working capital changes (note 9.1)	(241,305)	(121,983)
	<u>(377,412)</u>	<u>(173,301)</u>

9.1 Working capital changes

Increase in current assets		
- Loans, advances, deposits and prepayments	(93,165)	8,468
- Other receivables (net)	(48,949)	(52,819)
	<u>(142,114)</u>	<u>(44,351)</u>
Decrease in current liabilities		
- Trade and other payables including other service benefits (net)	(99,191)	(77,632)
	<u>(241,305)</u>	<u>(121,983)</u>

(Amounts in thousand)

10 CASH AND CASH EQUIVALENTS

	March 31, 2016	March 31, 2015
	------(Rupees)-----	
Short term investments	3,737,000	610,070
Cash and bank balances	737,833	442,939
	<u>4,474,833</u>	<u>1,053,009</u>

11 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

11.1 Financial risk factors

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

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

11.2 Fair value estimation

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

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

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

	Level 1	Level 2	Level 3	Total
	------(Rupees)-----			
Assets				
Financial assets at fair value through profit or loss				
- Short term investments	-	4,530,380	-	4,530,380

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

11.3 Valuation techniques used to derive Level 2 fair values

Level 2 fair valued instruments comprise treasury bills which are valued using discounted cash flow model.

(Amounts in thousand)

12 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, 2016	3 months ended March 31, 2015
	------(Rupees)-----	
Parent Company		
Reimbursements to Parent company	383	-
Subsidiary companies		
Purchases and services	196	4,150
Services rendered	164,650	151,334
Mark up from subsidiaries	277,668	146,168
Disbursement of loan	3,560,000	221,000
Repayment of loan by Subsidiary Companies	7,631,672	2,150,000
Dividend received	3,145,524	-
Royalty Income, net of sales tax	134,240	239,638
Reimbursements to subsidiary companies	50,867	13,930
Expenses paid on behalf of subsidiary companies	50,963	66,950
Investments	-	2,150,000
Service fees against Corporate Guarantees	2,605	2,508
Remittance in Subsidiary Company	-	5,405
Associated companies		
Purchases and services	527	5
Services rendered	18,341	18,400
Retirement Benefits	8,223	8,239
Donations	6,300	8,000
Investment in T-bills	-	608,070
Redemptions in T-bills	-	719,701
Utilization of overdraft facility	130,000	-
Repayment of overdraft facility	130,000	-
Mark-up on utilization of overdraft facility	157	-
Commitment fee	1,160	-
Interest on deposit	1	-
Reimbursement to associated companies	1,344	1,535
Expenses paid on behalf of associated companies	2,122	2,442
Bank charges	1	-
Profit on Term Finance Certificates	12,073	-
Joint ventures		
Services rendered	704	273
Dividend received	270,000	247,500
Reimbursement to Joint Venture company	1,315	-
Expenses paid on behalf of Joint Venture company	-	212
Others		
Directors' fees	11,183	2,700
Remuneration of key management personnel	48,967	24,197
Reimbursements to key management personnel	582	1,670

(Amounts in thousand)

13 NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

13.1 The Board of Directors in its meeting held on February 18, 2016 had proposed a final cash dividend of Rs. 7.00 per share for the year ended December 31, 2015 amounting to Rs. 3,666,493 for approval of the members at the Annual General Meeting (AGM). The members have approved the dividend in the AGM held on April 15, 2016. The effect of this has not been incorporated in this condensed financial information.

13.2 The Board of Directors in its meeting held on April 27, 2016 has approved an interim cash dividend of Rs 5.00 per share for the year ending December 31, 2016. This condensed interim financial information does not reflect the dividend payable.

14 CORRESPONDING FIGURES

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

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 27, 2016 by the Board of Directors of the Company.



Hussain Dawood
Chairman



Khalid Siraj Subhani
President and Chief Executive

consolidated condensed interim balance sheet as at march 31, 2016

(Amounts in thousand)

	Note	(Unaudited) March 31, 2016	(Audited) December 31, 2015
------(Rupees)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	127,897,686	128,403,791
Biological assets		1,019,416	1,024,251
Intangible assets		265,575	276,846
Long term investments	6	3,207,852	3,120,174
Deferred taxation		1,041,106	982,699
Long term loans and advances		3,775,557	3,758,094
Deferred employee compensation expense	7	114,331	147,456
		<u>137,321,523</u>	<u>137,713,311</u>
Current assets			
Stores, spares and loose tools		7,868,954	7,679,172
Stock-in-trade		19,455,905	14,088,701
Trade debts		6,652,819	6,733,613
Deferred employee compensation expense	7	74,111	92,986
Derivative financial instruments		5,763	29,207
Loans, advances, deposits and prepayments		1,703,975	1,507,999
Other receivables		7,963,814	7,934,670
Taxes recoverable		2,224,846	2,349,782
Short term investments		6,787,718	14,050,112
Cash and bank balances		17,415,878	4,112,298
		<u>70,153,783</u>	<u>58,578,540</u>
TOTAL ASSETS		<u><u>207,475,306</u></u>	<u><u>196,291,851</u></u>

(Amounts in thousand)

	Note	(Unaudited) March 31, 2016	(Audited) December 31, 2015
------(Rupees)-----			
EQUITY & LIABILITIES			
Equity			
Share capital		5,237,848	5,237,848
Share premium		13,068,232	13,068,232
Employee share compensation reserve		522,367	595,143
Revaluation reserve on business combination		51,137	53,688
Maintenance reserve		156,301	156,301
Exchange revaluation reserve		30,526	29,793
Hedging reserve		(87,002)	(88,042)
General reserve		4,429,240	4,429,240
Unappropriated profit		49,559,677	45,891,164
Remeasurement of post-employment benefits		(131,931)	(131,931)
		<u>67,598,547</u>	<u>64,003,588</u>
		<u>72,836,395</u>	<u>69,241,436</u>
Non-controlling interest		24,187,185	16,431,445
Total Equity		<u>97,023,580</u>	<u>85,672,881</u>
Liabilities			
Non-current liabilities			
Borrowings	8	38,963,758	36,993,136
Derivative financial instruments		18,518	17,382
Deferred taxation		9,404,269	8,689,814
Deferred liabilities		127,561	161,242
		<u>48,514,106</u>	<u>45,861,574</u>
Current liabilities			
Trade and other payables		28,377,195	34,050,586
Accrued interest / mark-up		855,101	1,328,147
Current portion of :			
- borrowings		26,339,151	22,589,460
- deferred liabilities		72,695	98,083
Short term borrowings		5,884,660	6,176,645
Derivative financial instruments		265,264	393,070
Unclaimed dividends		143,554	121,405
		<u>61,937,620</u>	<u>64,757,396</u>
Total Liabilities		<u>110,451,726</u>	<u>110,618,970</u>
Contingencies and Commitments	9		
TOTAL EQUITY AND LIABILITIES		<u><u>207,475,306</u></u>	<u><u>196,291,851</u></u>

The annexed notes 1 to 19 form an integral part of this consolidated condensed interim financial information.



Hussain Dawood
Chairman



Khalid Siraj Subhani
President and Chief Executive

consolidated condensed interim profit and loss account (unaudited) for the three months ended march 31, 2016

(Amounts in thousand except for earnings per share)

	Note	March 31, 2016 ------(Rupees)-----	March 31, 2015 ------(Rupees)-----
Net sales		34,326,439	41,285,461
Cost of sales		(23,873,084)	(29,925,128)
Gross profit		10,453,355	11,360,333
Selling and distribution expenses		(2,433,500)	(2,415,326)
Administrative expenses		(922,028)	(951,060)
		<u>7,097,827</u>	<u>7,993,947</u>
Other income		467,826	1,135,327
Other operating expenses		(512,558)	(578,739)
Finance cost		(1,405,003)	(2,368,908)
Share of income from joint ventures and associates		308,420	219,949
Profit before taxation		5,956,512	6,401,576
Taxation	10	(1,550,646)	(2,163,385)
Profit for the period		4,405,866	4,238,191
Profit attributable to:			
- Owners of the Holding Company		3,690,625	3,636,286
- Non-controlling interest		715,241	601,905
		<u>4,405,866</u>	<u>4,238,191</u>
Earnings per share			
- Basic	11	7.05	6.94
- Diluted	11	6.97	6.94

The annexed notes 1 to 19 form an integral part of this consolidated condensed interim financial information.



Hussain Dawood
Chairman

Engro Corp. | First Quarter Report 2016



Khalid Siraj Subhani
President and Chief Executive

consolidated condensed interim statement of comprehensive income (unaudited) for the three months ended march 31, 2016

(Amounts in thousand)

	March 31, 2016 ------(Rupees)-----	March 31, 2015 ------(Rupees)-----
Profit for the period	4,405,866	4,238,191
Other comprehensive income Items that may be reclassified subsequently to profit or loss		
Hedging reserve - cash flow hedges		
Losses arising during the period	(80,250)	(11,679)
Reclassification adjustments for losses included in profit or loss	83,305	30,585
Adjustments for amounts transferred to initial carrying amount of hedged items	-	37,621
	<u>3,055</u>	<u>56,527</u>
Revaluation reserve on business combination Exchange differences on translation of foreign operations	(5,328)	(5,328)
	<u>733</u>	<u>2,984</u>
	<u>(1,540)</u>	<u>54,183</u>
Income tax relating to:		
- Hedging reserve - cash flow hedges	(2,510)	(17,964)
- Revaluation reserve on business combination	1,758	1,758
	<u>(752)</u>	<u>(16,206)</u>
Other comprehensive income for the period, net of tax	(2,292)	37,977
Total comprehensive income for the period	4,403,574	4,276,168
Total comprehensive income attributable to:		
- Owners of the Holding Company	3,689,847	3,670,981
- Non-controlling interest	713,727	605,187
	<u>4,403,574</u>	<u>4,276,168</u>

The annexed notes 1 to 19 form an integral part of this consolidated condensed interim financial information.



Hussain Dawood
Chairman



Khalid Siraj Subhani
President and Chief Executive

25

consolidated condensed interim statement of changes in equity for the three months ended march 31, 2016

(Amounts in thousand)

	Attributable to owners of the Holding Company						Revenue reserves					Non-controlling interest	Total
	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 past employment benefits - Actuarial gain / (loss)	Sub total		
Balance as at January 1, 2015 (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 for the three months ended March 31, 2015													
Profit for the period	-	-	-	(2,550)	-	2,985	34,260	-	3,636,286	-	3,636,286	601,905	4,238,191
Other comprehensive income	-	-	-	(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 option	-	-	-	-	-	-	-	-	709,394	-	709,394	287,909	997,303
Share issued during the period by subsidiary company	-	-	(846)	-	-	-	-	-	709,394	-	709,394	-	(846)
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
Total comprehensive income for the nine months ended													
December 31, 2015 (audited)	-	-	-	(7,652)	-	22,519	21,037	-	10,148,132	(73,573)	10,148,132	2,882,073	13,030,205
Other comprehensive income	-	-	-	(7,652)	-	22,519	21,037	-	10,148,132	(73,573)	10,110,483	2,878,705	12,989,168
Transactions with owners													
Transfer of maintenance reserve to Non-Controlling Interest	-	-	-	-	(22,457)	-	-	-	-	-	(22,457)	22,457	-
Employees Share Option Scheme of subsidiary company	-	-	196,249	-	-	-	-	-	-	-	196,249	-	196,249
Gain on disposal of shares of subsidiary company	-	-	-	-	-	-	-	-	5,258,679	-	5,258,679	2,614,638	7,873,317
Dividend by subsidiary allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(1,666,925)	(1,666,925)
Share capital issued to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	168,000	168,000
Advance against issue of shares	-	-	-	-	-	-	-	-	-	-	-	675,048	675,048
Share issuance cost	-	-	-	-	-	-	-	-	(1,500)	-	(1,500)	(840)	(2,340)
Final cash dividend for the year ended December 31, 2014 @ Rs. 4.00 per share	-	-	-	-	-	-	-	-	(2,095,139)	-	(2,095,139)	-	(2,095,139)
1st Interim cash dividend for the year ending December 31, 2015 @ Rs. 2.00 per share	-	-	-	-	-	-	-	-	(1,047,570)	-	(1,047,570)	-	(1,047,570)
2nd Interim cash dividend for the year ending December 31, 2015 @ Rs. 4.00 per share	-	-	-	-	-	-	-	-	(2,095,139)	-	(2,095,139)	-	(2,095,139)
3rd Interim cash dividend for the year ending December 31, 2015 @ Rs. 5.00 per share	-	-	-	-	-	-	-	-	(2,618,925)	-	(2,618,925)	-	(2,618,925)
Balance as at December 31, 2015 (audited)	5,237,848	13,068,232	595,143	53,888	156,301	29,793	(88,042)	4,429,240	45,891,164	(131,931)	69,241,436	16,431,445	85,672,881
Total comprehensive income for the three months ended													
March 31, 2016 (unaudited)	-	-	-	(2,551)	-	733	1,040	-	3,690,625	-	3,690,625	715,241	4,405,866
Other comprehensive income	-	-	-	(2,551)	-	733	1,040	-	3,690,625	-	3,689,847	713,727	4,403,574
Transactions with owners													
Employees Share Option Scheme of subsidiary company	-	-	(72,776)	-	-	-	-	-	-	-	(72,776)	-	(72,776)
Dividend by subsidiary allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(948,023)	(948,023)
Share capital issued during the year	-	-	-	-	-	-	-	-	-	-	-	8,033,579	8,033,579
Share issuance cost	-	-	-	-	-	-	-	-	(22,112)	-	(22,112)	(43,543)	(65,655)
Balance as at March 31, 2016 (unaudited)	5,237,848	13,068,232	522,367	51,137	156,301	30,526	(87,002)	4,429,240	49,559,677	(131,931)	72,836,395	24,187,185	97,023,580

The annexed notes 1 to 19 form an integral part of this consolidated condensed interim financial information.



Hussain Dawood
Chairman

Engro Corp. | First Quarter Report 2016



Khalid Siraj Subhani
President and Chief Executive

consolidated condensed interim statement of cash flows (unaudited) for the three months ended march 31, 2016

(Amounts in thousand)

	March 31, 2016	March 31, 2015
	----- (Rupees) -----	
Cash flows from operating activities		
Cash utilized in operations	(3,173,842)	(7,074,339)
Retirement and other service benefits paid	(50,604)	(39,264)
Finance cost paid	(1,822,552)	(2,673,496)
Taxes paid	(788,571)	(952,923)
Payments against provision for contractual commitments	(23,604)	-
Long term loans and advances - net	4,787	(443,348)
Net cash utilized in operating activities	(5,854,386)	(11,183,370)
Cash flows from investing activities		
Purchase of property, plant and equipment (PPE) and biological assets	(1,857,070)	(3,409,903)
Sale proceeds on disposal of PPE and biological assets	56,315	55,483
Income on deposits / other financial assets	98,210	616,853
Proceeds from short term investments	679,541	15,960,740
Investment made during the period	(14,656)	(67,902)
Dividends received	270,000	247,500
Net cash (utilized in) / generated from investing activities	(767,660)	13,402,771
Cash flows from financing activities		
Proceeds from issuance of right shares to Non-controlling interest	8,033,579	-
Proceeds from / repayment of borrowings - net	5,610,143	(3,787,196)
Repayment of / proceeds from short term finance - net	(550,000)	1,000,000
Share issuance cost	(65,655)	-
Advance for insurance policy	(43,880)	-
Unclaimed dividends	26,352	-
Dividends paid	(1,859)	(1,207)
Net cash generated from / (utilized in) financing activities	13,008,680	(2,788,403)
Net increase / (decrease) in cash and cash equivalents	6,386,634	(569,002)
Cash and cash equivalents at beginning of the year	11,256,488	8,488,637
Cash and cash equivalents at end of the period	17,643,122	7,919,635

The annexed notes 1 to 19 form an integral part of this consolidated condensed interim financial information.



Hussain Dawood
Chairman



Khalid Siraj Subhani
President and Chief Executive

notes to the consolidated condensed interim financial information (unaudited) for the three months ended march 31, 2016

(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 Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged). The Holding Company is a subsidiary of Dawood Hercules Corporation (the Ultimate Parent Company). 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, 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, 2016	December 31, 2015
- Engro Powergen Limited (1.1.1)	100	100
- Elengy Terminal Pakistan Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Foods Limited (1.1.2)	87.06	87.06
- Engro Fertilizers Limited (note 1.1.3)	78.78	78.78
- Engro Polymer and Chemicals Limited (note 1.1.4)	56.19	56.19
Joint Venture Company:		
- Engro Vopak Terminal Limited	50	50

1.1.1 Engro Powergen Limited (EPL)

- Engro Powergen Qadirpur Limited (EPQL)

EPQL is a subsidiary company of Engro Powergen Limited, a wholly owned subsidiary. During the period, WAPDA's Auto Transformer T-3: 500/ 200 KV/ 450 MVA at Guddu (the transformer) caught fire on January 21, 2016. Resultantly, the transformer went out of operation and thus impacted power evacuation in the region where the EPQL's plant operates. The plant is under standby mode since then due to the load evacuation issue there by reducing energy purchase price and corresponding cost of generation. Initially, it was estimated that the transformer will be repaired/replaced within a month of the incident, however as per latest information available from WAPDA, the work on the transformer is still in progress and may take longer. Meanwhile, EPQL is entitled to full Capacity Purchase Payment (CPP) as the plant is available for dispatch to the power purchaser.

(Amounts in thousand)

- Engro Powergen Thar (Private) Limited (EPTL)

EPTL is a subsidiary company of Engro Powergen Limited, a wholly owned subsidiary. EPTL has been formed for the purpose of the development of 2 x 330 MW mine mouth power plants at Thar Block II, Sindh. During 2015, EPTL had entered into almost all the project agreements and had signed all major foreign and local financing agreements. Subsequent to the balance sheet date, financial close has also been achieved.

During the period, 442,234,273 ordinary shares of EPTL have been issued to Engro Powergen Limited, representing a stake of 50.10% and the remaining stake of 49.90% is held by China Machinery Engineering Corporation, Thar Power Investment Limited, Habib Bank Limited and Liberty Mills Limited.

1.1.2 Engro Foods Limited (EFoods)

During the period, on March 03, 2016, the Holding Company notified the Pakistan Stock Exchange that it has received a public announcement of intention by a potential acquirer to acquire upto 51% of the Holding Company's shareholding in EFoods, a subsidiary company. Accordingly EFoods has been asked to provide certain information to enable potential acquirer to commence due diligence, which is in progress as at the balance sheet date.

1.1.3 Engro Fertilizers Limited (EFert)

During the period, on February 18, 2016, the Holding Company notified the Pakistan Stock Exchange that as part of its strategic initiatives with respect to its subsidiaries and in order to enable the Holding Company to diversify its portfolio and meet its capital allocation requirements, the Holding Company has appointed advisors for the potential sale, subject to market conditions, of up to 24% of the shares of EFert, a subsidiary company, by way of a private offering to local and international investors.

Subsequent to the balance sheet date, the shareholders of the Holding Company, in its Annual General Meeting held on April 15, 2016, have approved the sale/disposal of upto 24% of the Holding Company's shareholding in EFert i.e.319,423,000 shares.

1.1.4 Engro Polymer and Chemicals Limited (EPCL)

On November 24, 2015, the stock exchanges of Pakistan were notified that the Holding Company has received a public announcement of intention by a potential acquirer to acquire entire shareholding of the Holding Company in EPCL, a subsidiary company. Accordingly EPCL had been asked to provide certain information to enable potential acquirer to conduct due diligence.

Subsequent to the balance sheet date, the shareholders of the Holding Company, in its Annual General Meeting held on April 15, 2016, have approved the sale/disposal of Holding Company's entire shareholding in EPCL amounting to 56.19% of its shareholding i.e. 372,810,000 shares.

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, 2015.

(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, 2015, except for change in certain estimates regarding the new Employees Share Options Scheme (ESOS) of Efoods, 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 and EngroGen Energy Services Limited, has been accounted for using the equity method.

The Group's investment in associated entities, GEL Utility Limited and Sindh Engro Coal Mining Company Limited, are accounted for using the equity method of accounting whereby investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of profit and loss of the investee after the date of acquisition.

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, 2015.

(Amounts in thousand)

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets, at net book value
Capital work-in-progress
- Expansion and other projects
- Capital spares

	Unaudited March 31, 2016	Audited December 31, 2015
	------(Rupees)-----	
	121,870,063	123,625,947
	4,994,378	3,695,782
	1,033,245	1,082,062
	<u>127,897,686</u>	<u>128,403,791</u>

6. LONG TERM INVESTMENTS

SECMC is an associated company of Engro Powergen Limited (EPL), a wholly owned subsidiary. SECMC has been formed for the purpose of the development, construction and operations of an open cast lignite mine in Block II of Thar Coal Field, Sindh, with an initial annual mining capacity of 6.5 million tons of coal. SECMC had signed almost all project and financing agreements during 2015. Subsequent to the balance sheet date, financial close has also been achieved.

In 2015, after investment by new shareholders in SECMC (i.e. Hub Power Company Limited, Thal Limited, Habib Bank Limited and China Machinery Engineering Corporation), EPL's shareholding in SECMC was reduced to 19.80%. During the current period after issuance of new shares, EPL's shareholding in SECMC has further reduced to 12.80%.

7. 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 were to be granted in the years 2013 to April 2015. 50% of the options granted were to vest in two years whereas the remaining 50% were to 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 under the Scheme, which remained outstanding as at March 31, 2016 are as follows:

- number of options	5,200,000
- range of exercise price	Rs. 182.85 - Rs. 253.77
- weighted average remaining contractual life	2.91 years

(Amounts in thousand)

The weighted average fair value of options granted to date, as estimated at the date of grant using the Black-Scholes model was Rs. 24.81 per option, whereas weighted average fair value of options to be granted has been estimated as Rs. 33.62 per option. The following weighted average assumptions have been used in calculating the fair values of the options:

	Options granted in 2013	Options granted in 2015	Options to be granted
- number of options	4,400,000	800,000	11,700,000
- share price	Rs. 133.58	Rs. 107.67	Rs. 159.24
- exercise price	Rs. 191.89	Rs. 182.85	Rs. 230.76
- expected volatility	32.54%	30.32%	34.82%
- expected life	3 years	3.5 years	3.69 years
- annual risk free interest rate	9.42%	7.93%	6.15%

The volatility has been measured as the standard deviation of quoted share prices over the last one year from each respective / expected grant date.

The time period under the Scheme for granting of share options expired during the year in April 2015. However, EFoods obtained approval of shareholders for extension in share options grant period for further 3 years in the Annual General Meeting held on April 27, 2015. The approval from SECP for aforementioned modification in the Scheme and the related vesting period has also been received through letter dated August 31, 2015.

In respect of the Scheme, Employee share option compensation reserve and the related deferred expense amounting to Rs. 522,368 has been recognized, out of which Rs. 333,926 has been amortized to date, including reversal of Rs. 20,776 in current period owing to change in fair value of options to be granted net off charge in respect of employees services received to the balance sheet date.

8. BORROWINGS

8.1 Engro Fertilizers Limited (EFert)

During the period:

- EFert exercised the call option of the Privately Placed Term Finance Certificates (PPTFCs) of Rs 6,000,000. These were refinanced through three bilateral loans from MCB Bank Ltd (Rs 3,000,000), Allied Bank Ltd (Rs 2,000,000) and Standard Chartered Bank (Pakistan) Ltd (Rs 1,000,000). The new loans have a pricing of 6 months KIBOR + 0.80% and will mature in March 2018. Further, the loans are part of the Senior debts of EFert;

- the pricing of the IFC loans have been revised to 6M LIBOR + 3.0% from 6M LIBOR + 6.0% effective February 15, 2016;

Habib Bank Limited bought out SAMBA Financial Group's portion in the USD portion of the Offshore Islamic Finance Facility of USD 36,000.

(Amounts in thousand)

8.2 Engro Polymer & Chemicals Limited (EPCL)

Under the terms of the agreements for long term borrowings from International Finance Corporation (IFC) and Syndicate banks and under the bilateral loans agreements, EPCL is required to comply with certain debt covenants. As at March 31, 2016, EPCL is not in compliance with some of these debt covenants and has accordingly notified the concerned financial institutions. EPCL is considering various measures, including issuance of preference shares, as approved by shareholders in the previous year, to improve the EPCL's financial position.

8.3 Engro Elengy Terminal Private Limited (EETPL)

During the period, EETPL, a wholly owned subsidiary company of Elengy Terminal Pakistan Limited (ETPL), entered into a Common Terms Agreement (CTA) and financing agreements with Asian Development Bank (ADB), International Finance Corporation (IFC), Askari Bank Limited, Pak Brunei Investment Company and NIB Bank Limited as arrangers / lenders, to obtain the following finance facilities:

	----- (Rupees) -----
USD Loan from IFC (USD 20 M)	2,096,966
USD Loan from ADB (USD 30 M)	3,145,449
PKR Loan from Local Syndicate	4,031,672

8.3.1 The loan is repayable in 16 half yearly installments starting June 15, 2016 as per agreed schedule: 1st - 8th installments at 6.75% of principal; 9th -12th installments at 5.00% of principal; and 13th - 16th installment at 6.50% of principal.

8.3.2 The USD portion of the loan carries interest at 6 month LIBOR +5% while the PKR portion is priced at 6 month KIBOR + 2.25% till the first repayment and 6 month KIBOR +1.8% thereafter.

8.3.3 The facility has been secured by way of following:

- Pledge of 51% holding in ETPL by the Holding Company;
- Pledge of 100% holding in EETPL by ETPL; and
- Mortgage by EETPL of its land and hypothecating all its project assets.

(Amounts in thousand)

9. CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments since December 31, 2015 are mentioned below :

	Unaudited March 31, 2016	Audited December 31, 2015
	------(Rupees)-----	
Contingencies:		
9.1 Corporate Guarantees issued by Engro Corporation Limited in favor of Subsidiary Companies:		
- Engro Fertilizers Limited (note 9.1.1)	22,571,235	30,905,573
- Engro Powergen Limited (note 9.1.2 and 9.1.3)	9,772,136	228,000
- Engro Powergen Qadirpur Limited	1,048,000	1,047,500
- Engro Elengy Terminal (Private) Limited (9.1.4)	3,217,360	3,320,575
	<u>36,608,731</u>	<u>35,501,648</u>
- Others	610,000	610,000
	<u>37,218,731</u>	<u>36,111,648</u>

9.1.1 Includes Corporate Guarantee amounting to USD 33,670 to International Finance Corporation (IFC) against outstanding loans of USD 11,670 (December 31, 2015: USD 23,335) under the C Loan Agreement (Original Agreement) and further USD 22,000 (December 31, 2015: USD 22,000) under the Amended Facility Agreement entered into by the Subsidiary Company with IFC.

Subsequent to the balance sheet date, all Corporate Guarantees (other than those extended to IFC) have been released.

9.1.2 The Holding Company has pledged shares of Engro Fertilizers Limited and Engro Foods Limited against the Standby Letters of Credit (Equity SBLCs) provided by Engro Powergen Limited, the subsidiary company through National Bank of Pakistan amounting to USD 18,900 and 51,100 (in PKR equivalent) for its equity commitments related to the Sindh Engro Coal Mining Company Limited (SECMC), its associated company and Engro Powergen Thar (Pvt.) Limited (EPTL), its subsidiary company, in favour of the Intercreditor Agent (Habib Bank Limited) and the Project Companies (SECMC and EPTL respectively). Equity SBLCs expire on earlier of (i) four years after the issuance of SBLCs i.e. March 21, 2020 and (ii) fulfillment of sponsor obligations under Sponsor Support Agreements.

9.1.3 The Holding Company has pledged shares of Engro Fertilizers Limited and Engro Foods Limited against a Standby Letter of Credit (Put Option SBLC) provided by Engro Powergen Limited, the subsidiary company through Allied Bank of Pakistan amounting to USD 21,070 in favour of the Put Option Fronting Bank (Habib Bank Limited). The Put Option SBLC has been furnished to meet sponsor obligations under Sponsor Support Agreement (Put Option SSA) and expires on earlier of (i) June 30, 2017 and (ii) fulfillment of sponsor obligations pursuant to Put Option SSA.

(Amounts in thousand)

9.1.4 The Holding Company, as Sponsor Support, has permitted United Bank Limited to mark a lien on its treasury bills against the Letter of Guarantee provided by Engro Elengy Terminal (Private) Limited, the subsidiary company through the bank amounting to USD 1,000 in favour of Port Qasim Authority (PQA) to guarantee the performance of the obligations of the subsidiary company under the Implementation Agreement. During the period, the letter of Guarantee has expired.

9.2 Engro Powergen Limited, a subsidiary company, has provided sponsor support contractual commitment in favor of Senior Lenders amounting to USD 41,600 as cost overrun support pursuant to the Sponsor Support Agreements (SSA) dated February 22, 2016 and February 1, 2016, respectively (and the Amendment and Restatement Agreement dated February 12, 2016 relating to the SSA in case of Engro Powergen Thar (Private) Limited).

9.3 Faysal Bank Limited (FBL) has issued a performance guarantee of USD 16,517 on behalf of Engro Powergen Thar (Pvt.) Limited (EPTL) in favour of National Transmission and Despatch Company (NTDC) to secure company's performance obligations under the Power Purchase Agreement. The performance guarantee expires on July 25, 2019 and is secured by way of performance bonds issued under the Supply and Services Agreement and ranking charge over fixed assets of EPTL.

10. TAXATION

Significant changes in taxation status since December 31, 2015 are mentioned below :

10.1 Engro Polymer & Chemicals Limited (EPCL)
During the period, the Deputy Commissioner Inland Revenue (DCIR) through his order dated January 8, 2016, raised a sales tax demand of Rs. 524,589 against Engro Polymer & Chemicals Limited (EPCL) on account of alleged short payment of sales tax due on the finished products that would have been produced and sold from the excess wastage of raw material.

EPCL filed an appeal against the order before Commissioner Inland Revenue Appeals [CIR(A)] on the grounds that the order passed against it was absolutely baseless as the DCIR had used inappropriate theoretical assumptions for calculating the sales tax liability. The CIR(A) through his order dated March 10, 2016, has decided the matter in favor of EPCL.

(Amounts in thousand)

11. EARNINGS PER SHARE - BASIC AND DILUTED

The basic and dilutive earnings per share is based on:

Profit after taxation (attributable to the owners of the Holding Company)

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

Profit for the period
Interest on IFC loan - net of tax
(Gain) / loss on revaluation of conversion options on IFC loan - net of tax

Weighted average number of ordinary shares

Add: Weighted average adjustment for effect of conversion of IFC loan

Weighted average number of ordinary shares for determination of diluted EPS

12. CASH GENERATED FROM OPERATIONS

Profit before taxation

Adjustment for non-cash charges and other items:

Depreciation and amortization
Gain on disposal / write off of property, plant and equipment and biological assets
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets
Provision for retirement and other service benefits
Income on deposits / other financial assets
Share of income from joint venture companies
Gain on deemed disposal of associate company
Finance cost
Foreign currency translations
Working capital changes (note 12.1)

	Three months ended	
	March 31, 2016	March 31, 2015
	------(Rupees)-----	
Profit after taxation (attributable to the owners of the Holding Company)	3,690,625	3,636,286
Profit for the period	3,690,625	3,636,286
Interest on IFC loan - net of tax	685	1,578
(Gain) / loss on revaluation of conversion options on IFC loan - net of tax	(38,713)	3,837
	<u>3,652,597</u>	<u>3,641,701</u>
	------(Number in thousands)-----	
Weighted average number of ordinary shares	523,785	523,785
Add: Weighted average adjustment for effect of conversion of IFC loan	-	-
Weighted average number of ordinary shares for determination of diluted EPS	<u>523,785</u>	<u>523,785</u>
Profit before taxation	5,956,512	6,401,576
Adjustment for non-cash charges and other items:		
Depreciation and amortization	2,360,029	2,343,699
Gain on disposal / write off of property, plant and equipment and biological assets	(10,187)	(14,149)
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets	(21,731)	(61,494)
Provision for retirement and other service benefits	30,133	12,294
Income on deposits / other financial assets	(114,807)	(902,388)
Share of income from joint venture companies	(308,420)	(219,949)
Gain on deemed disposal of associate company	(34,520)	-
Finance cost	1,405,003	2,368,908
Foreign currency translations	(9,647)	(1,064)
Working capital changes (note 12.1)	<u>(12,426,207)</u>	<u>(17,001,772)</u>
	<u>(3,173,842)</u>	<u>(7,074,339)</u>

(Amounts in thousand)

12.1 Working capital changes

(Increase) / decrease in current assets

- Stores spares and loose tools
- Stock-in-trade
- Trade debts
- Loans, advances, deposits and prepayments
- Other receivables - net

Decrease in current liabilities

- Trade and other payables including other service benefits - net

13. CASH AND CASH EQUIVALENTS

Cash and bank balances
Short term investments
Short term borrowings

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

14.1 Financial risk factors

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

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

14.2 Fair value estimation

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

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

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

	Three months ended	
	March 31, 2016	March 31, 2015
	------(Rupees)-----	
(Increase) / decrease in current assets		
- Stores spares and loose tools	(189,782)	(144,781)
- Stock-in-trade	(5,367,204)	(1,107,944)
- Trade debts	80,794	824,550
- Loans, advances, deposits and prepayments	(195,976)	363,392
- Other receivables - net	<u>(29,144)</u>	<u>(231,173)</u>
	<u>(5,701,312)</u>	<u>(295,956)</u>
Decrease in current liabilities		
- Trade and other payables including other service benefits - net	<u>(6,724,895)</u>	<u>(16,705,816)</u>
	<u>(12,426,207)</u>	<u>(17,001,772)</u>
Cash and bank balances	17,415,878	5,783,124
Short term investments	5,911,904	12,210,230
Short term borrowings	<u>(5,684,660)</u>	<u>(10,073,719)</u>
	<u>17,643,122</u>	<u>7,919,635</u>

(Amounts in thousand)

	Level 1	Level 2	Level 3	Total
	------(Rupees)-----			
Assets				
Financial assets at fair value through profit or loss				
- Derivative financial instruments	-	5,763	-	5,763
- Short term investments	-	6,143,943	-	6,143,943
	<u>-</u>	<u>6,143,943</u>	<u>-</u>	<u>6,143,943</u>
Liabilities				
Derivatives				
- Derivative financial instruments	-	61,705	-	61,705
- Conversion option on IFC loans	-	222,077	-	222,077
	<u>-</u>	<u>222,077</u>	<u>-</u>	<u>222,077</u>

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

14.3 Valuation techniques used to derive Level 2 fair values

Level 2 fair valued instruments comprise treasury bills which are valued using discounted cash flow model.

15. 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:

(Amounts in thousand)

	Three months ended	
	March 31, 2016	March 31, 2015
	------(Rupees)-----	
Parent Company		
Reimbursements to Parent company	383	-
Associated companies and joint ventures		
Purchases and services	612,594	2,147,851
Services rendered / sale of goods	117,622	71,068
Retirement benefits	175,636	150,776
Dividends received	270,000	247,500
Payment of interest on TFCs and repayment of principal amount	36,587	2,806
Donations	36,700	30,000
Investment in mutual funds and T-Bills	-	608,070
Redemption of investments in mutual funds and T-Bills	-	719,701
Investment from Associated Companies	8,048,235	-
Utilization of overdraft facility	130,000	-
Repayment of overdraft facility	130,000	-
Mark-up on utilization of overdraft facility	157	-
Commitment fee	1,160	-
Interest on deposit	1	-
Bank charges	1	-
Profit on Term Finance Certificates	30,333	-
Balances due from Joint Ventures	2,670	1,233
Key Management Personnel		
Remuneration paid to key management personnel / directors	216,946	184,790
Directors Fees	21,053	5,200

16. 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)

	Three months ended	
	March 31, 2016	March 31, 2015
	------(Rupees)-----	
Revenue		
Fertilizer	12,613,227	18,710,607
Polymer	5,739,351	6,701,446
Food	11,935,443	13,214,195
Power	1,516,964	2,501,203
Other operations	6,100,439	670,262
Elimination - net	(3,578,985)	(512,252)
Consolidated	<u>34,326,439</u>	<u>41,285,461</u>
Profit after taxation		
Fertilizer	2,121,391	2,928,841
Polymer	17,828	(107,047)
Food	981,880	620,961
Power	319,493	459,165
Other operations	4,138,104	378,828
Elimination - net	(3,172,830)	(42,557)
Consolidated	<u>4,405,866</u>	<u>4,238,191</u>
	Unaudited	Audited
	March 31,	March 31,
	2016	2015
	------(Rupees)-----	
Assets		
Fertilizer	97,946,010	110,817,000
Polymer	24,218,885	24,211,764
Food	30,751,348	29,152,843
Power	35,823,216	23,996,126
Other operations	61,826,766	55,416,352
Elimination - net	(43,090,919)	(47,302,234)
Consolidated	<u>207,475,306</u>	<u>196,291,851</u>

(Amounts in thousand)

17. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

- 17.1 The Board of Directors of the Holding Company, in its meeting held on February 18, 2016 had proposed a final cash dividend of Rs. 7.00 per share for the year ended December 31, 2015 amounting to Rs. 3,666,493 for approval of the members at the Annual General Meeting (AGM). The members have approved the dividend in the AGM held on April 15, 2016. The effect of this has not been incorporated in this condensed consolidated financial information.
- 17.2 The Board of Directors of the Holding Company, in its meeting held on April 27, 2016 has approved an interim cash dividend of Rs 5.00 per share for the year ending December 31, 2016 (December 31, 2015: Rs 18 per share). This condensed consolidated interim financial information does not reflect the dividend payable.

18. CORRESPONDING FIGURES

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

19. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information is authorized for issue on April 27, 2016 by the Board of Directors of the Holding Company.

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

ڈائریکٹرز رپورٹ

عالمی نمو کمزور رہی ، جیسا کہ ابھرتی ہوئی منڈیوں نے محدود نمو کی حقیقت کا سامنا کرنا شروع کر دیا ہے۔ تاہم گزشتہ سال دسمبر میں امریکی فیڈرل ریزرو میں بلندی کے بعد سرمائے کے اخراج اور ابھرتی منڈیوں میں ہلچل کے خدشات کم ہو گئے ہیں۔ جس سے عالمی منڈیوں میں مزید افراط فری پروک لگ گئی۔ امریکی فیڈرل ریزرو بینک نے ڈالر کی قیمتوں میں کسی مزید اضافے اور چین میں توقع سے زیادہ تیزی سے مندی سے درپیش خطرات سے آگاہی کی بنا پر پہلی سہ ماہی میں امریکی شرح سود میں مزید کسی اضافے پر روک لگادی۔ آئی ایم ایف نے 2016 میں عالمی پیداوار میں 3.4 فی صد اضافے کی پیشگوئی کی ہے۔

عالمی رجحانات کے برعکس پاکستانی معیشت نے آئی ایم ایف کی ایکسپنڈ ڈھنڈیلیٹی کے تحت اپنی کامیاب بحالی کا سلسلہ جاری رکھا۔ مارچ کے آخر میں اس پروگرام اپنا دسواں جائزہ کامیابی سے مکمل کر لیا۔ جس سے 503 ملین ڈالر کی فراہمی کی راہ ہموار ہو گئی ، جس سے مجموعی فراہمی 15.53 ارب ڈالر تک پہنچ گئی۔ پاکستان بدستور تیل کی کم قیمتوں سے فائدہ اٹھا رہا ہے، جیسا کہ افراط زر محدود رہی ، جب کہ اس کے زرمبادلہ کے ذخائر اتنے بڑھ چکے ہیں چار ماہ کی درآمدات کی ادائیگی کر سکیں۔ بجلی پر سبسڈیز میں کمی ، پگس میں چھوٹ واپس لینے اور پینار سکاری اداروں کے لیے تشکیل نو اور نج کاری کے منصوبوں کے ساتھ بنیادی ڈھانچے میں اصلاحات جاری ہیں۔ آئی ایم ایف نے مالی سال 2015-16 میں پاکستان کے حقیقی جی ڈی پی میں 4.5 فی صد کی شرح سے نمو کی پیشگوئی کی ہے۔

کاروباری جائزہ

فوڈ ز اور فریٹلائزر کے کاروباروں میں فروخت میں کمی کے ساتھ NTDC کوگرڈ کی گنجائش میں کمی کے درپیش مسائل کے نتیجے میں قادر پور پلانٹ کی طرف سے بجلی کی کم ترسیل کے نتیجے میں سال کی پہلی سہ ماہی ایگروکار پوریشن کے لیے چیلنج سے بھر پور رہی۔

مجمع بنیاد پرائیگرو کار پوریشن نے 2015 کی پہلی سہ ماہی میں 41.3 ملین روپے کے مقابلے میں 2016 کی پہلی سہ ماہی میں 34.3 بلین روپے کے ساتھ 17 فی صد کم آمدن حاصل کی۔ تاہم قرض کی لاگتوں میں کمی اور گیس کی رعایتی قیمتوں کے مکمل فوائد کے نتیجے میں بہتر منافع

جات کی بدولت بعد از ٹیکس منافع (PAT) 2015 کی پہلی سہ ماہی میں 3,636 ملین روپے کے مقابلے میں بڑھ کر 2016 کی پہلی سہ ماہی میں 3,691 ملین روپے ہو گیا۔

کاروباری جائزہ

فوڈ ز اور فریٹلائزر کے کاروباروں میں فروخت میں کمی کے ساتھ NTDC کوگرڈ کی گنجائش میں کمی کے درپیش مسائل کے نتیجے میں قادر پور پلانٹ کی طرف سے بجلی کی کم ترسیل کے نتیجے میں سال کی پہلی سہ ماہی ایگروکار پوریشن کے لیے چیلنج سے بھر پور رہی۔

مجمع بنیاد پرائیگرو کار پوریشن نے 2015 کی پہلی سہ ماہی میں 41.3 ملین روپے کے مقابلے میں 2016 کی پہلی سہ ماہی میں 34.3 بلین روپے کے ساتھ 17 فی صد کم آمدن حاصل کی۔ تاہم قرض کی لاگتوں میں کمی اور گیس کی رعایتی قیمتوں کے مکمل فوائد کے نتیجے میں بہتر منافع جات کی بدولت بعد از ٹیکس منافع (PAT) 2015 کی پہلی سہ ماہی میں 3,636 ملین روپے کے مقابلے میں بڑھ کر 2016 کی پہلی سہ ماہی میں 3,691 ملین روپے ہو گیا۔

اینگرو فریٹلائزرز

یوریا کی مقامی صنعت کی فروخت نمایاں کمی کے ساتھ 767KT ہو گئی جو 2015 کی پہلی سہ ماہی کے مقابلے میں 49 فی صد کم بنتی ہے۔ یہ کمی بنیادی طور پر کمزور زرعی معیشت ، یوریا کی گرتی ہوئی عالمی قیمتیں ، اور یوریا پر سبسڈی کی افواہوں کا نتیجہ تھی۔ جس کے نتیجے میں چینل اینوبینٹریز کو یوریا کی طلب پوری کرنے کے لیے بیچے لایا گیا ہے۔ دوسری طرف مری نیٹ ورک اور ایل این جی سے اضافی گیس کی سپلائی کے نتیجے میں یوریا کی مجموعی صنعتی پیداوار گزشتہ سال کی اسی مدت میں 1,216KT کے مقابلے میں بڑھ کر 1,411 KT ہو گئی ، یعنی 16 فی صد اضافہ ہوا۔ جس کے نتیجے میں صنعت کی کلوزنگ انوبینٹری 2016 کی پہلی سہ ماہی کے اختتام پر 1,200KT کی سطح تک پہنچ گئی۔ حالیہ سہ ماہی کے اختتام تک یوریا کی قیمتیں 1,818 فی یوری کی سطح پر نسبتاً مستحکم ہو گئیں۔ یوریا کی بین الاقوامی قیمتوں نے کچھ راحت دکھائی ہے اور سہ ماہی کے اختتام پر 220-230 امریکی ڈالر فی ٹن کے قریب مستحکم رہی ہیں۔

DAP کی مقامی صنعت کی فروخت گزشتہ سال 186KT کے مقابلے میں 236KT(27 فی صد اضافہ) تک بڑھ گئی جس کی وجہ فاسفیٹ کی قیمتوں میں کمی اور فاسٹیکس پر سبسڈی ہے۔

حالیہ سہ ماہی کے لیے کمپنی کی یوریا کی پیداوار گزشتہ سال اسی مدت میں 486KT کے مقابلے میں 514KT رہی یعنی 6 فی صد اضافہ ہوا جس کی بنیادی وجہ گیس کی بہتر دستیابی ہے۔ تاہم صنعت کی موجودہ صورت حال نے فروخت کو 2015 کی پہلی سہ ماہی کی 481KT فروخت کے مقابلے میں 2016 کی پہلی سہ ماہی میں 286KT تک محدود رکھا اور 41 فی صد کی درج کرائی۔ یوریا مارکیٹ شیئر گزشتہ سال کے 32 فی صد (برانڈڈ یوریا مارکیٹ شیئر کا 40 فی صد) کے مقابلے میں 37 فی صد (برانڈڈ یوریا مارکیٹ شیئر کا 38 فی صد) رہا۔

کمپنی نے 2015 کی پہلی سہ ماہی میں 39KT کے مقابلے میں DAP 65KT فروخت کی جس کے نتیجے میں مارکیٹ شیئر گزشتہ سال میں 19 فی صد کے مقابلے میں بہتر ہو کر 28 فی صد تک پہنچ گیا۔ کمپنی کی بلیئنڈ فریٹلائزرز (زرریز اور اینگرو NP) کی فروخت 36 فی صد کی کے ساتھ 2015 کی پہلی سہ ماہی میں 28KT کے مقابلے میں 18KT ہو گئی۔ پاکستان کی مجموعی پوناش مارکیٹ 2016 کی پہلی سہ ماہی میں 9 فی صد کی کے ساتھ 2015 کی پہلی سہ ماہی میں 7.1KT کے مقابلے میں 6.5KT(nutrient tons) رہی۔ تاہم زرریز کا مارکیٹ شیئر 49 فی صد تک بڑھ گیا (2015 کی پہلی سہ ماہی میں 43 فی صد) اور اس طرح اس کے فروخت کے حقیقی حجم میں انڈسٹری کی مندی کے مقابلے میں نسبتاً قلیل کمی ہوئی۔

GIDC ایکٹ 2015 کے نفاذ کے بعد کمپنی نے GIDC کے متعلق بہ ماضی قابل اطلاق ہونے کے خلاف 2015 میں احکام اتناعتی حاصل کر لیے۔ تاہم حکومت کی درخواست پر اور اپنے قانونی موقف پر کوئی سمجھوتہ کیے بغیر کمپنی تمام غیر رعایتی گیس پر GIDC کی ادائیگی جاری رکھے ہوئے ہے۔ کمپنی نے رعایتی گیس پر GIDC کے قابل اطلاق ہونے کے خلاف بھی 2015 میں ایک حکم اتناعتی حاصل کیا تھا، اور لہذا نئے یوریا پلانٹ کو سپلائی کی جارہی رعایتی گیس کے لیے کوئی GIDC ادایا جمع نہیں کرایا جا رہا ہے۔ رعایتی گیس پر GIDC فریٹلائزر پالیسی اور کمپنی کے گیس سپلائی کنٹریکٹس کی براہ راست خلاف ورزی ہے جن کی بنیاد پر اس نے اپنی کھاد سازی کی گنجائش میں اضافے کے لیے 1.1 ارب ڈالر کی سرمایہ کاری کی تھی۔ ECC کے فیصلے ،

بتاریخ 18 فروری 2016 کی پیروی میں ، جس میں کمپنی کو مہیا کی جانے والی 60MMSCFD گیس اس کے اصل مقوم علیہاں (الائیز) کو دوبارہ مختص کرنے کی ہدایت کی گئی تھی ، کمپنی فاضل گیس کو مختص کرانے کے لیے مختلف متعلقہ پارٹیوں سے مذاکرات کر رہی ہے تاکہ دو پلانٹ کے آپریشنز کا جاری رہنا یقینی بنایا جاسکے۔

اس مدت کے لیے مجموعی نفع گزشتہ سال اسی مدت میں 6,770 ملین روپے کے مقابلے میں 4,938 روپے رہا۔ یہ کمی بنیادی طور پر مذکورہ بالا بیان کردہ وجوہات کی وجہ سے فروخت کے حجم پر دباؤ کا نتیجہ تھی جس کے اثرات رعایتی قیمتوں کی بدولت تیزوی طور پر زائل ہو گئے جن کا 16 مارچ 2015 سے اطلاق ہوا تھا۔ مالیاتی اخراجات میں بھی گزشتہ سال کے مقابلے میں نمایاں کمی آئی (گزشتہ سال کے 1,262 ملین کے مقابلے میں 751 ملین روپے) ، جو قرضوں کی واپسی ، سود کے کم نرخوں اور مختلف طویل مدتی قرضوں کی دوبارہ پرائٹنگ کا نتیجہ تھی۔ مندرجہ بالا امور کے نتیجے میں کمپنی کا مجمع خالص منافع گزشتہ سال اسی مدت کے لیے 3.1 ارب روپے کے مقابلے میں 2.1 ارب روپے رہا۔

اینگرو فوڈز

اینگرو کار پوریشن نے 03 مارچ 2016 کو پاکستان اسٹاک ایکچینج کو اطلاع دی کہ اسے رائل فرائز لینڈ کیمپنا کی طرف سے اینگرو فوڈز میں اینگرو کار پوریشن کی 51 فی صد تک شیئر ہولڈنگ خریدنے کا اظہار دل چسپی موصول ہوا ہے۔ اس کے مطابق اینگرو فوڈز سے مخصوص معلومات فراہم کرنے کو کہا گیا ہے تاکہ مکمل خریدار مطلوبہ چھان بین کے قابل ہو سکے، جس پر کام جاری ہے۔

اینگرو کار پوریشن کو رائل فرائز لینڈ کیمپنا انٹرنیشنل ہولڈنگ (RFC) کا ایک اعلان قصد (announcement of intention) موصول ہوا ہے جس میں بتایا گیا ہے کہ RFC اینگرو کار پوریشن کے ساتھ ایک معاہدے اور ایک پبلک آفر کے ذریعے اینگرو فوڈز کے مجموعی طور پر 51 فی صد تک عام حصص خریدنے کا ارادہ رکھتی ہے۔ مطلوبہ چھان بین بخوبی جاری ہے اور ہم یقین رکھتے ہیں کہ RFC کے ساتھ مکمل پائرنٹشپ ، اگر باآور ہوگی ، تو ہر گھرانے کو محفوظ اور غذائیت بخش دودھ کی مصنوعات کی فراہمی کے ذریعے صارفین کی خوشیاں دو بالا کرنے کے مقصد کی طرف ہماری پیش رفت مزید تیز ہو جائے گی۔

اس مدت کے دوران کمپنی نے گزشتہ سال اسی مدت میں 12.5 ارب روپے کے مقابلے میں 11.7 ارب روپے آمدن حاصل کی۔ کمپنی کا مجموعی مارجن 26.8 فی صد سے بہتر ہوکر 28.1 فی صد ہو گیا۔ جس کے نتیجے میں کمپنی کی منافع کمانے کی اہلیت گزشتہ سال اسی مدت میں 1,069 ملین روپے کے مقابلے میں بڑھ کر 1.108 ملین روپے ہوئی۔

مجموعی منافع میں اضافہ دوہہ اور ایندھن کی قیمتوں میں کمی کی بدولت منافع کی بلند سطح کا نتیجہ ہے۔ دو مرکزی برانڈز اولپر ز اور امنگ نے گزشتہ سال کی اسی مدت کے مقابلے میں فروخت حجم میں نمایاں اضافہ دکھایا، اس کے مطابق تین ماہ کے لیے بعد از ٹیکس منافع 1,202 ملین روپے تھا اور اس طرح گزشتہ سال کی اسی مدت کے مقابلے میں 3 فی صد اضافہ دکھایا۔ تاہم STC سیکٹ میں گہری ڈسکاؤنٹنگ کا نتیجہ ترنگ کا شیئر کم ہونے کی صورت میں برآمد ہوا۔ جس کے نتیجے میں اس سیکٹ نے 11 ارب روپے کی زیادہ سے زیادہ آمدن (ٹاپ لائن) کے ساتھ گزشتہ سال کی اسی مدت کے مقابلے میں 7 فی صد کی رجسٹر کرائی۔ اس کے بعد سے شیئرز واپس حاصل کرنے کے لیے مناسب حکمت عملی لاگو کی جا چکی ہے جس سے ترنگ نے پر زور واپسی کا مظاہرہ کیا ہے۔ کمپنی برانڈز ایکویٹی کو مزید مستحکم کرنے اور قائم انداز مقام کو مزید آگے بڑھانے کا سلسلہ جاری رکھنے کا ارادہ رکھتی ہے۔

31 مارچ 2016 کو ختم ہونے والی پہلی سہ ماہی میں صارف سے مطابقت رکھنے والی مصنوعات متعارف کرانے اور ڈسٹری بیوٹن نیٹ ورک میں شاندار عملی سرگرمیوں کا نتیجہ آئس کریم کے کاروبار میں عمدہ کارکردگی کی صورت میں سامنے آیا ۔ اس سیکٹ میں گزشتہ اسی مدت کے دوران 137 ملین روپے کے خسارے کے مقابلے میں 119 ملین روپے کا خسارہ ہوا۔

کمپنی کا ڈیری فارم ہمارے ڈیری سیکٹ کے لیے بدستور خام مال کا بھرپور اور غذائیت بخش ذریعہ بنا رہا۔ اس سیکٹ نے پہلی سہ ماہی میں گزشتہ سال کی اسی مدت میں 33 ملین روپے کے مقابلے میں 25 ملین روپے کا منافع دکھایا۔

اینٹگرو پولیمر

2016 کی پہلی سہ ماہی کے دوران مقامی مارکیٹ میں طلب مستحکم رہی اور کمپنی تاریخ کی بلند ترین سہ ماہی فروخت حاصل کرنے میں کامیاب رہی اور گزشتہ سال کی اسی مدت کے مقابلے میں

12 فی صد اضافہ درج کرایا۔ تعمیراتی شعبے کی طرف سے زبردست طلب نے جوتوں اور گارڈن ہوز کے تیار کنندگان کی طرف سے طاقت ور میعاد ی طلب کے ساتھ مل کر مقامی مارکیٹ میں پی وی سی کی فروخت اوپر لے جانے میں مرکزی محرک کا کردار نبھایا۔ تاہم پی وی سی انتھالین کورڈ پلٹا کی فروخت میں مندی کا رجحان رہا۔

اس سہ ماہی کے دوران کاسٹک سوڈا کی مارکیٹ مستحکم رہی۔ تاہم مارکیٹ میں سخت مقابلے کی وجہ سے مقامی فروخت گزشتہ سال کی اسی مدت کے مقابلے میں 13 فی صد کم رہی۔ اس سہ ما ی کے دوران کمپنی نے کلورالکھن منافع جات کو تقویت دینے کے لیے اضافی کاسٹک سوڈا ابراہیکسپورٹ بھی کیا۔

پیداواری محاذ پر کمپنی نے تاریخ کی سب سے بلند پی وی سی کی سہ ماہی پیداوار حاصل کی۔ گزشتہ سال کی اسی مدت کے مقابلے میں VCM کی پیداوار میں 22 فی صد اضافہ ہوا، جب کہ کاسٹک پیداوار بھی مستحکم رہی۔ مستحکم پیداواری کارکردگی نے مقامی مارکیٹ کے لیے پروڈکٹ کی وافر دستیابی یقینی بنانے میں مدد دی۔

کمپنی نے گزشتہ سال کی اسی مدت کے دوران 6,701 ملین روپے کے مقابلے میں اس سہ ماہی کے دوران 5,739 ملین آمدن ریکارڈ کرائی۔ کمپنی نے اسی گزشتہ مدت کے لیے 107 ملین روپے بعد از ٹیکس خسارے کے مقابلے میں 18 ملین روپے بعد از ٹیکس منافع درج کرایا۔ کمپنی نے آمدن میں یہ اضافے مقامی مارکیٹ میں فروخت کے حجم میں نمایاں اضافے اور عملی محاذ پر اخراجات میں کفایت کی بدولت حاصل کیے۔

ایگرو ایگز مپ ایگری پروڈکٹس (EEAP)

گزشتہ سال نئی انتظامیہ کے ساتھ IEEAP نے مستقل طے شدہ اخراجات میں کمی اور مسابقت پسندی میں اضافے کے لیے ایک بڑی تشکیل نو سے گزری۔ مزید برآں ایشیا کی قیمتوں سے متعلق خطرات میں کمی اور عملی کارکردگی اور منافع جات بہتر بنانے کے لیے EEAP کی کاروباری حکمت عملی میں تبدیلیاں لاگو کی گئیں۔

2016 کی پہلی سہ ماہی میں کمپنی نے مجموعی طور پر 971 ٹن دھان سے چھلکا الگ کیا اور 5,204 ٹن چاول پروسیس کیے گئے۔ کمپنی نے 2016 کی پہلی سہ ماہی کے دوران 3,242KT چاول ایکسپورٹ کیے جو سال بہ سال بنیاد پر 88 فی صد اضافہ ہے (2015 کی ایکسپورٹ: 1,724KT)۔ دھان کی پروسیسنگ انتظامیہ کی طرف سے دھان کی خریداری میں کمی کے فیصلے کا نتیجہ ہے۔ کمپنی نے اسی گزشتہ مدت کے لیے 448 ملین روپے بعد از ٹیکس خسارے کے مقابلے میں 31 مارچ 2016 کو ختم ہونے والی سہ ماہی کے لیے 126 ملین روپے کا بعد از ٹیکس خسارہ درج کرایا۔

اینٹگرو پاورجن

پاکستان کو طلب میں اضافے، بجلی کی پیداوار کی گنجائش میں محدود اضافے، ترسیل اور تقسیم کے ہماری نقصان اور گردش قرضے کے مستقل مسئلے کی وجہ سے بدستور بجلی کی دیرینہ کمی کا سامنا ہے۔

پاکستان کو بجلی کی طلب میں اضافے، بجلی کی پیداوار میں محدود اضافے، ٹرانسمشن اور ڈسٹری بیوٹن ضیاع کی بلند شرح اور گردش قرضے کے مستقل مسئلے کی وجہ سے بجلی کی دیرینہ قلت کا سامنا ہے۔ فی الوقت طلب کے انتہائی بلند درجوں پر طلب اور فراہمی کا باہمی فرق 5,000 میگا واٹ کے لگ بھگ ہے۔ حکومت پاکستان ملک میں توانائی کا بحران دور کرنے کے لیے مختلف اقدامات پر عمل پیرا ہے۔ لیکویفائیڈ نیچرل گیس (LNG) پر مبنی بجلی پیدا کرنے کے منصوبے حکومت کی طرف سے کیے جا رہے چند اقدامات میں شامل ہیں۔

قادرپور پاور پلانٹ:

EPQL پلانٹ نے موجودہ سہ ماہی میں 9.9 فی صد کی شرح سے قابل وصول دستیابی (Billable availability) کا مظاہرہ کیا۔ اس نے 2015 کی پہلی سہ ماہی میں 79 فی صد کے مقابلے میں 21 فی صد لوڈ فیکٹر کے ساتھ مجموعی طور پر 99Gwh خالص پیدا شدہ بجلی (NEO) پیش کردہ کو بیجی۔ لوڈ فیکٹر میں اس کمی کا بنیادی سبب بجلی کے خریدار کے گروڈ کھپیسٹی کے مسائل تھے۔ 21 جنوری 2016 کو NTDC کے آٹو ٹرانسفا مر میں آگ لگ گئی اور وہ ناکارہ ہو گیا، جس سے اس علاقے میں بجلی کی ترسیل متاثر ہوئی جہاں کمپنی کا پلانٹ کام کرتا ہے۔ جہاں پلانٹ اس وقت سے اسٹینڈ بائی موڈ پر ہے، کمپنی فل کھپیسٹی پر چیز

ہیمنٹ (PP) کی وصولی کی حق دار ہے کیوں کہ پلانٹ ترسیل کے لیے بجلی کے خریدار کو دستیاب رہا ہے۔ NTDC سے دستیاب تازہ ترین معلومات کے مطابق ٹرانسفا مر کی مرمت کا کام اپریل 2016 کے آخر تک مکمل ہونے کی توقع ہے اور اس کے بعد پلانٹ سے بجلی کی ترسیل دوبارہ شروع ہونے کی توقع ہے۔

اس مدت کے لیے فروخت سے آمدنی گزشتہ سال کی اسی مدت میں 2,494 ملین روپے کے مقابلے میں 1,509 ملین روپے رہی۔ فروخت سے آمدنی میں یہ کمی بنیادی طور پر بجلی کی پیداوار کی لاگت میں کمی کے ساتھ لوڈ فیکٹر میں کمی کا نتیجہ ہے، جیسا کہ اوپر وضاحت کی گئی ہے۔ کمپنی نے 2015 کی پہلی سہ ماہی کے 459 ملین روپے کے مقابلے میں 2016 کی پہلی سہ ماہی میں 368 ملین روپے کا خالص منافع کمایا۔

تھرمانٹنگ اور پاور پروجیکٹس:

دوئوں پروجیکٹس کے لیے مالیاتی معاہدے کو حتمی شکل دینے (financial closure) کا عمل 14 اپریل 2016 کو تکمیل کو پہنچا ۔ ان منصوبوں سے سندھ اینگرو کول مائننگ کمپنی (SECMC) کے تحت توقع ہے کہ پیلے مر حلے میں 6.5 ملین ٹن سالانہ کوئلہ نکالا جاسکے گا اور اینگرو پاور جن تھر کے تحت 330 میگا واٹ کے 2 عدد مائن ماؤتھ پاور پلانٹس قائم کیے جائیں گے۔

اس مدت کے دوران مائننگ اور پاور پروجیکٹس دوئوں کی تمام قانونی کارروائیاں اور فائنٹنگ ایگریمنٹ کے تحت لاگو شرائط کے مطابق قرض دہندگان کی مطلوبہ تمام رسی کارروائیاں مکمل کر لی گئی ہیں۔ اسپانسرز کی طرف سے ابتدائی ایکویٹی موصول ہو چکی ہے اور قرض دہندگان کے حق میں سکیورٹی دستاویزات مکمل کر لی گئی ہیں۔ 2 ارب امریکی ڈالر کا یہ ایک تاریخ ساز صل ہے جو ملک میں انرجی سکیورٹی لانے گا اور پاکستان اور تھر کے مستقبل میں ایک اہم کردار ادا کرے گا۔ یہ منصوبہ ایک قومی ترجیحی پروجیکٹ ہے اور چائنا پاکستان اکنامک کورڈیٹور کا حصہ ہے اور مالیاتی معاہدے کی حتمی تکمیل کو پہنچنے والا پہلا منصوبہ ہے۔

اینگرو ایلینجی

کمپنی نے مالیاتی معاہدے کو 10 مارچ 2016 کو تکمیل پہنچایا اور قرض کی رقم باضابطہ طور پر موصول ہو گئیں۔ مزید برآں کمپنی نے 28 مارچ 2016 کو محفوظ کاروباری سرگرمیوں کا ایک سال مکمل کر لیا۔ اس کے علاوہ سہ ماہی کے ہر دن SSGC کے تقاضوں کی کامیابی سے تکمیل کی گئی اور ماہ مارچ میں 450 mmscfd کا زیادہ سے زیادہ سے بہاؤ حاصل کیا گیا۔ ٹرینٹل نے 7 کارگو ہینڈل کیے اور سہ ماہی کے لیے اوسط شرح استعمال 118 فی صدر رہی۔

اینگرو ووپاک

کمپنی نے مجموعی طور پر اضافہ ریکارڈ کرایا جو بنیادی طور پر گزشتہ سال کی اسی مدت کے مقابلے میں ہینڈل کی گئی LPG پورٹ کے ٹیرف کی مد میں مثبت اثرات اور کمپنی کی طرف سے فراہم کردہ LNG سروسز کا نتیجہ تھا۔ اس مدت کے دوران گزشتہ سال کی اسی مدت کے دوران KT کے مقابلے میں 312 KT کیمیکلز ہینڈل کیے گئے۔

کاروباری توقعات

ترقی کے تین ستونوں ،توانائی اور متعلقہ انفراسٹرکچر، فریلائزر اور ایگریکلچرل پیداوار اور کنزیومر برنس کی ترقی کے لیے تمام ممکنہ راستوں سے فائدہ اٹھانا اینگرو کے لیے 2016 کا لائحہ عمل ہے۔ ترقی کی اس حکمت عملی کو حقیقت بنانے کے لیے کمپنی افرادی قوت ،ٹیکنیکل اور مالیاتی محاذوں پر چیلنجوں پر پورا اترنے کے لیے پوری طرح تیار ہے۔

اینگرو پورٹ فولیو کو دور رس بنیاد پر متوازن کرنے کے لیے سرمایہ مختص کرنے کے فیصلے اولین ترجیح ہیں تاکہ مطلوبہ نتائج حاصل کیے جاسکیں۔

اینگرو فرٹیلائزرز

خریف کے موسم کی وجہ سے آئندہ مہینوں میں یوریا کی مقامی طلب بڑھنے کی توقع ہے اور مقامی طور پر دستیاب محقول ذخائر کے ساتھ مستقبل قریب میں درآمدات کی کوئی ضرورت محسوس نہیں

ہوتی۔ مری اور LNG سے گیس کی بہتر دستیابی کی بدولت انڈسٹری بدستور فاضل سپلائی کی حالت میں رہے گی۔ مزید برآں یوریا کی بین الاقوامی قیمتوں میں کمی یوریا کی مقامی قیمتوں پر کچھ دباؤ ڈال سکتی ہے۔ بنیادی ایشیا کی قیمتوں میں کمی کی وجہ سے DAP کی بین الاقوامی قیمتیں بھی دباؤ میں رہنے کی توقع ہے۔

اینگرو فوڈز

مجموعی اقتصادی عوامل میں بہتری اور بنیادی ایشیا کی قیمتوں میں کمی کے پیش نظر کمپنی مثبت توقعات رکھتی ہے اور برائنڈ ایگوبینی کو مستحکم کرنے کا سلسلہ جاری رکھے گی اور مارکیٹ میں مسابقتی مقام برقرار رکھے گی۔ بڑھتے ہوئے سیلز ٹیکنیکس ریفائنڈ زورکنگ کیمپنل پر دباؤ ڈالیں گے، کمپنی ریفائنڈ زکی وصولی میں تیزی لانے کے لیے متعلقہ اسٹیک ہولڈرز کے ساتھ ربط ضبط رکھنے کی کوششیں جاری رکھے گا۔ کمپنی 2016 میں اپنی کارکردگی کی طاقت کے بارے میں پُر اعتماد ہے، ہماری توجہ تنوع ، برائنڈ ہیلتھ اور مسلسل شاندار عملی کارکردگی کے بل بوتے پر شوکے پیمانوں پر پوری طرح مرکوز ہے۔

اینگرو پولیمر

مقامی مارکیٹ میں پی وی سی کے حوالے سے شاندار کارکردگی کا سلسلہ جاری رہنے کی توقع ہے جب کہ سوڈا کاسٹک کی مارکیٹ بھی مستحکم رہنے کی توقع ہے۔ ایسٹھائیلین کی قیمتیں مضبوط شدہ علاقائی نتائج کی وجہ سے محدود سپلائی کے نتیجے میں بلند رہنے کی توقع ہے، جس کے باعث مرکزی ٹکوان دباؤ میں رہنے کی توقع ہے۔ آپریشنل رخ پر پلانٹ آپریشنز کی کارکردگی اوت بھروسا مندی بڑھانے کے لیے پروڈیکشنس کی مضبوط سازی کی جارہی ہے۔

ایگرو ایگز مپ ایگری پروڈکٹس

آگے بڑھتے ہوئے کمپنی کی توجہ اپنی عملی کارکردگی میں بہتری، برآمدی فروخت بڑھانے اور مقامی کنزیومر برانڈز تیار کرنے پر مرکوز رہے گی تاکہ منافع کی سطح بہتر بنائی جاسکے اور کموڈیٹی پرائس رسک کم کیا جاسکے۔

اینگرو پاورجن

کمپنی انٹرنیشنل پلیٹرز کے ساتھ اشتراک میں دنیا بھر میں توانائی کے شعبے میں نئے مواقع کی تلاش جاری رکھے گی تاکہ اینگرو کے منفرد انجنیئرنگ اور پروڈیکٹ مینجمنٹ اسکل سیٹ سے استفادہ کیا جاسکے۔ حکومت کے ساتھ اشتراک میں ،تھرمانیجنگ اور پاور پروڈیکشنس آئندہ تین سال میں تکمیل کے لیے ٹریک پر رہنے کی توقع ہے تاکہ ملک کا توانائی کا بحران دور کرنے میں معاونت کی جاسکے۔

کمپنی کا قادر پور کا پلانٹ 2016 میں سرایتی (permeate) گیس کی بلا تھنل سپلائی وصول کرنے کا سلسلہ جاری رکھے گا۔ گیس پر پتی پاور پلانٹس اعلی کفایتی اور ماحولیاتی پیمانوں کی بدولت بلند درجے پر برقرار رہیں گے۔ مزید برآں کمپنی NTDC کے آئوٹرانسفر کی مرمت اور گرڈ کی گنجائش سے متعلق موجودہ مسائل کے ترجیحی بنیاد پر صل کی توقع رکھتی ہے جس کا نتیجہ 2016 کی دوسری سہ ماہی میں بجلی کے خریداری طرف سے بہتر ترسیل کی صورت میں برآمد ہوگا۔

آگے بڑھتے ہوئے کمپنی اپنی توجہ پلانٹ اور آلات کی بھروسا مندی اور کارکردگی میں بہتری کے دیگر اقدامات پر مرکوز رکھے گی، تاکہ تمام اسٹاک ہولڈرز کے فائدے کے لیے نیشنل گرڈ کو بجلی کی بلا تھنل سپلائی یقینی بنا سکے۔

اینگرو ایلینجی

اس پروڈیکٹ نے ملک کو درپیش توانائی کی قلت میں کچھ کمی کے لیے اپنا کردار ادا کرنا شروع کر دیا ہے اور مستقبل میں ایسے دیگر منصوبوں میں بھی اینگرو کو پیش پیش رکھے گا۔ دوسرے سال (31 دسمبر 2016 تک) کے لیے سالانہ ڈیوری پروگرام تیار کر لیا گیا ہے اور SSGC سے رضامندی حاصل کر لی گئی ہے اور قطر گیس کے ساتھ LNG ڈیلیوریز کے معاہدے پر کامیابی سے دستخط کی بدولت مستحکم آپریشنز کی توقعات ہیں۔

اینگرو ووپاک

توقع ہے کہ EVTL مستحکم انداز میں اپنے آپریشنز برقرار رکھے گا اور ہم اس سے باقاعدگی سے ڈیویڈنڈز کی شکل میں ہموارکیش فلوی فراہمی کی توقع رکھتے ہیں۔ اینگرو ووپاک کی فیمیلی پیئر اور تجربہ اسے مستقبل کے منصوبوں کے لیے عمدہ مقام عطا کرتا ہے جس میں بندرگاہ پراپورٹس اور کیو بیڈ کیمیکلز کی ہینڈلنگ شامل ہے۔

حسین داؤد
چیرمین

خالد سراج سبحانی
پریذیڈینٹ