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Third Quarter 2013 Accounts

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

About Us

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

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

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

Our History

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

The company is also defined by its history, which reflects a rich legacy of innovation and growth. The seeds for the company were sown following the discovery of the Mari gas field by Esso / Mobil in 1957. Esso proposed the establishment of a urea plant, and the Esso Pakistan Fertilizer Company Limited was established in 1965 and began production in 1968. At US $43 million with an annual production capacity of 173,000 tons, this was the single largest foreign investment by a multinational corporation in Pakistan at the time. As the nation's first fertilizer brand, the company also pioneered the education of farmers in Pakistan, helping to modernize traditional farming practices to boost farm yields, directly impacting the quality of life for farmers and the nation.

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

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

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

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

Engro Corporation Limited

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

Engro Fertilizers Limited

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

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

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

Engro Foods Limited

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

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

Engro Powergen Limited

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

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

Engro Polymer & Chemicals Limited

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

Engro Eximp (Private) Limited

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

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

Engro Vopak Terminal Limited

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

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

Elengy Terminal Pakistan Limited

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

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

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

directors' report

The Directors of Engro Corporation Limited are pleased to submit the unaudited group consolidated accounts for the nine months ended September 30, 2013.

External Environment

The global economy remained pinned to the economic developments in the US economy during 3Q, 2013. The indication given by US's Federal Reserves that it will reduce monetary stimulus this year increased volatility in financial markets worldwide. Capital flows to developing economies reversed, triggering a fall in local currencies and a slowdown in equity markets.

During 3Q, economic sentiments in Pakistan were driven primarily by the Government of Pakistan's negotiations with the IMF and its subsequent conclusion in September. The IMF program is expected to slow down Pakistan's economic growth in the short term, however, can spur economic growth in the medium to long term if structural adjustments and fiscal discipline take effect. The State Bank raised the policy rate by 50 basis points from 9 percent to 9.5 percent as it expected the resurgence of double-digit inflation in FY14.

Business Review

Engro Corporation continued its positive turnaround during the third quarter of 2013 with consolidated revenue increasing by 30% over the same period last year, to reach Rs. 107,764 million whilst net profit (attributable to the equity holders of the holding company) was Rs. 5,919 million as compared to a net loss of Rs. 433 million during the same period last year. The return to profitability is mainly attributable to the fertilizer business, as the company increased production and posted better results. The third quarter added Rs. 2,478 million to the bottom line as both fertilizer plants ran through most of the quarter, Engro Polymer's revenues and profits grew substantially and other subsidiaries also had an improved performance except for the fall in revenues at Engro Foods. A snapshot of the company-wise financial performance is as follows:

Rs. Million	9M' 2013		9M' 2012	
Business	Revenue	Profit After Tax	Revenue	Profit After Tax
Engro Corporation Standalone	2,840	3,082	1,649	992
Engro Fertilizers	34,422	3,234	19,311	(2,978)
Engro EXIMP	18,345	(442)	9,257	(693)
Engro Polymers	18,137	552	15,554	83
Engro Foods	28,023	1,240	29,395	1,619
Engro PowerGen	8,074	1,527	8,554	1,571
Engro Vopak	1,485	890	1,744	1,098
Engro Consolidated (Excluding Non-controlling interest)	107,764	5,919	82,937	(443)

Fertilizers

Urea Industry sales during nine months ended September 30, 2013 are estimated at 4.2 million tons, compared to 3.7 million tons during the same period last year, an increase of 13% mainly due to pre-buying by dealers in anticipation of the gas price increase. Sales of imported urea reduced to 0.7 million tons during the period from 1.0 million tons in the comparative period last year while market share for domestically produced urea increased.

Engro Fertilizers' market share in the urea industry increased to 25% vs. 16% during the same period last year. Market share within domestically-produced Urea market also improved to 30% compared to 22% during the same period last year. Sales of the Company's manufactured blended fertilizer, Zarkhez and E-NP, stood at 70 KT as against 45 KT during comparative period. The Company's market share in Potash grew to 46% from last year's 44%.

The Company registered a profit after tax of Rs. 3,234 million for nine months ended September 30, 2013 vs. a loss of Rs. 2,978 million in the corresponding period of last year. The turnaround in the bottom line is mainly attributable to increased production as a result of additional gas availability. This helped the Company achieve YTD production of 1,063 KT as compared to 709 KT in previous period. Engro Fertilizers also reached agreement with all major lenders for restructuring of its long-term loans and the documentation for the same is being completed.

EXIMP

International Phosphates prices remained under pressure with CFR Pakistan prices reducing from USD 555/ton at the start of the year to USD 400/t by the end of the Q3. Lower dealer inventory and healthy agronomic demand due to good farmer economics in the country resulted in an improvement in local industry sales to 734 KT during first nine months of 2013 vs. 626 KT during the same period last year. Engro's market share in phosphates industry increased to 24% during the period vs. 16% during the same period of last year. The company's rice business sold 18kT of finished rice in the international market and 29kT in the local market in 2013. EXIMP launched its own brand of Basmati Rice "Rymah" in the UAE and Pakistan to capture better value. It also introduced a new concept in Rice wholesale through the launch of "Bharosa outlets" in Karachi. The "Bharosa Seed Program", aimed at improving farmer yields and product quality thereby improving the Company's own milling recoveries, has become Pakistan's largest private sector Basmati seed provider.

EXIMP was able to reduce its loss after tax during the first nine months of 2013 to Rs 442 million vs. a loss of Rs 693 million during the same period last year.

Foods

During the first nine months of 2013, Engro Foods revenue fell by 4.7%, driven by a general slowdown in consumer demand and due to distribution issues in certain cities.

Engro's market share in the UHT dairy segment was maintained at 50.5% as of August 2013, a volumetric decline of 12% as compared to 9M 2013 was a result of overall industry decline and operational issues. The company is revamping its distribution structure to support the growth trajectory going forward. The ice cream business reported revenue of Rs 2,266 million, a decrease of Rs. 170 million as compared to the same period last year. The industry declined by 16% due to ongoing load shedding. Despite a decreasing market, the segment made an operational loss of only Rs. 136 million versus a loss of Rs. 276 million in first 9 months of 2012. The Nara Farm registered a loss of Rs. 129 million as compared to a loss of Rs. 25 million in 2012 mainly due to a dip in the market value of animals in the first half of 2013 and inflation in animal feed cost.

Al-Safa Halal - a halal meat brand, with operations spread in Canada and North America - posted sales of Rs. 719 million (first 9 months of 2012: Rs. 810 million). The dip in sales was due to new entrants pushing shelf-space. The Company reported a loss after tax of Rs. 110 million (first 9 months of 2012: Rs. 137 million). The loss is directly consolidated in Engro Corporation's financial statements.

Polymer

Engro Polymer achieved revenue of Rs.18,137 million during the nine months ended September 30, 2013 as compared to Rs.15,553 million during comparable period last year. The profit after tax for the period was Rs.552 million as compared to Rs.83 million in the same period last year.

Higher profit was attributable mainly to higher sales volumes, improved margins and lower financial cost. Vinyl Chloride Monomer (VCM) plant produced 124 KTs in 9M 2013 which is 14.9% higher than the same period of 2012. Majority of the VCM produced was utilized in production of PVC while the surplus production of 13.3 KTs was exported as compared to 11.6 KT exports in first nine months of 2012. PVC production during the nine month period was 106 KT which is similar to production during the same period last year. However, PVC domestic sales increased to 105 KT during the first nine months of 2013 as compared to 100 KT during the same period last year. Caustic production also increased from 81 KT during Jan - Sep 2012 to 84.5 KT during Jan - Sep 2013.

PowerGen

The Qadirpur plant successfully completed its most extensive and complex turnaround since commissioning three years ago. On the operations side, in the first 9M of 2013, the plant dispatched a total Net Electrical Output of 1,261 GWh with a lower load factor than the same period last year due to the turnaround.

In June, Government of Pakistan announced a bailout package for the power sector for settlement of circular debt, due to which the company received the entire receivable balance as at May 31, 2013. The total amount billed during nine months ended September 30, 2013 to PEPCO was Rs.9.9 billion against which total receipts were Rs.14.5

billion (including the bail-out of Rs.8.97 billion).

The Sindh Engro Coal Mining Company (SECMC) achieved progress on mining activities. Site mobilization, land demarcation and survey activities and updating of land ownership records, detailed CSR need assessment and revised project execution strategy with consultant were completed. During the period, SECMC also set up a wholly owned subsidiary, Thar Power Company Limited. A Coal Pricing Framework has also been developed with the help of a consultant to fast-track the development of the coal pricing mechanism.

Vopak

Engro Vopak's revenues and profitability are lower versus last year due to revised tariffs on paraxylene and acetic acid. The company continues to perform well and is well placed to play a key role in LNG imports in order to alleviate the gas and power crisis facing the country.

Near Term Outlook

In the fertilizer sector, the Company will continue to pursue the long term gas allocation by Economic Coordination Committee. With respect to fertilizer market outlook, it is expected that the industry demand for the year will remain higher in 2013 as compared to 2012 due to improved gas availability and healthy farmer economics. The Company is also planning to list Engro Fertilizer through an Initial Public Offering (IPO) during 4Q 2013.

In order to resume growth trajectory of the foods business, strong measures have been taken to revamp distribution structure and brand communication combined with consumer promotions and innovation. The management is confident that volume declines will be arrested and the Company will resume its growth in sales volumes. The management will continue to focus on key growth parameters of innovation, brand differentiation and continuous business expansion including expansion in new categories such as pilots of fresh dairy and meat.

Qadirpur Power Plant runs on permeate gas which is likely to remain available in the foreseeable future. Post the quarter-end, the plant has had an unplanned shutdown and management is working on resolving the issue.

In the chemicals business, the Company will continue to work on the de-bottlenecking of PVC production capacity. After completion of the first phase of PVC debottlenecking where 6 KT p.a. of PVC capacity was increased, now the Company is carrying out a project for debottlenecking the PVC plant by a capacity of 15KT p.a. This capacity enhancement will allow the Company to convert its surplus VCM into PVC which will result in better margins for the Company. Engro plans to continue playing an important role in helping the country overcome the energy crisis through its involvement with SECMC coal mining / power project and by participation in the LNG import project.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

condensed interim balance sheet as at september 30, 2013

(Amounts in thousand)

	Note	(Unaudited) September 30, 2013	(Audited) December 31, 2012 (Restated)
		---------------(Rupees)---------------	
ASSETS			
Non-current assets			
Property, plant and equipment	4	51,318	81,494
Long term investments	5	28,402,994	26,959,244
Long term loans and advances	6	5,165,427	4,159,590
		33,619,739	31,200,328
Current assets			
Loans, advances and prepayments	7	1,260,707	823,901
Other receivables		228,362	234,146
Taxes recoverable		12,678	76,672
Short term investments		744,531	484,393
Cash and bank balances		669,471	697,179
		2,915,749	2,316,291
Investment classified as held for sale	8	1,032,667	863,018
TOTAL ASSETS		37,568,155	34,379,637
EQUITY & LIABILITIES			
Equity			
Share capital		5,112,694	5,112,694
Share premium		10,550,061	10,550,061
General reserve		4,429,240	4,429,240
Unappropriated profit		9,625,162	6,543,362
Remeasurement of post employment benefits - Actuarial gain		34,227	25,986
		24,638,690	21,548,649
		29,751,384	26,661,343
Liabilities			
Non-current liabilities			
Deferred taxation	9	9,846	28,321
Retirement and other service benefit obligations		12,489	11,159
		22,335	39,480
Current Liabilities			
Trade and other payables		288,296	176,269
Advance received against investment classified as held for sale	8	1,032,667	863,018
Accrued interest / mark-up		106,869	337,927
Borrowings	10	6,273,654	6,204,664
Unclaimed dividends		92,950	96,936
		7,794,436	7,678,814
		7,816,771	7,718,294
Contingencies and Commitments	11		
TOTAL EQUITY & LIABILITIES		37,568,155	34,379,637

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

condensed interim
statement of comprehensive income (unaudited)
for the nine months ended september 30, 2013

(Amounts in thousand except for earnings / (loss) per share)	Note	Quarter ended September 30, 2013	Quarter ended September 30, 2012 (Restated)	Nine Months ended September 30, 2013	Nine Months ended September 30, 2012 (Restated)
		----(Rupees)----			
Dividend income		1,510,615	542,506	2,350,365	1,375,006
Royalty income		201,507	91,217	489,732	273,557
		1,712,122	633,723	2,840,097	1,648,563
Administrative expenses		(72,563)	(62,842)	(215,998)	(218,183)
		1,639,559	570,881	2,624,099	1,430,380
Other income		240,939	191,855	1,448,802	568,280
Other expenses		(32,390)	(841)	(66,064)	(143,904)
Operating profit		1,848,108	761,895	4,006,837	1,854,756
Finance cost		(261,012)	(248,284)	(769,698)	(767,036)
Profit before taxation		1,587,096	513,611	3,237,139	1,087,720
Taxation	12	(74,010)	(4,360)	(155,339)	(96,233)
Profit for the period		1,513,086	509,251	3,081,800	991,487
Other comprehensive income - Remeasurement of post employment benefits obligation - Actuarial gain, net of tax		-	4,673	8,241	14,019
Total comprehensive income for the period		1,513,086	513,924	3,090,042	1,005,506
Earnings per share - basic & diluted	13	Rs. 2.96	Rs. 1.00	Rs. 6.03	Rs. 1.94

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

condensed interim
statement of changes in equity (unaudited)
for the nine months ended september 30, 2013

(Amounts in thousand)	Share capital	Capital reserves: Share premium	Capital reserves: Employees share option compensation reserve	Revenue reserves: General reserve	Revenue reserves: Unappropriated profit	Remeasurement of post employment benefits - Actuarial gain	Total
	----(Rupees)----						
Balance as at January 1, 2012 (Audited) - as previously reported	3,932,843	10,550,061	74,813	4,429,240	7,261,800	-	26,248,757
Effect of change in accounting policy due to application of IAS-19 (Revised), net of tax - note 3.1	-	-	-	-	595	7,294	7,889
Balance as at January 1, 2012 - restated	3,932,843	10,550,061	74,813	4,429,240	7,262,395	7,294	26,256,646
Total comprehensive income for the period ended September 30, 2012 - restated	-	-	-	-	991,487	14,019	1,005,506
Transactions with owners							
Final dividend for the year ended December 31, 2011 @ Rs. 2 per share	-	-	-	-	(786,569)	-	(786,569)
Bonus shares issued during the period in the ratio of 3 for every 10 shares held	1,179,851	-	-	-	(1,179,851)	-	-
	1,179,851	-	-	-	(1,966,420)	-	(786,569)
Balance as at September 30, 2012 (Unaudited) - restated	5,112,694	10,550,061	74,813	4,429,240	6,287,462	21,313	26,475,583
Total comprehensive income for the three months ended December 31, 2012	-	-	-	-	255,900	4,673	260,573
Transactions with owners							
Vested share options lapsed during the three months ended December 31, 2012	-	-	(74,813)	-	-	-	(74,813)
Balance as at December 31, 2012 - restated	5,112,694	10,550,061	-	4,429,240	6,543,362	25,986	26,661,343
Total comprehensive income for the nine months ended September 30, 2013	-	-	-	-	3,081,800	8,241	3,090,041
Balance as at September 30, 2013 (Unaudited)	5,112,694	10,550,061	-	4,429,240	9,625,162	34,227	29,751,384

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

condensed interim
statement of cash flows (unaudited)
for the nine months ended september 30, 2013

(Amounts in thousand)

	Note	Nine Months ended September 30, 2013	Nine Months ended September 30, 2012
		--------------(Rupees)--------------	
Cash flows from operating activities			
Cash utilized in operations	14	(121,981)	(470,847)
Royalty received		399,768	273,557
Retirement and other service benefits paid		(30,970)	(27,139)
Taxes paid		(109,866)	(155,839)
Long term loans and advances - net		(5,837)	(10,723)
Net cash generated from / (utilized in) operating activities		131,114	(390,991)
Cash flows from investing activities			
Advance received against investment classified as held for sale		169,649	-
Investment in asset classified as held for sale		(169,649)	(206,858)
Long term investments		(1,500,000)	(2,000)
Proceeds from disposal of long term investment		786,326	2,884
Purchases of property, plant and equipment (PPE)		(8,890)	(20,567)
Sale proceeds on disposal of PPE		13,845	17,600
Loan disbursed to Subsidiary Companies		(1,420,000)	(2,650,000)
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries		815,422	685,938
Dividends received		2,350,365	1,375,006
Net cash generated from / (utilized in) investing activities		1,037,068	(797,997)
Cash flows from financing activities			
Payment of financial charges		(930,756)	(917,496)
Redemption of borrowings		(1,010)	(246,022)
Dividends paid		(3,986)	(786,505)
Net cash utilized in financing activities		(935,752)	(1,950,023)
Net incrase / (decrease) in cash and cash equivalents		232,430	(3,139,011)
Cash and cash equivalents at beginning of the year		1,181,572	2,397,270
Cash and cash equivalents at end of the period	15	1,414,002	(741,741)

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

notes to the condensed interim
financial information (unaudited)
for the nine months ended september 30, 2013

(Amounts in thousand)

1 LEGAL STATUS AND OPERATIONS

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

2 BASIS OF PREPARATION

2.1 This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of 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 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, 2012.

2.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of this condensed interim financial information, 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, 2012.

3 ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of this interim condensed financial information are the same as those applied in the preparation of audited annual published financial statements of the Company for the year ended December 31, 2012 except as described below in note 3.1.

3.1 Initial application of a standard, amendment or interpretation to an existing standard:

The Company has applied IAS 19 – Employee benefits (revised in June 2011) which is applicable for annual periods beginning on or after January 01, 2013. In accordance with the transitional provisions as set out in IAS 19, the Company has applied the revised standard retrospectively and consequently the earliest periods presented in the Condensed Interim Balance Sheet, Condensed Interim Statement of Comprehensive Income and Condensed Interim Statement of Changes in Equity have been restated. The effect of change in policy on Condensed Interim Statement of Cash Flows is not material.

The revised standard (i) requires past service cost to be recognized immediately in the profit or loss; (ii) replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year; (iii) introduced a new term 'remeasurements' which is made up of actuarial gains and losses,

(Amounts in thousand)

the difference between actual investment returns and the return implied by the net interest cost. The revised standard eliminates the corridor approach and requires to recognize all remeasurement gain or loss / actuarial gain or loss in the Other Comprehensive Income (OCI) immediately as they occur. The actuarial gain for the year 2012 has been bifurcated evenly between pre and post September 30, 2012 for presentation purposes.

The impacts of retrospective application of IAS 19 (Revised) are as follows:

	Trade and other payables	Other receivables	Taxes receivables	Other Comprehensive Income - Remeasurement of post employment benefits - Actuarial gain	Unappropriated profit
	Increase / (Decrease)				
	Rupees				
Balance as at January 1, 2012 as previously reported (audited)	371,083	213,955	104,028	-	7,261,800
Reclassification of gratuity fund liability as at December 31, 2011	(3,132)	(3,132)	-	-	-
Restatement - recognition of remeasurement gain/(loss) in OCI	-	11,222	(3,928)	7,294	-
Restatement - recognition of unrecognized negative past service cost in profit and loss account	-	915	(320)	-	595
Balance as at January 1, 2012 - restated	367,951	222,960	99,780	7,294	7,262,395
Balance as at December 31, 2012 as previously reported (audited)	179,898	196,956	90,960	-	6,542,817
Reclassification of gratuity fund liability as at December 31, 2012	(3,629)	(3,629)	-	-	-
Restatement - recognition of remeasurement gain/loss in OCI					
- For the year ended December 31, 2011	-	11,222	(3,928)	7,294	-
- For the nine months ended September 30, 2012	-	21,568	(7,550)	14,019	-
- For the three months ended December 31, 2012	-	7,190	(2,517)	4,673	-
	-	28,758	(10,066)	18,692	-
	-	39,980	(13,994)	25,986	-
Restatement - recognition of unrecognized negative past service cost in profit and loss account					
- For the year 2011	-	915	(320)	-	595
- For the year 2012	-	(76)	26	-	(50)
	-	839	(294)	-	545
Balance as at December 31, 2012 - restated	176,269	234,146	76,672	25,986	6,543,362

(Amounts in thousand)

4. PROPERTY, PLANT AND EQUIPMENT

	Unaudited September 30, 2013	Audited December 31, 2012
	(Rupees)	
Operating assets (note 4.1)	49,505	78,001
Capital work in progress	1,813	3,493
	51,318	81,494

4.1 Additions to operating assets during the period / year amounted to Rs. 10,570 (December 31, 2012: Rs. 27,039). Operating assets costing Rs. 31,095 (December 31, 2012: Rs. 46,018) having a net book value of Rs. 14,753 (December 31, 2012: Rs. 17,318), were disposed off during the period / year for Rs. 13,845 (December 31, 2012: Rs. 19,317).

5. LONG TERM INVESTMENTS

5.1 During the period, the Company has:

- made a further equity investment of Rs. 1,500,000 through subscription of 150,000,000 right shares of Rs. 10 each, in Engro Fertilizers Limited, a wholly owned subsidiary; and

- disposed off 5,625,000 ordinary shares of Rs. 10 each in Engro Foods Limited, a public listed subsidiary, representing 0.84% of total investment in the Subsidiary Company, at a price of Rs. 140 per share. The gain on such disposal amounting to Rs. 730,076 has been reflected in Other Income.

5.2 During the period, the Company, on behalf of Engro PowerGen Limited (EPL), a wholly owned subsidiary, has signed a Memorandum of Understanding (MoU) with Pakistan State Oil Company Limited (PSO), whereby PSO intends to acquire 50% share of EPL's equity stake in Sindh Engro Coal Mining Company Limited, a subsidiary of EPL.

6. LONG TERM LOANS AND ADVANCES

6.1 On May 16, 2013, an addendum to the Long Term Finance Agreement (the Agreement) has been signed by the Company with Engro Eximp (Private) Limited, a wholly owned subsidiary, to increase the finance facility under the Agreement to Rs. 2,150,000 (December 31, 2012: Rs. 1,150,000). The loan carries markup at the rate of 6 months KIBOR plus 3.5% per annum, payable on a quarterly basis. The principal is due in one lump sum installment falling due on June 28, 2017.

During the period, the Company has disbursed an additional amount of Rs. 1,000,000 to Engro Eximp (Private) Limited, under the aforementioned Agreement, which now as at September 30, 2013 has aggregated to Rs. 2,150,000 (December 31, 2012: Rs. 1,150,000). Further, out of the total outstanding principal, an amount of Rs. 430,000 has been subordinated to the Subsidiary Company's existing finance facilities extended by various banks under the subordinated agreement entered into between the Company and Engro Eximp (Private) Limited.

(Amounts in thousand)

7. LOANS, ADVANCES AND PREPAYMENTS

7.1 On April 19, 2013, the Company signed an addendum to the loan agreement with Engro Polymer and Chemicals Limited (Subsidiary Company), whereby the finance facility has been increased to Rs. 1,250,000 (December 31, 2012: Rs. 950,000). The loan is for the purpose of meeting working capital requirements of the Subsidiary Company.

During the period, the Company has disbursed an additional amount of Rs. 420,000 to the Subsidiary Company, which now as at September 30, 2013 has aggregated to Rs. 1,220,000 (December 31, 2012: Rs. 800,000). The loan is subordinated to the finances provided to the Subsidiary Company by its banking creditors and carries markup at the rate of 3 months KIBOR plus 3.5% per annum, payable on a quarterly basis.

8. INVESTMENT CLASSIFIED AS HELD FOR SALE

During the period, the Company has made an additional equity investment of Rs. 169,649 in Engro Foods Netherlands B.V, a wholly owned subsidiary, which has been reimbursed by Engro Foods Limited (EFoods), Subsidiary Company, pursuant to an agreement with EFoods, whereby following receipt of all necessary regulatory approvals, the Company shall promptly transfer its entire shareholding in Engro Foods Netherlands B.V. to EFoods.

9. DEFERRED TAXATION

9.1 As at September 30, 2013, deferred tax asset / liability on the deductible / taxable temporary differences has been recognized at the rate of 34%, being the rate substantively enacted at the balance sheet date and is expected to apply to the periods when the asset is realized or the liability is settled.

9.2 During the period, the Sindh High Court, in respect of another company, has overturned the interpretation of the Appellate Tribunal on Section 113 (2) (c) of the Income Tax Ordinance, 2001 and has decided that the minimum turnover tax cannot be carried forward in respect of the year where no tax has been paid on account of loss for the year. The Company's Management, based on the opinion of its legal advisor, is of the view that the above order is not correct and would not be maintained by Supreme Court, which they intend to approach, if required. Therefore, the Company has continued to carry forward minimum tax paid in prior years.

10. BORROWINGS

	Unaudited September 30, 2013	Audited December 31, 2012
	-------------(Rupees)-------------	
Engro Rupiya Certificate I	3,768,885	3,720,970
Engro Rupiya Certificate II	2,504,769	2,483,694
Banks (note 10.1)	-	-
	6,273,654	6,204,664

(Amounts in thousand)

10.1 During the period, the Company has utilized and repaid Rs. 669,531 of its Short Term Finance Facilities aggregating to Rs. 1,500,000 (December 31, 2012: Rs. 1,500,000) from banks to meet its working capital requirements. The facilities are primarily secured against ranking floating charge over all present and future loans, advances, receivables and other current assets (excluding investments) of the Company. Additionally, the facilities are also secured through a pledge over shares of Engro Foods Limited (a Subsidiary Company).

11. CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments since December 31, 2012 are mentioned below:

	Unaudited September 30, 2013	Audited December 31, 2012
	-------------(Rupees)-------------	
11.1 Contingencies		
Corporate Guarantees issued by the Company in favor of Subsidiary Companies:		
- Engro Fertilizers Limited	60,247,964	63,934,832
- Engro Powergen Qadirpur Limited	1,060,500	971,000
- Engro PowerGen Limited (note 11.1.1)	-	116,520
- Engro Foods Canada Limited	252,382	235,544
- Elengy Terminal Pakistan Limited (note 11.1.2)	-	-
	61,560,846	65,257,896

11.1.1 During the period, the Corporate Guarantee amounting to USD 1,200 in favour of Bank Alfalah Limited against a Letter of Guarantee facility offered to Engro PowerGen Limited (a subsidiary company), was released by the bank.

11.1.2 During the period, Elengy Terminal Pakistan Limited, a wholly owned subsidiary, submitted a bid bond of Rs. 102,000 to Sui Southern Gas Company Limited (SSGCL) against participation in the LNG project bidding process. The Company had secured the issuance of such bid bond through a counter guarantee to Bank Islami Pakistan Limited. However, pursuant to the cancellation of the bidding process by SSGCL, the bid bond was also cancelled.

12 TAXATION

During the period, the Deputy Commissioner Inland Revenue (DCIR) through the order dated August 30, 2013 raised an income tax demand of Rs. 139,575 for the tax year 2011 by disallowing allocation of expenses against interest income and apportioning expenses against dividend income and capital gains. The Company is currently in the process of filing an appeal with Commissioner Inland Revenue - Appeals (CIRA). The Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal.

(Amounts in thousand)

13. EARNINGS PER SHARE

The basic and diluted earnings per share is based on:

There is no dilutive effect on the basic earnings per shares of the Company, after taking the effect of options granted on Company's shares to IFC.

	Quarter ended		Nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	-----(Rupees)-----			
Profit after taxation	1,513,086	509,251	3,081,800	991,487
	-----(Number of Shares)-----			
Weighted average number of ordinary shares (in thousand)	511,269	511,269	511,269	511,269

14. CASH GENERATED FROM / (UTILIZED IN) OPERATIONS

	Nine Months ended	
	September 30, 2013	September 30, 2012
	-----(Rupees)-----	
Profit before taxation	3,237,139	1,087,770
Adjustment for non-cash charges and other items:		
Depreciation	24,313	44,558
Loss / (gain) on disposal of property, plant and equipment	908	(2,712)
Provision for retirement and other service benefits	33,855	23,771
Income on deposits / other financial assets	(718,726)	(568,280)
Gain on disposal of long term investments	(730,076)	(384)
Dividend income	(2,350,365)	(1,375,006)
Royalty income	(489,732)	(273,557)
Financial charges	769,698	767,036
Working capital changes (note 14.1)	101,005	(174,043)
	(121,981)	(470,847)

14.1 Working capital changes

(Increase) / Decrease in current assets		
- Loans, advances and prepayments	(16,806)	(2,356)
- Other receivables (net)	5,784	(55,805)
	(11,022)	(58,161)
Increase / (Decrease) in current liabilities		
- Trade and other payables including other service benefits (net)	112,027	(115,882)
	101,005	(174,043)

15. CASH AND CASH EQUIVALENTS

Short term investments	744,531	-
Cash and bank balances	669,471	310,826
Banks	-	(1,052,567)
	1,414,002	(741,741)

(Amounts in thousand)

16. 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 information, are as follows:

	Nine Months ended	
	September 30, 2013	September 30, 2012
	-----(Rupees)-----	
Subsidiary companies		
Purchases and services	13,570	12,623
Services rendered	388,630	202,852
Expenses paid on behalf of subsidiary companies	110,212	252,608
Mark up from subsidiaries	632,224	639,724
Investments	169,689	206,858
Reimbursements to subsidiary companies	48,308	43,308
Disbursement of loan	1,420,000	6,300,000
Repayment of loan	-	3,650,000
Dividend received	1,900,365	-
Royalty Income, net of sales tax	489,732	273,557
Service fees against corporate guarantees	9,210	13,584
Associated companies		
Purchases and services	2,030	1,865
Sale of goods	9,247	-
Retirement benefits	21,145	37,432
Dividend paid	-	335,161
Bonus shares issued	-	558,602
Interest on bank deposits	-	2,185
Donations	15,300	20,000
Investment in Treasury Bills	3,786,781	-
Redemptions of Treasury Bills	4,271,172	692,098
Joint ventures		
Services rendered	1,507	1,262
Dividend received	450,000	1,012,500
Expenses paid on behalf of Joint Venture company	60	548
Reimbursements to Joint Venture company	4,844	10,418
Others		
Dividend paid	-	10,205
Bonus shares issued	-	14,794
Directors' fees	7,700	8,700
Remuneration of key management personnel	90,554	95,181

(Amounts in thousand)

17. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of preceding financial year, whereas the condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

For the purpose of implementation of revised IAS 19 - 'Employee Benefits', certain corresponding figures have been restated to reflect the retrospective changes required under the standard. The effect of other rearrangements and reclassifications is not material.

18. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 29, 2013 by the Board of Directors of the Company.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

consolidated condensed interim balance sheet (unaudited) as at september 30, 2013

(Amounts in thousand)

	Note	(Unaudited) September 30, 2013	(Audited) December 31, 2012 (Restated)
		--------------(Rupees)---------------	
ASSETS			
Non-current assets			
Property, plant and equipment	4	131,428,204	131,927,709
Development properties	5	686,011	-
Exploration and evaluation assets	6	-	539,753
Biological assets		669,887	668,455
Intangible assets		827,136	771,080
Deferred taxation	12	1,916,657	1,544,841
Long term investments		1,263,309	1,267,973
Long term loans and advances		342,215	254,348
Deferred employee share compensation expense	7	67,018	-
		137,200,437	136,974,159
Current Assets			
Stores, spares and loose tools		7,094,195	6,654,586
Stock-in-trade	8	15,138,640	16,591,475
Trade debts	9	5,386,214	10,637,999
Deferred employee share compensation expense	7	74,464	-
Derivative financial instruments		889,063	26,332
Loans, advances, deposits and prepayments		3,131,936	1,024,323
Other receivables		2,468,970	3,087,675
Taxes recoverable		2,797,935	3,966,213
Short term investments		9,719,257	5,998,027
Cash and bank balances		7,330,929	4,663,275
		54,031,603	52,649,905
TOTAL ASSETS		191,232,040	189,624,064

(Amounts in thousand)

	Note	(Unaudited) September 30, 2013	(Audited) December 31, 2012 (Restated)
		--------------(Rupees)---------------	
EQUITY & LIABILITIES			
Equity			
Share capital		5,112,694	5,112,694
Share premium		10,550,061	10,550,061
Employee share compensation reserve	7	178,714	-
Hedging reserve		(223,668)	(362,925)
Revaluation reserve on business combination		76,643	84,294
Maintenance reserve	10	213,335	213,335
Exchange revaluation reserve		86,908	69,122
General reserve		4,429,240	4,429,240
Unappropriated profit		25,112,887	18,423,593
Remeasurement of post-employment benefits		7,185	(982)
		40,431,305	33,405,738
		45,543,999	38,518,432
Non-controlling interest		5,236,580	4,723,422
Total Equity		50,780,579	43,241,854
Liabilities			
Non-current liabilities			
Borrowings	11	76,513,871	73,257,370
Derivative financial instruments		850,972	639,525
Deferred taxation	12	5,502,204	5,191,495
Deferred liabilities		226,470	199,039
		83,093,517	79,287,429
Current liabilities			
Trade and other payables		32,835,412	30,415,635
Accrued interest / mark-up		1,828,578	2,613,633
Current portion of:			
- borrowings		18,218,403	27,436,693
- deferred liabilities		41,139	39,624
Obligations under finance lease		648	2,589
Short term borrowings	13	3,943,585	5,828,090
Derivative financial instruments		188,435	573,363
Unclaimed dividends		92,950	96,936
Provisions	14	208,794	88,218
		57,357,944	67,094,781
Total Liabilities		140,451,461	146,382,210
Contingencies and Commitments	15		
TOTAL EQUITY AND LIABILITIES		191,232,040	189,624,064

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

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

consolidated condensed interim profit and loss account (unaudited) for the nine months ended september 30, 2013

(Amounts in thousand except for earnings / (loss) per share)

	Note	Quarter ended		Nine months ended	
		September 30, 2013	September 30, 2012 (Restated)	September 30, 2013	September 30, 2012 (Restated)
		---(Rupees)---			
Net sales		40,889,827	29,591,837	107,763,991	82,937,295
Cost of sales		(30,154,170)	(23,769,292)	(78,960,796)	(64,269,873)
Gross profit		10,735,657	5,822,545	28,803,195	18,667,422
Administrative expenses		(844,997)	(743,086)	(2,537,885)	(2,261,835)
Selling and distribution expenses		(2,435,662)	(2,088,053)	(7,165,369)	(6,166,334)
		7,454,998	2,991,406	19,099,941	10,239,253
Other income		538,491	100,758	1,547,625	1,147,016
Other expenses		(746,316)	(235,094)	(1,867,227)	(1,159,817)
Finance cost		(3,576,586)	(3,489,460)	(10,421,928)	(11,148,459)
Share of income from joint venture		157,675	212,427	445,338	549,040
Profit / (loss) before taxation		3,828,262	(419,963)	8,803,749	(372,967)
Taxation	16	(1,243,976)	450,176	(2,392,956)	268,454
Profit / (loss) for the period		2,584,286	30,213	6,410,793	(104,513)
Profit / (loss) attributable to:					
- Owners of the Holding Company		2,478,776	(102,700)	5,919,375	(443,169)
- Non-controlling interest		105,510	132,913	491,418	338,656
		2,584,286	30,213	6,410,793	(104,513)
Earnings / (loss) per share	17				
- basic		4.85	(0.20)	11.58	(0.87)
- diluted		4.76	(0.20)	11.37	(0.87)

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

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

consolidated condensed interim statement of comprehensive income (unaudited) for the nine months ended september 30, 2013

(Amounts in thousand)

	Note	Quarter ended		Nine months ended	
		September 30, 2013	September 30, 2012 (Restated)	September 30, 2013	September 30, 2012 (Restated)
		---(Rupees)---			
Profit / (loss) for the period		2,584,286	30,213	6,410,793	(104,513)
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss account					
Hedging reserve - cash flow hedges					
Gains / (losses) arising during the period		730,363	(398,220)	199,983	(694,913)
Reclassification adjustments for losses / (profits) included in profit and loss		(636,388)	500,807	22,392	876,170
Adjustments for amounts transferred to initial carrying amount of hedged items		(17,834)	(13,486)	(2,076)	40,732
		76,141	89,101	220,299	221,989
Revaluation reserve on business combination		(5,494)	(5,494)	(16,480)	(16,480)
Exchange differences on translation of foreign operations		26,002	5,700	17,786	14,304
		96,649	89,307	221,605	219,813
Income tax relating to:					
- Hedging reserve - cash flow hedges		(25,886)	(31,185)	(81,041)	(77,696)
- Revaluation reserve on business combination		1,923	1,923	5,768	5,768
		(23,963)	(29,262)	(75,273)	(71,928)
Items that will not be re-classified to profit and loss account					
Remeasurement of post employment benefits obligation		(7,781)	6,971	12,301	20,913
Income tax relating to remeasurement of post employment benefits obligation		3,298	(1,014)	(3,530)	(3,041)
		(4,483)	5,957	8,771	17,872
Deferred tax charge relating to revaluation of equity related items		-	-	(1,648)	-
Other comprehensive income for the period, net of tax		68,203	66,002	153,455	165,757
Total comprehensive income for the period		2,652,489	96,215	6,564,248	61,244
Total comprehensive income / (loss) attributable to:					
- Owners of the Holding Company		2,553,349	(39,093)	6,076,933	(278,820)
- Non-controlling interest		99,140	135,308	487,315	340,064
		2,652,489	96,215	6,564,248	61,244

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

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

consolidated condensed interim statement of changes in equity (unaudited) for the nine months ended september 30, 2013

(Amounts in thousand)

	Attributable to owners of the Holding Company												
		Capital reserves						Revenue reserves					
	Share capital	Share premium	Employee share option compensation reserve	Hedging reserve	Revaluation reserve on business combination	Maintenance reserve (note 10)	Exchange revaluation reserve	General reserve	Un-appropriated profit	Remeasurement of post employment benefits - Actuarial gain / (loss)	Sub total	Non-controlling interest	Total
	Rupees												
Balance as at January 1, 2012 (audited)	3,932,843	10,550,061	146,280	(573,437)	94,496	197,577	35,725	4,429,240	18,985,446	-	37,798,231	4,091,558	41,889,789
Effect of change in accounting policy due to application of IAS-19 (Revised), net of tax - note 3.1	-	-	-	-	-	-	-	-	595	(18,298)	(17,703)	(11,509)	(29,212)
Balance as at January 1, 2012 - restated	3,932,843	10,550,061	146,280	(573,437)	94,496	197,577	35,725	4,429,240	18,986,041	(18,298)	37,780,528	4,080,049	41,860,577
Total comprehensive income / (loss) for the nine months ended September 30, 2012 (unaudited) - restated													
Profit / (loss) for the period	-	-	-	-	-	-	-	-	(443,169)	-	(443,169)	338,656	(104,513)
Other comprehensive income	-	-	-	139,824	(7,651)	-	14,304	-	-	12,987	159,464	1,408	160,872
	-	-	-	139,824	(7,651)	-	14,304	-	(443,169)	12,987	(283,705)	340,064	56,359
Transactions with owners													
Effect of changes in number of share options issued	-	-	-	-	-	-	-	-	77,410	-	77,410	81,237	158,647
Maintenance reserve created by Engro Powergen Qadirpur Limited, a subsidiary of Engro Powergen Limited	-	-	-	-	-	15,758	-	-	(15,758)	-	-	-	-
Effect of derecognition of discontinued operations	-	-	-	-	-	-	-	-	-	-	-	72,854	72,854
Final dividend for the year ended December 31, 2011 @ Rs. 2 per share	-	-	-	-	-	-	-	-	(786,569)	-	(786,569)	-	(786,569)
Bonus shares issued during the period in the ratio of 3 shares for every 10 shares held	1,179,851	-	-	-	-	-	-	-	(1,179,851)	-	-	-	-
Vested options lapsed during the period	-	-	(2,911)	-	-	-	-	-	2,911	-	-	-	-
Derecognition of items pertaining to Avanceon Limited :													
- options	-	-	(10,688)	-	-	-	-	-	-	-	(10,688)	-	(10,688)
- exchange revaluation reserve	-	-	-	-	-	-	(29,378)	-	-	-	(29,378)	-	(29,378)
	1,179,851	-	(13,599)	-	-	15,758	(29,378)	-	(1,901,857)	-	(749,225)	154,091	(595,134)
Balance as at Sep 30, 2012 (unaudited) - restated	5,112,694	10,550,061	132,681	(433,613)	86,845	213,335	20,651	4,429,240	16,641,015	(5,311)	36,747,598	4,574,204	41,321,802
Total comprehensive income / (loss) for the three months ended December 31, 2012 - restated													
Profit for the period	-	-	-	-	-	-	-	-	1,776,392	-	1,776,392	125,298	1,901,690
Other comprehensive income	-	-	-	70,688	(2,551)	-	48,471	-	-	4,329	120,937	9,538	130,475
	-	-	-	70,688	(2,551)	-	48,471	-	1,776,392	4,329	1,897,329	134,836	2,032,165
Transactions with owners													
Vested options lapsed during the period	-	-	(132,422)	-	-	-	-	-	-	-	(132,422)	-	(132,422)
Issue of right shares by subsidiary	-	-	-	-	-	-	-	-	-	-	-	18,900	18,900
Shares issued during the year by subsidiaries under Employees Share Option Scheme	-	-	(259)	-	-	-	-	-	6,186	-	5,927	23,132	29,059
Dividend by subsidiary allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(27,650)	(27,650)
	-	-	(132,681)	-	-	-	-	-	6,186	-	(126,495)	14,382	(112,113)
Balance as at December 31, 2012 (audited) - restated	5,112,694	10,550,061	-	(362,925)	84,294	213,335	69,122	4,429,240	18,423,593	(982)	38,518,432	4,723,422	43,241,854
Total comprehensive income / (loss) for the nine months ended September 30, 2013 (unaudited)													
Profit for the period	-	-	-	-	-	-	-	-	5,919,375	-	5,919,375	491,418	6,410,793
Other comprehensive income	-	-	-	139,257	(7,651)	-	17,786	-	-	8,167	157,559	(4,104)	153,455
	-	-	-	139,257	(7,651)	-	17,786	-	5,919,375	8,167	6,076,934	487,314	6,564,248
Transactions with owners													
Effect of partial disposal of shares held in subsidiary company by Holding Company	-	-	-	-	-	-	-	-	701,938	-	701,938	84,388	786,326
Shares issued during the period by subsidiary company	-	-	-	-	-	-	-	-	67,981	-	67,981	105,159	173,140
Dividend by subsidiary allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(163,703)	(163,703)
Options granted during the period by subsidiary company under Employees Share Option Scheme	-	-	178,714	-	-	-	-	-	-	-	178,714	-	178,714
	-	-	178,714	-	-	-	-	-	769,919	-	948,633	25,844	974,477
Balance as at September 30, 2013 (unaudited)	5,112,694	10,550,061	178,714	(223,668)	76,643	213,335	86,908	4,429,240	25,112,887	7,185	45,543,999	5,236,580	50,780,579

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

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

consolidated condensed interim statement of cash flows (unaudited) for the nine months ended september 30, 2013

(Amounts in thousand)

	Note	Nine months ended September 30, 2013	Nine months ended September 30, 2012
		(Rupees)	
Cash flows from operating activities			
Cash generated from operations	18	32,019,595	4,956,442
Retirement and other service benefits paid		(131,016)	(130,612)
Finance costs paid		(9,599,475)	(10,382,950)
Taxes paid		(1,373,934)	(1,488,856)
Long term loans and advances - net		(87,867)	(145,565)
Net cash generated from / (utilized in) operating activities		20,827,303	(7,191,541)
Cash flows from investing activities			
Purchase of Property, plant and equipment (PPE) and Biological assets		(5,593,260)	(4,264,320)
Sale proceeds on disposal of PPE		330,858	145,589
Income on deposits / other financial assets		657,906	256,848
Proceeds from disposal of long term investment		-	2,884
Dividends received		450,000	1,012,500
Net cash utilized in investing activities		(4,154,496)	(2,846,499)
Cash flows from financing activities			
Repayments of borrowings		(9,557,849)	(10,010,923)
Proceeds from borrowings - net		377,635	2,759,162
Obligations under finance lease - net		(1,941)	(1,942)
Proceeds from issuance of right shares		-	180,092
Proceeds from disposal of shares of subsidiary company		786,326	-
Proceeds from issuance of shares by subsidiary company		164,100	-
Dividends paid		(167,689)	(814,155)
Net cash utilized in financing activities		(8,399,418)	(7,887,766)
Net increase / (decrease) in cash and cash equivalents		8,273,389	(17,925,806)
Cash and cash equivalents at beginning of the period		4,833,212	8,465,635
Cash and cash equivalents at end of the period	19	13,106,601	(9,460,171)

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

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

notes to the consolidated condensed interim financial information (unaudited) for the nine months ended september 30, 2013

(Amounts in thousand)

1 . LEGAL STATUS AND OPERATIONS

Engro Corporation Limited (the Holding Company) is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 and its shares are quoted on Karachi, Lahore & Islamabad stock exchanges of Pakistan. The principal activity of the Holding Company is to manage investments in subsidiary companies and joint venture, engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, exploration and chemical terminal and storage businesses. The Holding Company's registered office is situated at 7th & 8th Floors, The Harbour Front Building, HC # 3, Block 4, Marine Drive, Clifton, Karachi.

1.1 The "Group" consists of:
Holding Company - Engro Corporation Limited
Subsidiary companies, companies in which the Holding Company owns over 50% of voting rights, or companies directly controlled by the Holding Company:

	%age of direct holding	
	September 30, 2013	December 30, 2012
- Engro Fertilizers Limited (note 1.1.1)	100	100
- Engro Eximp (Private) Limited (note 1.1.2)	100	100
- Engro PowerGen Limited (note 1.1.3)	100	100
- Elengy Terminal Pakistan Limited (note 1.1.4)	100	100
- Engro Foods Netherlands B.V. (note 1.1.5)	100	100
- Engro Foods Limited (note 1.1.6)	87.07	88.37
- Engro Polymer and Chemicals Limited	56.19	56.19
Joint Venture Company:		
- Engro Vopak Terminal Limited	50	50

1.1.1 Engro Fertilizers Limited (Subsidiary Company)
During the period, the Holding Company made equity investment of Rs. 1,500,000 through subscription of 150,000,000 right shares of Rs. 10 each, in the Subsidiary Company.

1.1.2 Engro Eximp (Private) Limited (Subsidiary Company)
During the period, the Subsidiary Company, has started coal trading business, whereby it procures coal and provides transportation and handling services with respect to the procurement of coal.

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

GoS has granted 30 years mining lease to SECMC for exploration and mining activities in Thar Block-II. Based on the detailed feasibility study conducted by SECMC, Thar Block-II has estimated coal reserves of approximately 2 billion tons, independently verified by a Competent Person Statement (CPS) in 2012, of which 195 million tons will be mined at the rate of 6.5 million tons per year over the period of the mining lease. SECMC and the Subsidiary Company, during 2011, had also received a firm proposal for Engineering, Procurement & Construction (EPC) for 6.5 million tons per annum mining capacity and 1,200 MW power plant from an international contractor. However, in May 2013, SECMC in order to reduce its capital investment and optimize the project size and cost decided to decouple the mining and power projects and accordingly, established its wholly owned subsidiary company, Thar Power Company Limited (TPCL), to set up a 600 MW power plant.

During the period, Engro Corporation Limited (on behalf of Engro PowerGen Limited) has signed a Memorandum of Understanding (MoU) with Pakistan State Oil Company Limited (PSO), whereby PSO intends to acquire 50% of the share of equity held by Engro PowerGen Limited in its subsidiary, Sindh Engro Coal Mining Company Limited.

1.1.4 Elengy Terminal Pakistan Limited (Subsidiary Company)
During the period, the Subsidiary Company, in response to the first invitation to bid by Sui Southern Gas Company Limited (SSGCL), had submitted its sealed bid on January 4, 2013 for an integrated LNG terminal for supply of 400 mmcfd of Regasified Liquefied Natural Gas (RLNG). However, the first bid was cancelled due to some shortcomings on the part of other bidders. Accordingly, the Subsidiary Company submitted its second bid to SSGCL, which was opened, followed by technical and price evaluation conducted by SSGCL and its consultants. Subsequently, the Honorable Supreme Court of Pakistan (SCP) has taken a suo motu action on the bidding process and served notices to all the bidders. During the hearings, the Ministry of Petroleum and Natural Resources (MPNR) proposed that it intends to place the case before Economic Coordination Committee (ECC) to evaluate re-bidding the Project with which the SCP concurred with directions that the same must be in accordance with the rules, regulations and strictly in transparent manner. The ECC in its meeting held on June 27, 2013, cancelled the bidding process and requested the MPNR to come up with a new LNG project in the next ECC meeting for approval. A new tender has been invited for October 14, 2013.

1.1.5 Engro Foods Netherlands B.V. (Subsidiary Company)
During the period, the Holding Company made additional equity investment of Rs. 169,649 in the Subsidiary Company, which has been reimbursed by Engro Foods Limited (EFoods), another subsidiary company, pursuant to an agreement entered into between the Holding Company and EFoods, whereby following receipt of all necessary regulatory approvals, the Holding Company shall promptly transfer its entire shareholding in the Subsidiary Company to EFoods.

(Amounts in thousand)

1.1.6 Engro Foods Limited (Subsidiary Company)
During the period, the Holding Company partially disposed off 5,625,000 ordinary shares of Rs 10 each in the Subsidiary Company, at a price of Rs. 140 per share.

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

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

The Group's interest in jointly controlled entity, Engro Vopak Terminal Limited has been accounted for using the Equity Method.

2. BASIS FOR PREPARATION

2.1 This consolidated condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This consolidated condensed interim financial information is being submitted to the shareholders in accordance with section 245 of the Ordinance and should be read in conjunction with the financial statements of the Holding Company for the year ended December 31, 2012.

2.2 The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

2.3 During the preparation of this consolidated condensed interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that apply to financial statements of the Holding Company for the year ended December 31, 2012, except for the following:

(a) Engro Foods Limited (Subsidiary Company)
During the period, the shareholders of the Subsidiary Company in their meeting held on March 22, 2013 approved a new Employees' Share Option Scheme (the Scheme). Accordingly, the management of the Subsidiary Company has determined the fair value of options under the new Employee Share Option Scheme of the Subsidiary Company using the Black Scholes Pricing model. The estimated fair value of these options and underlying assumptions have been disclosed in note 7. 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.

(b) Engro Fertilizers Limited (Subsidiary Company)
During the period, the Subsidiary Company has revised the depreciation method of catalyst from number of years to number of production days to better reflect the consumption of its economic benefits. The effect of such a change in estimate is not material.

(Amounts in thousand)

3. ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of audited annual published financial statements of the Group for the year ended December 31, 2012, except for:

Defined benefit plans
The Group has applied IAS 19 – Employee benefits (revised in June 2011) which is applicable for annual periods beginning on or after January 01, 2013. In accordance with the transitional provisions as set out in IAS 19, the Group has applied the revised standard retrospectively and consequently, the earliest periods presented in the Consolidated Condensed Interim Balance Sheet, Consolidated Condensed Interim Profit and Loss Account, Consolidated Condensed Interim Statement of Comprehensive Income and Consolidated Condensed Interim Statement of Changes in Equity have been restated, except for the two subsidiary companies (Engro Fertilizers Limited and Engro PowerGen Limited), where the effect of the aforementioned change in policy for prior years is not material and has been accounted for in this consolidated condensed financial information. The effect of change in policy on Consolidated Condensed Interim Statement of Cash Flows is not material.

The revised standards (i) requires past service cost to be recognized immediately in the profit or loss; (ii) replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year; (iii) introduced a new term 'remeasurements' which is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost. The revised standard eliminates the corridor approach and requires to recognize all remeasurement gain or loss / actuarial gain or loss in Other Comprehensive Income (OCI) immediately as they occur. The actuarial gain / loss for the year 2012 has been bifurcated evenly between pre and post September 30, 2012 for presentation purposes.

(Amounts in thousand)

The impacts of retrospective application of IAS 19 (Revised) for subsidiary companies, where the effect of the change in policy is material, are as follows:

	Trade and other payables	Taxes recoverable	Other receivables	Deferred liabilities	Deferred tax asset	Other comprehensive income- Remeasurement of post-employment benefits	Non-controlling interest	Unappropriated profit
	---------- Increase / (Decrease) ---------- Rupees ----------							
Balance as at January 1, 2012 as previously reported (audited)	23,211,439	3,050,258	2,256,199	161,219	1,059,912	-	4,091,558	18,985,446
Reclassification of gratuity fund liability as at December 31, 2011	(3,132)	-	(3,132)	-	-	-	-	-
Restatement - recognition of remeasurement gain/loss in OCI	27,277	5,619	11,222	18,271	(1,100)	(18,298)	(11,509)	-
Restatement - recognition of unrecognized past service cost in profit & loss account	-	(320)	915	-	-	-	-	595
Balance as at January 1, 2012 - restated	23,235,584	3,055,557	2,265,204	179,490	1,058,812	(18,298)	4,080,049	18,986,041
Balance as at December 31, 2012 as previously reported (audited)	30,383,949	3,968,139	3,050,485	187,931	1,542,743	-	4,728,417	18,423,048
Reclassification of gratuity fund liability as at December 31, 2012	(3,629)	-	(3,629)	-	-	-	-	-
Restatement - recognition of remeasurement gain/loss in OCI								
- For the year ended December 31, 2011	27,277	5,619	11,222	18,271	(1,100)	(18,298)	(11,509)	-
- For the nine months ended September 30, 2012	6,028	(5,438)	21,568	(5,372)	2,398	12,987	4,886	-
- For the three months ended December 31, 2012	2,010	(1,813)	7,190	(1,791)	800	4,329	1,629	-
	8,038	(7,251)	28,758	(7,163)	3,198	17,316	6,515	-
	35,315	(1,632)	39,980	11,108	2,098	(982)	(4,994)	-
Restatement - recognition of unrecognized past service cost in profit & loss account								
- For the year 2011	-	(320)	915	-	-	-	-	595
- For the year 2012	-	26	(76)	-	-	-	-	(50)
	-	(294)	839	-	-	-	-	545
Balance as at December 31, 2012 - restated	30,415,635	3,966,213	3,087,675	199,039	1,544,841	(982)	4,723,423	18,423,593

4 PROPERTY, PLANT AND EQUIPMENT

	Unaudited September 30, 2013	Audited December 31, 2012
	----(Rupees)----	
Operating assets, at net book value	125,130,307	128,654,876
Capital work-in-progress		
- Expansion and other projects	4,743,810	1,861,126
- Major spare parts and stand-by equipment	1,554,087	1,411,707
	131,428,204	131,927,709

(Amounts in thousand)

		Unaudited September 30, 2013	Audited December 31, 2012
		----(Rupees)----	
4.1	Additions to operating assets including transfers from Capital work-in-progress during the period / year were as follows:		
	Freehold land (note 4.1.1)	213,404	-
	Leasehold land	-	11,512
	Freehold building	107,133	525,044
	Leasehold building	13,618	537,670
	Pipelines	-	797
	Plant and machinery	2,653,719	5,709,465
	Catalyst	-	266,587
	Furniture, fixture and equipment	168,317	364,838
	Vehicles	124,835	613,149
		3,281,026	8,029,062

4.1.1 Includes land acquired by Engro Foods Limited (Subsidiary Company) measuring 537 Kanals, 37 Marlas surrounding its Sahiwal plant through the action of the Commissioner, Sahiwal Division, Government of Punjab (the Government), by invoking provisions of Land Acquisition Act, 1894. Under the said law, the purchase price of Rs. 212,514 has been based on the assessment by the Government authorities of the near by the land which has been duly paid the Subsidiary Company, to the Government for onward payment to the respective land owners.

Few land owners have filed writ petitions against the Government's action and the matter is in progress at Lahore High Court. Stay has been granted against most of the petitions filed against the Subsidiary Company. The management of the Subsidiary Company is of the view that the purchase of land is legal and therefore, the case will be decided in its favour.

4.2 Disposals, during the period, aggregating Rs 482,741 (December 31, 2012: Rs. 322,289), having net book value of Rs. 292,591 (December 31, 2012: Rs. 140,366) mainly comprised of plant and machinery.

		Unaudited September 30, 2013	Audited December 31, 2012
		----(Rupees)----	
4.3	Additions to Capital work-in-progress - Expansion and other projects		
	Plant and machinery	4,233,105	4,042,472
	Building and civil works including pipelines	433,369	446,388
	Furniture, fixture and equipment	162,739	246,323
	Advances to suppliers	98,025	202,883
	Others	54,430	428,008
		4,981,668	5,366,074

(Amounts in thousand)

5. DEVELOPMENT PROPERTIES

Development expenditure represents expenditure incurred in area in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine and related infrastructure.

During the period, Sindh Engro Coal Mining Company Limited (SECMC), a subsidiary of Engro PowerGen Limited, Subsidiary Company, has advanced through the exploration and evaluation stage and entered into the development phase of the mining project, as technical / commercial viability of the Project has been demonstrated. Accordingly, SECMC has transferred / classified exploration and evaluation expenditure incurred to date aggregating Rs. 686,011 (note 6) as Development Properties.

6. EXPLORATION AND EVALUATION ASSETS

	Unaudited September 30, 2013	Audited December 31, 2012
	-----------------(Rupees)	------------------
Consultancy charges	287,565	269,339
Salaries, wages and staff welfare	209,846	144,182
Travelling expense	39,963	26,859
Purchased services	55,930	32,045
Rent, security and accommodation expenses	49,253	35,425
Subscription for intellectual data	7,970	7,778
Fees charged by GoS/SCA under MoU	1,452	1,452
Exploration license fees and other related charges	4,614	4,614
Accumulated depreciation	11,153	8,093
Other expenses	18,265	9,966
	686,011	539,753
Less: Transferred/classified to Development Properties (note 5)	(686,011)	-
	-	539,753

7. EMPLOYEES' SHARE OPTION SCHEME

During the period, the shareholders of Engro Foods Limited (Subsidiary Company) in their meeting held on March 22, 2013 approved a new Employees' Share Option Scheme (the Scheme) for granting of options to certain critical employees of the Subsidiary Company up to 16.9 million new ordinary shares, to be determined by the Board Compensation Committee. The Scheme was approved by the Securities and Exchange Commission of Pakistan on May 27, 2013.

Under the Scheme, options can be granted in years 2013 to 2015. 50% of the options granted will vest in two years whereas the remaining 50% will vest in three years from the date of the grant of options. However, for the purpose of the options granted in 2013 (Option year), 50% of such options shall vest on April 1, 2015 with remaining 50% vesting on April 1, 2016. Further, those eligible employees who will join the Subsidiary Company or will be promoted to the employee cadre / grade eligible for options, till April 1, 2015 are also entitled to these options. These options do not carry dividends or voting rights and the maximum number of options to be issued to a single eligible employee

(Amounts in thousand)

is for 1.69 million ordinary shares. These options are exercisable within 3 years from the end of vesting period. For options granted in 2013 (Option Year), the exercise price would be Rs. 191.89, Rs. 220.67 and Rs. 253.77 per share for the periods April 1, 2016 - March 31, 2017, April 1, 2017 - March 31, 2018 and April 1, 2018 - March 31, 2019 respectively.

The fair value of options determined as at September 30, 2013 using the Black-Scholes model was Rs. 12.86 per option. The significant inputs into the model were share price; being the quoted price as at reporting date September 30, 2013 of Rs. 101.69, exercise price of Rs. 191.89, volatility of 35.93%, an expected option life of approximately three and half years and annual risk free interest rate of 9.12%. The volatility has been measured as the standard deviation of quoted share prices over the last one year. The Subsidiary Company estimates that during the year 2013 (Option year) options for 13.9 million shares will be granted and the vesting period of these options has commenced from April 1, 2013, therefore, Employee share compensation reserve and the related Deferred expense amounting to Rs. 178,714 has been recognized out of which Rs. 37,272 has been amortized as charge for the period.

8. STOCK-IN-TRADE

	Unaudited September 30, 2013	Audited December 31, 2012
	-----------------(Rupees)	------------------
Raw and packing materials (note 8.1)	6,043,410	5,901,235
Unprocessed rice	1,601,356	5,239,347
Fuel stock	370,289	375,073
Work-in-process	237,856	276,851
Finished goods		
- own manufactured product	2,241,188	2,605,890
- purchased product	4,644,541	2,193,079
	6,885,729	4,798,969
	15,138,640	16,591,475

8.1 This includes stocks held at storage facilities of the following parties:

Engro Vopak Terminal Limited, a related party	834,503	918,703
Dawood Hercules Chemicals Limited, a related party	264	2,773
Al-Rahim Trading Company (Private) Limited	73,567	-
	908,334	921,476

9. TRADE DEBTS

Considered good		
- secured (note 9.1)	4,867,206	10,411,385
- unsecured	541,608	226,614
	5,408,814	10,637,999
Considered doubtful	7,879	16,303
	5,416,693	10,654,302
Provision for impairment	(30,479)	(16,303)
	5,386,214	10,637,999

(Amounts in thousand)

9.1 Includes an amount of Rs. 2,590,711 (December 31, 2012: Rs. 7,300,126) secured by a guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good. During the period, the Government of Pakistan announced a bail out package for the power sector to reduce the circular debt, whereby Engro Powergen Qadirpur Limited, a subsidiary of Engro PowerGen Limited, received Rs. 8,974,000 from NTDC in respect of amount due as at May 31, 2013.

10. MAINTENANCE RESERVE

In accordance with the Power Purchase Agreement (PPA), Engro Powergen Qadirpur Limited (EPQL), subsidiary company of Engro PowerGen Limited, is required to establish and maintain a separate reserve fund (the Fund) with a depository institution for payment of major maintenance expenses. Any interest income resulting from the depository arrangements of the Fund shall remain in the Fund to the extent of any short fall from the contractual limit.

Under the PPA, 1/24th of the annual operating and maintenance budget of the Power Plant of EPQL less fuel expenses is to be deposited into the Fund on each capacity payment date until such reserve equals to nine such deposits. After the second agreement year and thereafter the Fund may be re-established at such other level that EPQL and NTDC mutually agree.

11. BORROWINGS

11.1 Engro Fertilizers Limited (Subsidiary Company)

11.1.1 The long term finance facilities include Rs 44,842,991 on account of long term finance utilized under markup arrangements by the Subsidiary Company. This amount also includes a loan of USD 30,000 from the International Finance Corporation (IFC) which carries interest of six months LIBOR plus a spread of 6% or 10% depending on the listing status of the Subsidiary Company at December 31, 2012. The Subsidiary Company is under discussion with IFC for amending the conversion terms and waiver of 4% additional spread. It is expected to be finalized shortly. As the management is confident that it will be able to successfully negotiate the terms and hence no related provision on account of 4% additional spread amounting to Rs. 292,291 as at September 30, 2013 (December 31, 2012: Rs. 180,584) has been made in these consolidated condensed interim financial information.

11.1.2 The Subsidiary Company approached majority of the lenders for re-profiling of various finance facilities given the constrained operation due to gas curtailment. Initially, the Subsidiary Company proposed for a grace period of 2 to 2.5 years in the existing repayment schedule. Subsequently the Subsidiary Company offered step-up payments in the interim period of 2.5 years due to improved cash flow expectations after EnVen conversion on Mari gas.

As at September 30, 2013, the Subsidiary Company has agreed with all the lenders for the re-profiling of its long term loans. Legal documentation for a bilateral loan and one consortium are in process. Accordingly, current portion is based on the revised repayment schedule. Further, some banks in the Islamic Finance Facility have agreed to convert a portion of the outstanding loan from USD into PKR subject to the approval by State Bank of Pakistan.

11.1.3 Under the terms of the agreements for long term borrowings, the Subsidiary Company is required to comply with certain financial debt covenants. As at September 30, 2013 all financial debt covenants have been complied with.

(Amounts in thousand)

11.2 Engro Polymer and Chemicals Limited (Subsidiary Company)

Under the terms of the agreements for long term borrowings from International Finance Corporation (IFC) and syndicates of banks, the Subsidiary Company is required to comply with certain debt covenants. As at September 30, 2013, all debt covenants have been complied with except for current ratio and debt service coverage ratio. Waiver for these ratio deviations have been duly applied.

12. DEFERRED TAXATION

12.1 During the period, the Sindh High Court, in respect of another company, has overturned the interpretation of the Appellate Tribunal on Section 113 (2) (c) of the Income Tax Ordinance, 2001 and has decided that the minimum tax paid cannot be carried forward in respect of the year where no tax has been paid on account of loss for the year. The Group's management, based on the opinion of its legal advisor, is of the view that the above order is not correct and would not be maintained by the Supreme Court, which they intend to approach, if required. Accordingly, the following subsidiary companies have continued to carry forward minimum tax paid in prior years, as follows:

	Unaudited September 30, 2013	Audited December 31, 2012
	(Rupees)	
Engro Fertilizers Limited	348,674	153,505
Engro Polymer and Chemicals Limited	590,743	420,691
Engro Corporation Limited	1,535	1,535
	940,952	575,731

Further, Engro Foods Limited and Engro Eximp (Private) Limited, subsidiary companies, have adjusted the carried forward minimum tax amounting to Rs. 197,021 and Rs. 1,708 respectively, while computing the tax payable for the period and have also maintained the adjustment of carried forward minimum tax amounting to Rs. 409,945 and Nil respectively made in prior years.

12.2 As at September 30, 2013, deferred tax asset / liability on the deductible / taxable temporary differences has been recognized at the rate of 34%, being the rate substantively enacted at the balance sheet date and is expected to apply to the periods when the asset is realized or the liability is settled.

13. SHORT TERM BORROWINGS

13.1 Engro Corporation Limited (Holding Company)
During the period, the Holding Company has utilized and repaid Rs. 669,531 of its short term finance facilities aggregating to Rs. 1,500,000 (December 31, 2012: Rs. 1,500,000) from banks to meet its working capital requirements. The facilities are primarily secured against ranking floating charge over all present and future loans, advances, receivables and other current assets (excluding investments) of the Holding Company. Additionally, the facilities are also secured through a pledge over shares of Engro Foods Limited (a Subsidiary Company).

13.1 Engro Fertilizers Limited (Subsidiary Company)
The company obtained money market loans of Rs: 790,000 during last year from various banks and further during the period Rs: 500,000 was acquired under Istisna agreement, All loans are repaid as at September 30, 2013. These loans carry mark-up rates ranging from 9.91% to 11.17% per annum.

(Amounts in thousand)

13.2 Engro Eximp (Private) Limited (Subsidiary Company)

13.2.1 Facilities for short term finances available from various banks, representing the aggregate sale price of mark-up arrangements, amounts to Rs. 6,600,000 (December 31, 2012: Rs. 7,500,000). The rate of mark-up on these finances ranged from 10.02 % to 11.86% per annum (December 31, 2012: 10.38 % to 11.99% per annum). The facilities are secured by floating charge on all present and future stocks including raw and packaging materials, finished goods, spares and other merchandise and on all present and future book debts of the Subsidiary Company.

13.2.2 During the period, the Subsidiary Company also obtained funds under FE-25 facility availed from HSBC as allowed by the State Bank of Pakistan (SBP) vide its circular F.E. 25 dated June 20, 1988. This facility carries mark-up at the rate of 1.4% per annum.

13.3 Engro Polymer and Chemicals Limited (Subsidiary Company)
The aggregate facilities for running finance available from various banks, representing the sales price of all mark-up arrangements, amounted to Rs. 1,550,000 (December 31, 2012: Rs.1,700,000). Mark-up is chargeable at rates ranging from relevant period KIBOR plus 1% to 1.5% (December 31, 2012: relevant period KIBOR plus 1.0% to 2.5%). During the period, the total mark-up rates, ranged from 10.01% to 10.58% per annum (December 31, 2012: 10.38% to 13.64% per annum). These facilities are secured by a floating charge over stocks and book debts of the Subsidiary Company.

14. PROVISIONS

Includes provision for Gas Infrastructure Development (GID) cess, under the Gas Infrastructure Development Cess Act, 2011 levied by the Government of Pakistan on gas bills at the rate of Rs. 13 per MMBTU on all industrial consumers. The Federal Government then revised GID cess rate from Rs. 13 per MMBTU to Rs. 50 per MMBTU by issuing notification under OGRA Ordinance 2002. Engro Polymer and Chemicals Limited (Subsidiary Company) therefore filed a Suit before the Honorable High Court of Sindh which granted an ad-interim stay on March 5, 2013 in favour of the Subsidiary Company. The Stay Order restrained the Sui Southern Gas Company Limited from charging any amount of GID cess over and above Rs. 13 per MMBTU till the final decision of this matter.

The Subsidiary Company is confident that the aforementioned matter will be decided in its favour, however, based on prudence, the Subsidiary Company has recorded a provision of Rs. 120,576 being the financial exposure of differential GID cess as at September 30, 2013.

(Amounts in thousand)

15. CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments since December 31, 2012 are mentioned below:

	Unaudited September 30, 2013	Audited December 31, 2012
	----------(Rupees)----------	
Contingencies:		
15.1 Corporate Guarantees issued by Engro Corporation Limited in favor of Subsidiary Companies:		
- Engro Fertilizers Limited	60,247,964	63,934,832
- Engro PowerGen Qadirpur Limited	1,060,500	971,000
- Engro PowerGen Limited (note 15.1.1)	-	116,520
- Engro Foods Canada Limited	252,382	235,544
- Elengy Terminal Pakistan Limited (note 15.1.2)	-	-
	61,560,846	65,257,896

15.1.1 During the period, the Corporate Guarantee amounting to USD 1,200 in favour of Bank Alfalah Limited against a Letter of Guarantee facility offered to Engro PowerGen Limited (a subsidiary company), was released by the bank.

15.1.2 During the period, Elengy Terminal Pakistan Limited, submitted a bid bond of Rs. 102,000 to Sui Southern Gas Company Limited (SSGCL) against participation in the LNG project bidding process. The Holding Company had secured the issuance of such bid bond through a counter guarantee to Bank Islami Pakistan Limited. However, pursuant to the cancellation of the bidding process by SSGCL, the bid bond was also cancelled.

	Unaudited September 30, 2013	Audited December 31, 2012
	----------(Rupees)----------	
15.2 Bank guarantees provided by:		
- Engro Powergen Qadirpur Limited	1,596,126	1,596,126
- Engro Fertilizers Limited	1,069,119	1,052,364
- Engro Foods Limited	393,052	336,779
- Engro Eximp (Private) Limited	392,000	350,000
	3,450,297	3,335,269

(Amounts in thousand)

15.3 Engro Fertilizers Limited (Subsidiary Company)

15.3.1 The Subsidiary Company, along with other fertilizer companies, received a show cause notice from the Competition Commission of Pakistan (CCP) for initiating action under the Competition Act 2010 in relation to unreasonable increase in the price of fertilizer. The Subsidiary Company responded in detail that factors resulting in such increase were mainly the imposition of infrastructure cess, sales tax, inflation and gas curtailment. However, the CCP has issued an order in March 2013, whereby it has held that the Subsidiary Company enjoys a dominant position in the urea market and that it has abused this position by unreasonable increases of urea prices in the period from December 2010 to December 2011. The CCP has also held another fertilizer company to be responsible for abusing its dominant position. In addition, the CCP has imposed a penalty of Rs 3,140,000 and Rs 5,500,000 on the Subsidiary Company and that other fertilizer company respectively. An appeal has been filed in the Competition Appellate Tribunal (at present non-functional) and a writ has been filed in the Sindh High Court and stay has been granted against the recovery of the imposed fine.

15.3.2 During the period , the Subsidiary Company has filed a civil suit in Lahore against SNGPL and the Government of Pakistan for recovery of damages incurred due to SNGPL not honoring its contractual obligation for uninterrupted gas supply to the company. Earlier the Sindh High Court had passed a judgment in favor of the company directing SNGPL to supply gas in accordance with the GSA.

		Unaudited September 30, 2013	Audited December 31, 2012
		-----------------(Rupees)-----------------	
	Commitments:		
15.4	Capital expenditure contracted but not incurred by:		
	- Engro Fertilizers Limited	917,000	70,134
	- Engro Eximp (Private) Limited	314,294	16,898
	- Engro Foods Limited	1,608,170	2,139,539
		2,839,464	2,226,571
15.5	Letters of credit/contracts by:		
	- Engro Foods Limited for purchase of commodities	1,242,711	181,420
	- Engro Eximp (Private) Limited for import of fertilizers	4,858	113,719
	- Engro Powergen Qadirpur Limited for senior lenders	844,674	778,897
		2,092,243	1,074,036

(Amounts in thousand)

15.6 As at September 30, 2013, post-dated cheques amounting to Rs. 93,097 (December 31, 2012: Rs. 15,106) have been provided by Engro Foods Limited, Subsidiary Company, as collateral to customs authorities, in accordance with the procedures prescribed by the Government of Pakistan through notifications dated July 8, 2011 and August 1, 2011.

15.7 The aggregate facility for performance guarantees issued by banks on behalf of Engro Polymer and Chemicals Limited, Subsidiary Company, as at September 30, 2013 amounts to Rs. 1,598,000 (December 31, 2012: Rs. 1,598,000). The amount utilized thereagainst is Rs. 896,860 (December 31, 2012: Rs. 930,932).

16. TAXATION

16.1 Engro Corporation Limited (Holding Company)

During the period, the Deputy Commissioner Inland Revenue (DCIR) through the order dated August 30, 2013 raised an income tax demand of Rs. 139,575 for the tax year 2011 by disallowing allocation of expenses against interest income and apportioning expenses against dividend income and capital gains. The Holding Company is currently in the process of filing an appeal with Commissioner Inland Revenue - Appeals (CIRA). The Holding Company, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal.

16.2 Engro Fertilizers Limited (Subsidiary Company)

16.2.1 A prior year incremental current tax charge of Rs. 1,032,087 has been recognized in this consolidated condensed interim financial information consequent to the disallowance of initial allowance claimed in the financial year 2010. Further, a prior year deferred tax charge has been recognized representing adjustment resulting from the aforementioned disallowance of accelerated depreciation.

16.2.2 In 2012, the income tax department raised a demand of Rs. 1,481,709, subsequently rectified to Rs. 1,074,938, for the financial year 2010. The disallowances were mainly on account of initial allowance on capitalization which was later confirmed by the Commissioner Inland Revenue-Appeals (CIRA). The demand was subsequently reduced to Rs. 616,536 after application of rectifications from prior years amounting to Rs. 308,402 and payment of Rs. 150,000. The Subsidiary Company has further applied to account for a pending appeal affect order in favor of the Subsidiary Company of Rs. 303,527. The balance demand of Rs. 313,009 is to be offset against the refunds from the financial year 2008.

16.2.3 In the current period, the Appellate Tribunal Inland Revenue (ATIR) has remanded back the issues of Group Relief (Rs. 450,000) and Inter-Corporate Dividend (Rs. 220,000) related to the financial year 2008 in favor of the Subsidiary Company. Appeal affect order has been issued by CIRA on Group Relief (Rs 450,000). The Subsidiary Company intends to use the resulting refunds in offsetting the balance demand of the financial year 2010.

In previous years, the department had filed reference applications in High Court against the following matters decided in Subsidiary Company's favor. No hearing has been conducted to-date

- Group Relief (Financial year 2006 to 2008): Rs. 1,500,847
- Inter-Corporate Dividend (Financial year 2007 and 2008): Rs. 336,500
- G.P. Apportionment (Financial years 1995 to 2002): Rs. 653,000

The Subsidiary Company is confident that all pending issues will eventually be decided in its favor.

(Amounts in thousand)

16.3 Engro Foods Limited (Subsidiary Company)

16.3.1 The Subsidiary Company in accordance with section 59B (Group Relief) of the Income Tax Ordinance, 2001 has surrendered to the Holding Company, its tax losses amounting to Rs. 4,288,134 out of the total tax losses of Rs. 4,485,498 for the years ended December 31, 2006, 2007 and 2008 (Tax years 2007, 2008 and 2009) for cash consideration aggregating to Rs. 1,500,847, being equivalent to tax benefit/effect thereof.

The Subsidiary Company has been designated as part of the Group of Engro Corporation Limited by the Securities and Exchange Commission of Pakistan (SECP) through its letter dated February 26, 2010. Such designation was mandatory for availing Group tax relief under section 59B(2)(g) of the Ordinance and a requirement under the Group Companies Registration Regulations, 2008 (the Regulations) notified by the SECP on December 31, 2008.

The Appellate Tribunal, in respect of surrender of the aforementioned tax losses by the Subsidiary Company to the Holding Company for the years ended December 31, 2006 and 2007, decided the appeals in 2010 in favour of the Subsidiary Company, whereby, allowing the surrender of tax losses by the Subsidiary Company to the Holding Company. The tax department has filed reference application there against before the Sindh High Court, which is under the process of hearings. However, in any event, should the reference application be upheld and the losses are returned to the Subsidiary Company, it will only culminate into recognition of deferred income tax asset thereon with a corresponding liability to the Holding Company for refund of the consideration received. As such there will be no effect on the results of the Subsidiary Company.

During the period, the Appellate Tribunal also decided the similar appeal filed by the Holding Company for the year ended December 31, 2008 in favor of the Holding Company.

16.3.2 In 2010, the Commissioner Inland Revenue raised a demand of Rs. 337,386 for tax year 2008 by disallowing the provision for gratuity, advances and stock written-off, repair and maintenance, provision for bonus, sales promotion and advertisement expenses. Further, in the aforementioned order the consideration receivable from the Holding Company, on surrender of tax loss was added to income for the year. The Subsidiary Company had filed an appeal there against before the Commissioner Appeals. The Commissioner Appeals through his order dated September 16, 2011, has decided certain matters in favour of the Subsidiary Company whereby withdrawing the demand amounting to Rs. 222,357. The Subsidiary Company has filed an appeal at the Tribunal level for the remainder matters remanded back or decided against the Subsidiary Company. The tribunal through its order dated May 3, 2013, has decided the remaining matters in favour of the Subsidiary Company except for certain disallowances of advances and stock written-off amounting to Rs. 8,642. These disallowances will be claimed in tax year 2013 as significant time has lapsed, and no amount has been realized there against to date. Therefore, there will be no effect on the results of the Subsidiary Company.

16.3.2 Ministry of Finance, Economic Affairs, Government of Pakistan (MoF) through SRO 501(I)/2013 dated June 12, 2013 exempted the supplies of Milk and Cream (Dairy products) from levy of sales tax effective from June 13, 2013. Sales tax on these supplies was previously charged at the rate of zero per cent (Zero-rated). Consequent to the aforementioned SRO, input tax could not be claimed/adjusted against the output tax on these supplies. Subsequently, on Subsidiary Company's plea the MoF through SRO 670/(I)/2013 dated July 18, 2013 reinstated the

(Amounts in thousand)

status of Zero-rating of Dairy products. However, effective date of applicability of Zero-rating is not mentioned in SRO 670/(I)/2013, therefore, the 'Zero rating' or 'exempt' status of the supplies from June 13, 2013 to July 17, 2013 (interim period) is not clear. The Subsidiary Company, based on the opinion of its tax advisor, is of the view that input tax paid on purchase of raw material for Dairy products during the interim period is recoverable and accordingly an amount of Rs. 24,018 has been recorded as sales tax recoverable.

16.4 Engro Polymer and Chemicals Limited (Subsidiary Company)

16.4.1 The Deputy Commissioner Inland Revenue (DCIR) through the order dated November 26, 2009 has raised a tax demand of Rs. 213,172 in respect of tax year 2008. The demand arose as a result of additions on account of trading liabilities of Rs. 47,582 under section 34(5) of the Income Tax Ordinance, 2001 (the Ordinance); disallowance of provision for retirement benefits of Rs. 5,899; adding imputed interest on loans to employees and executives of Rs. 16,069 to income; disallowing finance cost of Rs. 134,414 and not considering adjustment of minimum tax paid for tax years 2004 to 2007 against the above demand.

The Subsidiary Company filed an appeal against the aforesaid order before the Commissioner Inland Revenue Appeals [CIR(A)], but discharged the entire demand through adjustment against assessed refunds of Rs. 180,768 and paying balance of Rs. 32,404 'under protest'.

During 2011, through appellate order, the CIR(A) maintained certain additions aggregating Rs. 189,810 including finance cost amounting to Rs. 134,414 and remanded back the issue of imputed interest on loans to employees and executives and directed the DCIR to allow credit of the minimum tax charged for the period of tax years 2004 to 2007. An appeal against the said appellate order was filed by the Subsidiary Company before the Appellate Tribunal Inland Revenue (ATIR). The department also filed an appeal against the said appellate order challenging the actions of the CIR(A).

On May 24, 2013, the ATIR issued an order whereby the aforementioned appeal was disposed off by accepting Subsidiary Company's position except for additions on account of trading liabilities to the extent of Rs. 20,280 and minimum turnover tax for tax years 2004 and 2007 to the extent of Rs. 19,692 and Rs. 7,300 respectively, which were maintained.

The Subsidiary Company, based on the advice of its tax consultant, has filed a reference to the High Court of Sindh against the additions maintained by ATIR. The management of the Subsidiary Company is confident that the ultimate outcome of the aforementioned matters would be favorable and consequently has not recognized the effects for the same in the consolidated condensed interim financial information.

16.4.2 The DCIR through order dated November 30, 2010 has raised a tax demand of Rs. 163,206 in respect of tax year 2009. The demand arose as a result of disallowing finance cost of Rs. 457,282; additions to income of trading liabilities of Rs. 21,859 under section 34(5) of the Ordinance; disallowing provision for the retirement benefits of Rs. 14,239; disallowing provision against receivable of Special Excise Duty (SED) of Rs. 36,689; adding imputed interest on loans to employees and executives of Rs. 20,599 and not considering net loss as per the revised return.

The entire demand of Rs. 163,206 was adjusted against assessed tax refunds and an appeal was filed by the Subsidiary Company before the CIR(A).

In 2011, through an appellate order, the CIR(A) maintained certain additions aggregating to Rs. 493,971 including disallowance of finance cost amounting to Rs. 457,282 and remanded back the issue of imputed interest on loans to employees and executives. An appeal against the said appellate order was filed by the Subsidiary Company before the ATIR. The department also filed an appeal against the said appellate order challenging the action of CIR(A) deleting the addition on account of provision for retirement benefits.

On May 24, 2013, the ATIR issued an order whereby the aforementioned appeal was disposed off by accepting Subsidiary Company's position except for additions on account of SED provision of Rs. 36,689 and imputed interest on loans to employees and executives to the extent of Rs. 17,430, which were maintained.

The Subsidiary Company, based on the advice of its tax consultant, has filed a reference to the High Court of Sindh against the additions maintained by ATIR. The management of the Subsidiary Company is confident that the ultimate outcome of the aforementioned matters would be favorable and consequently has not recognized the effects for the same in the consolidated condensed interim financial information.

17. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

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

	Quarter ended		Nine Months ended	
	September 30, 2013	September 30, 2012 (Restated)	September 30, 2013	September 30, 2012 (Restated)
	(Rupees)			
The basic and dilutive earnings / (loss) per share is based on:				
Profit / (loss) after taxation (attributable to the owners of the Holding Company)	2,478,776	(102,700)	5,919,375	(443,169)
The information necessary to calculate basic and diluted earnings per share is as follows:				
Profit / (loss) for the period	2,478,776	(102,700)	5,919,375	(443,169)
Add: Interest on IFC loan of USD 15,000 (net of tax)	16,050	-	48,150	-
	2,494,826	(102,700)	5,967,525	(443,169)
	(Number in thousands)			
Weighted average number of ordinary shares	511,269	511,269	511,269	511,269
Add: Weighted average adjustment for assumed conversion of USD 15,000 IFC loan	12,720	-	12,720	-
Weighted average number of ordinary shares for determination of diluted EPS	523,989	511,269	523,989	511,269

As at September 30, 2012, there was no dilutive effect on the basic earnings per share of the Group since the average annual market share price of the Holding Company's share was less than the exercise price of the options granted on the Holding Company shares to IFC.

18. CASH GENERATED FROM OPERATIONS

	Nine months ended	
	September 30, 2013	September 30, 2012
	(Rupees)	
Profit before taxation	8,803,749	(372,967)
Adjustment for non-cash charges and other items:		
Depreciation and amortization	6,603,283	5,828,637
Loss / (profit) on disposal of property, plant and equipment and biological assets	7,233	(20,278)
Biological assets written-off	50,533	-
(Gain) arising from changes in fair value less estimated point-of-sale costs of biological assets	(94,844)	-
Provision for retirement and other service benefits	149,431	126,249
Damaged operating assets write-off	8,059	-
Depreciation on revaluation surplus arising on business combination	-	7,652
Income on deposits / other financial assets	(717,551)	(270,255)
Capital gain on long term investments	-	(384)
Share of income from joint venture companies	(445,338)	(549,040)
Finance costs	10,421,928	11,148,459
Employees share compensation expense	37,232	2,377
Income arising on derecognition of discontinued operations	-	(251,872)
Exchange loss on foreign currency loans	-	395,199
Working capital changes (note 18.1)	7,195,880	(11,087,335)
	32,019,595	4,956,442

18.1 Working capital changes

Decrease / (increase) in current assets		
- Stores spares and loose tools	(439,609)	(336,796)
- Stock-in-trade	1,452,835	(5,447,492)
- Trade debts	5,251,785	(2,457,751)
- Loans, advances, deposits and prepayments	(2,107,613)	(1,197,670)
- Other receivables (net)	618,705	844,071
	4,776,103	(8,595,638)
Decrease in current liabilities		
- Trade and other payables including other service benefits (net)	2,419,777	(2,491,697)
	7,195,880	(11,087,335)

(Amounts in thousand)

	Nine months ended September 30, 2013	Nine months ended September 30, 2012
	----(Rupees)----	

19. CASH AND CASH EQUIVALENTS

	September 30, 2013	September 30, 2012
Cash and bank balances	7,330,929	1,957,369
Short term investments	9,719,257	414,293
Short term borrowings	(3,943,585)	(11,831,833)
	13,106,601	(9,460,171)

19.1 Cash and cash equivalent do not include the effect of short term sukuk amounting to Rs. 2,000,000 at the beginning of the period.

20. 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:

	Nine months ended September 30, 2013	Nine months ended September 30, 2012
	----(Rupees)----	
Associates and joint ventures		
Purchases and services	7,690,373	9,533,641
Services rendered / sale of goods	1,373,140	1,322,563
Retirement benefits	480,427	483,975
Dividends paid	-	335,161
Payment of interest on TFCs and repayment of principal amount	16,018	116,866
Donations	42,300	56,614
Investment in mutual funds and T-Bills	8,634,678	400,000
Redemption of investments in mutual funds and T-Bills	9,214,260	2,172,096
Key Management Personnel		
Remuneration paid to key management personnel / directors	545,798	389,321
Dividends paid	-	10,205
Balances due from Joint Venture	1,896	1,100

(Amounts in thousand)

21. 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 and trading businesses.

	Quarter ended September 30, 2013	Quarter ended September 30, 2012 (Restated)	Nine months ended September 30, 2013	Nine months ended September 30, 2012 (Restated)
	----(Rupees)----			
Revenue				
Fertilizer	20,646,577	7,801,821	47,380,278	26,379,913
Polymer	6,047,061	6,077,216	18,078,485	15,553,616
Food	11,001,308	12,674,440	33,291,285	32,449,704
Power	2,895,260	3,038,359	8,074,211	8,554,061
Other operations	299,621	-	939,732	-
Consolidated	40,889,827	29,591,837	107,763,991	82,937,295
Profit / (loss) after taxation				
Fertilizer	1,915,681	(1,279,586)	3,623,901	(3,006,912)
Polymer	127,062	24,230	552,388	83,314
Food	(114,605)	625,478	298,070	821,004
Power	494,589	506,154	1,526,595	1,571,178
Other operations	1,524,193	242,869	3,067,575	976,956
Elimination - net	(1,362,634)	(88,933)	(2,657,736)	(550,054)
Consolidated	2,584,286	30,213	6,410,793	(104,513)

	(Unaudited) September 30, 2013	(Audited) December 31, 2012 (Restated)
	----(Rupees)----	
Assets		
Fertilizer	114,407,959	108,185,285
Polymer	26,188,206	24,206,247
Food	26,073,056	27,915,038
Power	21,765,360	25,058,164
Other operations	37,598,295	34,435,646
Elimination - net	(34,800,836)	(30,176,316)
Consolidated	191,232,040	189,624,064

22. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the consolidated condensed interim balance sheet has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the consolidated condensed interim profit and loss account, the consolidated condensed interim statement of comprehensive income, the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

For the purpose of implementation of revised IAS 19 - 'Employee Benefits', certain corresponding figures have been restated to reflect the retrospective changes required under the standard. The effect of other rearrangements and reclassifications are not material.

23. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information is authorized for issue on October 29, 2013 by the Board of Directors of the Holding Company.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive