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Third Quarter Accounts 2014

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

About Us

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

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

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

Our History

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

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

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

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

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

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

Engro Corporation Limited

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

Engro Fertilizers Limited

Engro Fertilizers Limited is a 87% owned subsidiary is one of the leading fertilizer manufacturing and marketing companies in the country. It is primarily engaged in the manufacturing and marketing of urea and NPK fertilizers.

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

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

Engro Foods Limited

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

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

Engro Powergen Limited

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

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

Engro Polymer & Chemicals Limited

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

Engro Eximp (Private) Limited

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

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

Engro Vopak Terminal Limited

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

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

Elengy Terminal Pakistan Limited

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

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

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

directors' report

According to IMF, global economic growth in 2014 is expected to slow down to 3.3% mainly due to three key short-term risks; the financial markets were too complacent about the future, tensions between Russia and Ukraine and in the Middle East, and that a triple-dip recession in the Eurozone that could lead to deflation. The international commodity markets were impacted by the strong supply growth situation which has been the case across all of metals, bulks, energy and agriculture. This factored in across most sectors, with prices trading below cost of production and continuing to drive underinvestment in future supply growth options and slowing future growth rates, if not full scale displacement of existing capacity. Given this, the focus shifts to the demand growth perspective, which is now crucial in the rebalancing process. However, demand is becoming an increasing source of concern. Many commodities are expected to continue trading below long run equilibrium price expectations through the course of 2015.

In contrast, the economy of Pakistan is on the road of recovery with GDP growth of 4.1% in FY 2014, accelerating from 3.7% in FY 2013. Reforms initiated by the Government helped improve economic conditions during the year. Renewed support from development partners and a $2 billion Eurobond issue (the first in 7 years) helped stabilize the currency and rebuild foreign exchange reserves from low levels. The consolidated fiscal deficit excluding grants was contained at 5.5% of GDP in FY 2014, down from an average of 8.0% in the previous 3 years. The current account deficit in FY 2014 was essentially unchanged from the previous year's 1.1% of GDP. The trade deficit widened moderately, but this was largely offset by continued strong growth in remittances from overseas workers. The continuation of economic reforms and efforts to improve the security environment is expected to improve business confidence and help revive private investment.

Business Review

On a consolidated basis, Engro Corporation recorded a 14% increase in sales revenue reaching PKR 122,397 million during YTD September 2014 as compared to PKR 107,764 million during the same period last year. The increase in revenues was mainly driven by higher fertilizer sales at Engro Fertilizers and Engro EXIMP coupled with a recovery in sales volumes at Engro Foods and Power generation businesses.

Despite the increase in revenue, the profit-after-tax (PAT), attributable to the shareholders of the Company, remained at PKR 4,441 million as compared to PKR 5,731 million during same period last year. This was mainly due to the turbulence in the international commodity prices which affected the Ethylene-PVC price delta in the petrochemical business, AMF inventory in the foods business and the selling prices of rice coupled with an unprecedented appreciation in the PKR / USD exchange rate. A summary of the company-wise financial performance is as follows:

	YTD 2014		YTD 2013	
Company	Revenue	Profit After Tax	Revenue	Profit After Tax
Engro Corp Stand-alone	1,441	1,399	2,840	2,893
Engro Fertilizers	43,692	5,511	34,422	3,234
Engro EXIMP	21,233	(2,693)	18,817	(442)
Engro Polymers	17,147	(33)	18,137	552
Engro Foods	31,020	252	28,023	1,240
Engro PowerGen	9,266	1,594	8,074	1,527
Engro Corp Consolidated	122,397	4,441*	107,764	5,731*

(Excluding Non-controlling interest)

Engro Fertilizers

The domestic urea industry has remained largely stable during the year though recent trends point towards some tightening of the market which could continue into 4Q. Year-to-date domestic urea industry production increased by 63KT (1.7%) to 3,601KT primarily due to relatively higher off grid gas supply to the fertilizer sector as compared to last year. Overall, urea sales dropped by 2.3% to 4,096 KT for the period as compared to previous period, however, branded urea sales were 1.3% higher vs the same period last year.

Effective 1 July 2014, GIDC on fuel gas was increased by PKR 50/MMBTU. In August 2014, the Supreme Court deemed the GIDC Act 2011 as unconstitutional. Subsequent to the court order, the Government appealed the decision and also re-imposed GIDC under a Presidential Ordinance.

The Company's urea production during the nine months period stood at 1,332KT as compared to 1,063KT during previous period. This 25% increase in production level was achieved on the back of continuous operation of both urea plants as the Company continues to receive temporary gas allocation of 60 MMSCFD from Mari. Sales for the nine months period registered a growth of 24% as the business sold 1,322KT of urea vs 1,066KT during previous period. Our market share also increased to 32% from 26% in the same period last year due to a decline in market share of imported urea which we were able to capitalize on given higher production. As a consequence of the above, our fertilizer business achieved a PAT of PKR 5,511 million for the period as compared PKR 3,234 million during the same period last year.

Engro EXIMP

International DAP prices which had ended at USD 400/ton at year end 2013, started moving up reaching a high of USD 500/ton in February 2014. The Company sold 202KT of DAP during the period vs 174KT during the same period last year. Despite the volatility in the international commodity prices, the Company was able to achieve healthy trading margins during the first nine months of 2014 due to correctly timing the purchases when international market prices were low, resulting in a significant increase in profitability over last year.

During the first three quarters of 2014, the Company managed to achieve a total husking of 72KT of paddy and processed 7.7KT of rice with an average service and capacity factor of 71% and 64% respectively, which represents a 23% increase in volume vs the corresponding period last year. The Company exported 32.7KT of rice during the period - a growth of 83% year-on-year. Local sales for the period were 20.8KT vs 28.7KT during the corresponding period in 2013.

The Company, under its "Bharosa Seed Program", generated orders for 880 tons of seeds for 2014 crop, making it the biggest basmati seed provider in Pakistan. This seed volume represents 27,800 tons of paddy production by farmers. The program aims to improve farmer yields and product quality thereby improving the Company's own milling recoveries.

The Company incurred a consolidated loss-after-tax of PKR 2,693 million for the nine months ended September 30, 2014 as compared to loss-after-tax of PKR 834 million for previous period. The higher loss is primarily due to the substantial appreciation in the PKR / USD exchange rate in a span of few weeks during March 2014 coupled with deep bearish rice market sentiment prevailing throughout the period, which has more than offset the earnings from the phosphate business.

Engro Polymer & Chemicals

The Company successfully completed the PVC debottlenecking project during third quarter which has increased PVC production capacity by 15KT per annum. The capacity enhancement will allow the Company to convert its surplus VCM into PVC which will result in better margins for the Company. PVC resin production during the first nine months of 2014 was 108.7KT as compared to 105.6KT in the same period previously. Vinyl Chloride Monomer (VCM) plant produced 115.4KT vs 124.1KT last year. VCM production was lower due to operational issues at the plant earlier during the period. Caustic Soda production during the period was 87.3KT against 84.5KT during same period last year.

PVC domestic sales dampened during the current period due to electricity load shedding at customers' end and decline in export of pipes and fittings to Afghanistan market due to duty imposition there. PVC price and exchange rate uncertainty during earlier part of the year also affected sales for the period. PVC-Ethylene price delta continued to remain stable in 3Q 2014 as compared to 2Q 2014, however towards the end of June 2014, the FBR imposed 5% regulatory duty on imports of Ethylene and EDC, which increased Company's raw material cost and impacted its profitability and cash position. This matter is being pursued with relevant Government authorities for recourse.

The Company sold 90.6KT PVC in domestic markets during the nine months period as compared to 103.9KT in same period last year. The Company exported 9.8KTPVC to partially offset lower domestic sales. In the domestic Caustic Soda market, long product supply pressures affected Company's prices. During the period, the Company sold 68.7KT Caustic Soda as compared to 71.4KT last year. 2.9KT Caustic Soda was also exported to manage competitive pressures in the domestic market. The Company also sold 14.6KT of Sodium Hypochlorite and 12KT of HCl during the period.

On a year-to-date basis, the Company recorded revenue of PKR 17,147 million as compared to PKR 18,137 million last year. Lower margins and sales volumes for both PVC and Caustic Soda impacted the bottom line earnings. PKR appreciation against US dollar earlier in the year also constrained Company's profitability; however, the consequent gain on foreign exchange liabilities provided some support to the overall profitability. The Company posted a loss-after-tax of PKR 33 million for the period as compared to a PAT of PKR 552 million during the same period last year.

Engro Foods

The Company has posted PKR 31 billion in revenue for the nine months of 2014 versus PKR 28 billion in the comparative period and a PAT of PKR 252 million versus a PAT of PKR 1,240 million previously. The Company's Dairy and Ice Cream segments witnessed volumetric growth of 7% and 21% respectively over the comparative period. Although the company achieved revenue growth of 11% vs the same period last year but gross profit percentage reduced from 25% to 19% due to higher milk prices which were not passed on to consumer due to market environment and consumer promotions to boost sales. The Company's Board carried out strategic review of its Canadian operations and decided to exit it, so focus can be achieved in growing local operations where opportunities are enormous. As a result, Engro Foods Netherlands (parent company of Engro Foods Canada) entered into a Share Purchase Agreement (SPA) with a Canadian registered company for sale of its North American businesses, which includes Engro Foods Canada. Subject to satisfaction of all conditions precedent as set out in the SPA, it is expected that the transaction shall complete by the end of October 2014. As a result of this sale, a one-off pre-tax impairment charge of PKR 438 million has been recorded in these accounts and North American business has been classified as 'Discontinued Operations'.

Engro Powergen

During the first nine months of 2014, the Qadirpur Plant demonstrated a Billable Availability of 100%. It dispatched a total Net Electrical Output of 1,300 GwH to the national grid with a load factor of 93.6% as compared to 90.6% in the same period last year. The Company continues to focus on plant performance improvement initiatives to ensure its reliability and availability to the national grid and ensure maximum benefit for all stakeholders.

The total revenue billed during the period to PEPCO was PKR 9,809 million against which total receipts from PEPCO were PKR 8,862 million during the period. Over dues from PEPCO stood at PKR 1,342 million as at September 30, 2014 against over dues of PKR 1,204 million as on December 31, 2013. The Company earned a net profit of PKR 1,553 million as compared to PKR 1,578 million for the same period last year.

During the current quarter, Engro Corporation along with its wholly owned subsidiary Engro Powergen, offered 80.950 million shares i.e. 25% of the share capital of Engro Powergen Qadirpur to the institutional investors (through private placement) and general public (through an Initial Public Offer) at a price of PKR 30.02 per share. The issue received a tremendous response and was oversubscribed by 2.24 times. Post September 2014, the shares have been duly allotted to the successful investors and EPQL has been formally listed on the Karachi Stock Exchange.

Mining Update: Engro's holding in Sindh Engro Coal Mining Company (SECMC) has been reduced to 26% during FY 2014, however, the management control of SECMC remains with Engro. Change in shareholding has been effected as one of the conditions to utilize the Sovereign Guarantee from the Government. During 2014, the Company finalized the EPC contractor for the project. LOI and Contract Term Sheet for 3.8MTPA mining contracts were also signed. Scope of work and terms of reference for detailed engineering were also finalized and issued to contractor. The Company has successfully acquired possession of 3,842 acres of land for start of physical work. Site mobilization, camp set-up and other utilities have been put in place for the 3.0 Million BCM local OB removal job. All HSE Systems for monitoring & reporting activities have been implemented to ensure injury-free work environment.

GEL Utility Limited Update: The Company's Power Services investment in Nigeria is well underway and site completion is at 97%, while its COD is planned within October.

Engro Vopak

The Company recorded revenue of PKR 1,547 million and PAT of PKR 1,027 million during the first nine months of 2014 versus PKR 1,485 million and PKR 890 million respectively as compared to previous period.

Engro Elengy

The Company formally signed the LNG Service Agreement (LSA) with Sui Southern Gas Company Limited on 30 April 2014, whereby the Company shall procure, transport, develop terminal facilities and store and re-gasify LNG under the LSA for a period of 15 years. The Company has also signed Implementation Agreement with Port Qasim Authority as well as agreement for Engineering, Procurement & Construction and Time Charter Party agreement of Floating Storage & Regasification Unit. Order for pipelines and other material have been placed and construction work has commenced. The contracted date of commissioning the project is March 31, 2015.

Business Outlook

Engro Fertilizers

In January 2014, the ECC approved the provision of Mari gas to the Company at a concessionary rate of 70 cents in order to discharge the Government's contractual obligations. Substantial progress has been made on the same in the quarter under review and implementation is expected shortly.

Low domestic production and delayed imports have placed the urea industry in a tight supply position as of September closing. Higher gas allocation to the fertilizer industry can help meet farmer demand in the Rabi season, failing which fertilizer will have to be imported using scarce foreign exchange. The Company will attempt to maximize its production in the upcoming quarter, to help in covering the expected urea shortfall in Rabi and fulfill farmer demand.

Engro EXIMP

The company has locked volumes for the fourth quarter at competitive prices which is expected to result in healthy margins as international phosphate prices are expected to remain firm. The rice business commodity risk profile has now been greatly reduced and the business is being restructured.

Engro Polymer & Chemicals

Going forward, the domestic PVC demand is expected to remain stable during the fourth quarter, however, core PVC and Ethylene margins are expected to remain under pressure due to decline in PVC prices while Ethylene prices may remain high. Domestic demand of Caustic Soda during last quarter is also expected to remain stable; however, prices are expected to remain under pressure due to long product supplies. Moreover, any further increase in domestic natural gas prices in addition to increase in GIDC could be a possible challenge.

Engro Foods

The increase in volume in the last six weeks bodes well for the future outlook and the management plans to continue its volume growth thrust in the UHT segment. Also, with the recent increase in Olper's sales price and full operation of our HFO power plant, our focus on improving overall margins should materialize in the next quarter.

Engro Powergen

Despite the Country's natural gas crisis, Qadirpur Power Plant is expected to continue receiving unhindered fuel supply, as the plant runs on permeate gas which is likely to remain available in the near future. Furthermore, the plant is expected to maintain a high dispatch rate due to its higher rank in PEPCO's merit order.

In partnership with Government, the Thar mining and power projects are expected to remain on track for completion in next four years. The Company continues to seek new opportunities in energy sector around the world in partnership with international players to utilize Engro's unique engineering and project management skillset.

Engro Vopak

The Company continues to perform well and is expected to maintain its operations and profitability in a stable fashion due to its unique position in liquid chemicals handling industry.

Engro Elengy

Work on the fast track LNG terminal is on schedule to achieve commissioning by the due date. This is expected to be one of the fastest implementations of a LNG terminal anywhere in the world and at one of the most competitive rates available globally.

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

condensed interim balance sheet as at september 30, 2014

(Amounts in thousand)

	Note	(Unaudited) September 30, 2014	(Audited) December 31, 2013 (Restated)
		--------------(Rupees)----------------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	81,422	45,557
Long-term investments	6	28,879,985	28,140,994
Long-term loans and advances	7	2,186,171	5,163,511
Deferred taxation		-	81,886
		31,147,578	33,431,948
Current assets			
Loans, advances and prepayments	8	2,167,333	636,301
Other receivables		692,398	513,554
Taxes recoverable		212,856	123,605
Short-term investments		2,517	2,672,915
Cash and bank balances		4,454,095	250,584
		7,529,199	4,196,959
Investment classified as held for sale	6	320,000	320,000
TOTAL ASSETS		38,996,777	37,948,907
EQUITY & LIABILITIES			
Equity			
Share capital		5,169,698	5,112,694
Share premium		11,684,310	10,550,061
General reserve		4,429,240	4,429,240
Unappropriated profit		8,990,679	9,137,268
Remeasurement of post employment benefits - Actuarial gain		9,871	9,871
		25,114,100	24,126,440
TOTAL EQUITY		30,283,798	29,239,134
Liabilities			
Non-current liability			
Retirement and other service benefit obligations		20,442	21,268
Deferred taxation		7,519	-
Current liabilities			
Trade and other payables		337,180	340,213
Advance received against partial disposal of investment in subsidiary companies	6	2,734,118	836,079
Accrued interest / mark-up		163,569	337,866
Borrowings	9	3,958,102	6,290,142
Dividend Payable		1,033,940	-
Unclaimed dividends		91,108	92,373
Derivative financial instrument	4	367,001	791,833
		8,685,018	8,688,506
TOTAL LIABILITIES		8,712,979	8,709,774
Contingencies and Commitments	10		
TOTAL EQUITY AND LIABILITIES		38,996,777	37,948,907

The annexed notes from 1 to 17 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, 2014

(Amounts in thousand except for earnings per share)

	Note	Quarter ended September 30, 2014	Quarter ended September 30, 2013 (Restated)	Nine months ended September 30, 2014	Nine months ended September 30, 2013 (Restated)
		---------------(Rupees)---------------			
Dividend income		180,000	1,510,615	808,136	2,350,365
Royalty income		231,014	201,507	633,157	489,732
		411,014	1,712,122	1,441,293	2,840,097
Administrative expenses		(99,162)	(72,563)	(278,657)	(215,998)
		311,852	1,639,559	1,162,636	2,624,099
Other income		218,719	240,939	1,304,631	1,448,802
Other operating expenses		(7,768)	(26,499)	(33,867)	(60,173)
Operating profit		522,803	1,853,999	2,433,400	4,012,728
Finance cost	4	(150,726)	(555,561)	(806,654)	(1,064,247)
Profit before taxation		372,077	1,298,438	1,626,746	2,948,481
Taxation	4 & 11	(102,540)	25,927	(227,660)	(55,402)
Profit for the period		269,537	1,324,365	1,399,086	2,893,079
Other comprehensive income for the period					
Items that will not be reclassified to profit or loss					
- Remeasurement of post employment benefit obligation - Actuarial gain, net of tax		-	-	-	8,241
Total comprehensive income for the period		269,537	1,324,365	1,399,086	2,901,320
Earnings per share - basic and diluted	12	0.52	2.59	2.72	5.66

The annexed notes from 1 to 17 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, 2014

(Amounts in thousand)

		Capital reserves	Revenue reserves			
	Share capital	Share premium	General reserve	Unappropriated profit	Remeasurement of post employment benefits - Actuarial gain	Total
	---(Rupees)---					
Balance as at January 1, 2013 (Audited) - as previously reported	5,112,694	10,550,061	4,429,240	6,543,362	25,986	26,661,343
Effect of recognition of derivative liability on option to International Finance Corporation (IFC), net of tax - note 4	-	-	-	(155,406)	-	(155,406)
Balance as at January 1, 2013 (Audited and restated)	5,112,694	10,550,061	4,429,240	6,387,956	25,986	26,505,937
Total comprehensive income for the nine months ended September 30, 2013 - Restated	-	-	-	2,893,079	8,241	2,901,320
Balance as at September 30, 2013 (Unaudited and restated)	5,112,694	10,550,061	4,429,240	9,281,035	34,227	29,407,257
Total comprehensive income for the three months ended December 31, 2013 - Restated	-	-	-	(143,768)	(24,356)	(168,124)
Balance as at December 31, 2013 (Audited and restated)	5,112,694	10,550,061	4,429,240	9,137,268	9,871	29,239,134
Total comprehensive income for the nine months ended September 30, 2014	-	-	-	1,399,086	-	1,399,086
Transactions with owners						
Shares issued to IFC on exercise of conversion option - notes 4 and 7	57,004	1,134,249	-	-	-	1,191,253
Dividend in specie for the year ended December 31, 2013 in the ratio of 1 share of Engro Fertilizers Limited for every 10 shares held of the Company	-	-	-	(511,735)	-	(511,735)
Interim cash dividend for the year ending December 31, 2014 @ Rs. 2.00 per share	-	-	-	(1,033,940)	-	(1,033,940)
Balance as at September 30, 2014 (Unaudited)	5,169,698	11,684,310	4,429,240	8,990,679	9,871	30,283,798

The annexed notes from 1 to 17 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, 2014

(Amounts in thousand)

	Note	Nine months ended September 30, 2014	Nine months ended September 30, 2013
		---(Rupees)---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	13	(376,064)	(116,090)
Royalty received		399,909	399,768
Taxes paid		(227,506)	(109,866)
Retirement and other service benefits paid		(36,352)	(30,970)
Long term loans and advances - net		(22,660)	(5,837)
Net cash (utilized in) / generated from operating activities		(262,672)	137,005
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		808,136	2,350,365
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries		887,240	815,422
Advance received against investment classified as held for sale		2,734,118	169,649
Investment in asset classified as held for sale		-	(169,649)
Long-term investments		(1,551,000)	(1,500,000)
Proceeds from disposal of long-term investment		-	786,326
Proceeds on maturity of short-term investments		2,001	-
Purchases of property, plant and equipment (PPE)		(54,860)	(8,890)
Sale proceeds on disposal of PPE		4,192	13,845
Net cash generated from investing activities		2,829,827	2,457,068
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of Engro Islamic Rupiya Certificates		3,948,824	-
Repayment against Engro Rupiya Certificates I & II upon maturity		(6,317,240)	-
Financial charges paid		(866,073)	(930,756)
Redemption of borrowings		-	(1,010)
Proceeds from issue of shares upon exercise of conversion option by IFC		680,960	-
Loans disbursed to subsidiary companies		(2,382,484)	(1,420,000)
Repayment of loans by subsidiary companies		3,895,960	-
Dividends paid		(1,265)	(3,986)
Net cash utilized in financing activities		(1,041,319)	(2,355,752)
Net increase in cash and cash equivalents		1,525,836	238,321
Cash and cash equivalents at beginning of the period		2,921,498	1,181,572
Cash and cash equivalents at end of the period	14	4,447,334	1,419,893

The annexed notes from 1 to 17 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, 2014

(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, 2013.

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, 2013.

3 . ACCOUNTING POLICIES

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

4 . RESTATEMENT OF PRIOR PERIODS

During the period, the Company upon exercise of option on its shares by the International Finance Corporation (IFC) on IFC's loan to Engro Fertilizers Limited (Subsidiary Company) (note 7.2), has accounted for such option (derivative financial instrument) 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. There is no impact of this restatement on the condensed interim statement of cash flows.

(Amounts in thousand)

The effects of retrospective application are as follows:

4.1 Effect on the condensed interm balance sheet

	Taxes recoverable / (payable)	Trade and other payables	Unappropriated profit	Derivative financial instrument	Deferred taxation
	----------	----------	Rupees	----------	----------
Balance as at January 1, 2013 as previously reported	76,672	176,269	6,543,362	-	(28,321)
Restatement - recognition of derivative liability on option to IFC	-	(4,879)	(155,406)	243,964	83,679
Balance as at January 1, 2013 - restated	76,672	171,390	6,387,956	243,964	55,358
Balance as at December 31, 2013 as previously reported	(54,225)	1,192,128	9,657,752	-	4,204
Restatement - recognition of derivative liability on option to IFC:					
For the year ended December 31, 2012	-	(4,879)	(155,406)	243,964	83,679
For the year ended December 31, 2013	177,830	(10,957)	(365,079)	547,869	(5,997)
	177,830	(15,836)	(520,484)	791,833	77,682
Balance as at December 31, 2013 - restated	123,605	1,176,292	9,137,268	791,833	81,886

Effect on condensed interim statement of comprehensive income:

	Other operating expenses	Finance cost	Taxation
	----------	Rupees	----------
Balance for the nine months ended September 30, 2013 as previously reported	66,064	769,698	155,339
Restatement - recognition of derivative liability on option to IFC	(5,891)	294,549	(99,937)
Balance for the nine months ended September 30, 2013 - restated	60,173	1,064,247	55,402

5. PROPERTY, PLANT AND EQUIPMENT

	Unaudited September 30, 2014	Audited December 31, 2013
	----(Rupees)	----
Operating assets (note 5.1)	35,668	44,660
Capital work in progress (note 5.2)	45,754	897
	81,422	45,557

(Amounts in thousand)

5.1 Additions to operating assets during the period / year amounted to Rs. 10,002 (December 31, 2013: Rs. 12,545). Operating assets costing Rs. 12,209 (December 31, 2013: Rs. 35,187) having a net book value of Rs. 3,599 (December 31, 2013: Rs. 15,019), were disposed off during the period / year for Rs. 4,192 (December 31, 2013: Rs. 15,991).

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

6 . LONG TERM INVESTMENTS

6.1 Engro Fertilizers Limited

During 2013, Engro Fertilizers Limited (Efert), a Subsidiary Company, through an Initial Public Offer (IPO) issued 75,000,000 ordinary shares having face value of Rs. 10 each at a price of Rs. 28.25 per share, determined through the book building process. Further, the Company also divested 30,000,000 ordinary shares of the Subsidiary Company, representing 2.45% of its total investment in the Subsidiary Company, at a price of Rs. 28.25 per share to certain local / foreign institutional investors and High Net Worth Individuals (Informed Buyers). The Company received an advance in this respect amounting to Rs. 836,079 (net of transaction costs of Rs. 11,421). During the period, the Subsidiary Company was formally listed on the Karachi and Lahore Stock Exchanges and the shares have been duly allotted to the shareholders. The gain on such disposal amounting to Rs. 535,805 has been reflected in other income.

On March 31, 2014, the shareholders of the Company in its Annual General Meeting approved a Dividend in Specie for the year ended December 31, 2013 in the ratio of 1:10 (one share of EFert for every ten shares held of the Company). Consequently, 51,126,943 shares of the Subsidiary Company, representing 4.29% of Company's investment in the Subsidiary Company, were allotted to the Company's shareholders in April 2014.

Efert has availed a loan of USD 30,000 from the International Finance Corporation (IFC), divided into (i) 30% convertible loan on its shares at Rs. 24 per ordinary share calculated at the dollar rupee exchange rate prevailing on the business day prior to the date of the notice issued by IFC to exercise the conversion option and (ii) 70% non-convertible loan. This conversion option is exercisable upto March 31, 2017. During the period, Efert received a notice from the IFC for exercise of option on USD 5,000 loan. Accordingly 20,541,667 ordinary shares of Efert have been allotted to the IFC.

As a result of the aforementioned events, the Company, as at the balance sheet date, holds 86.60% of the share capital of Engro Fertilizers Limited.

6.2 Engro Powergen Limited

Sindh Engro Coal Mining Company Limited (SECMC), a Jointly controlled entity of Engro Powergen Limited (EPL), which is a wholly owned subsidiary of the Company, was formed under a Joint Venture Agreement (JVA) dated September 8, 2009, between the Company and the Government of Sindh (GoS). Under the JVA, the equity of GoS and EPL in SECMC was 40% and 60%, respectively.

On January 24, 2014, a revised and amended JVA was signed, under which GoS will have minimum shareholding of 51%, however, Engro Group will retain the right to manage the Company as long as Engro Group holds a minimum of 26% shareholding in SECMC. Further, as at the balance sheet date, EPL has reduced its shareholding in SECMC from 60% to 26% and GoS increased its shareholding to 74%. Consequent to this change, SECMC is now Jointly controlled entity of EPL.

(Amounts in thousand)

During the period, three wholly owned subsidiaries of EPL were established namely Engro Power International Holding B.V. (EPIH), Engro Power Services Limited (EPSL) and Engro Powergen Thar (Pvt.) Limited (EPTL). EPIH has been established with the objective to incorporate, participate, manage, and supervise international businesses and companies. EPIH is a private limited company and has its official seal registered in Rotterdam, Netherlands. EPSL has been established with the objective to carry on business of power generation, transmission, distribution and servicing company. EPSL is a private limited company having its registered office in Nigeria. EPSL has not issued any share capital so far. EPTL has been established with the objective to carry on business of power generation, transmission, distribution and sale of electricity. EPTL has not issued any share capital so far.

6.3 Elengy Terminal Pakistan Limited

During the period, the Company has made a further equity investment of Rs. 1,000 through subscription of 100,000 right shares of Rs. 10 each, in Elengy Terminal Pakistan Limited (ETPL), a wholly owned subsidiary. Further, the Company has also paid Rs. 1,550,000 to ETPL, in respect of advance against further issue of shares.

6.4 Engro Powergen Qadirpur Limited

During December 2013, the Board of Directors of the Company, approved the sale of its entire shareholding in Engro Powergen Qadirpur Limited (EPQL), comprising of 32,000,000 ordinary shares of Rs. 10 each, as part of EPQL's intended Initial Public Offer (IPO) during 2014.

During the current quarter, the Company and EPL has made an offer for sale for 32,000,000 and 48,950,000 ordinary shares of Rs 10 each, respectively held in EPQL at a price of Rs. 30.02 per share determined through the book building process. Out of the entire offer of 80,950,000 ordinary shares, 40,475,000 ordinary shares were subscribed by institutional investors through private placement, while the remaining were offered to the general public through IPO. An advance amounting to Rs. 2,734,118 has been received by the Company against the said IPO and includes an amount of Rs. 254,420 received by the Company on behalf of EPL divestment in EPQL. The Karachi Stock Exchange (KSE) has also approved EPQL's application for formal listing and as of September 30, 2014, EPQL is provisionally listed on the KSE. Subsequent to the balance sheet date, the shares have been duly allotted to the investors.

7. LONG-TERM LOANS AND ADVANCES

7.1 During 2010-2011, the Company extended a subordinated loan of Rs. 3,000,000 to EFert, a Subsidiary Company, for a period of five years. The loan is repayable on or before the end of the term i.e. September 14, 2015. During the period, the entire loan has been repaid.

7.2 The Company has issued a Corporate Guarantee to International Finance Corporation (IFC) for USD 50,000 under the C Loan Agreement (Original Agreement) and further USD 30,000 under the Amended Facility Agreement entered into by EFert with IFC. Till December 31, 2011, the total amount of the facility has been drawn down by EFert. Under the Original Agreement, IFC has an option to convert a tranche of the facility amounting to USD 15,000, into ordinary shares of the Company. Such option is to be exercised within a period of no more than five years from the date of disbursement of facility i.e. December 28, 2009.

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

(Amounts in thousand)

During the period, under the Amended Agreement with EFert and IFC, the Company received a conversion notice from IFC requesting to convert its option on USD 7,000 out of total loan of USD 15,000 into 5,700,318 ordinary shares of the Company at Rs. 119.46, which is adjusted option exercise price, consequent to bonus issues. The Company, accordingly, has issued 5,700,318 ordinary shares of Rs. 10 each to IFC. Further, upon exercise of conversion option by IFC, EFert has paid Rs. 680,960 i.e. Rupee equivalent of USD 7,000 to the Company, and the Company has provided equivalent amount to EFert as a subordinated loan. During the period, the entire loan has been repaid by EFert to the Company.

7.3 During the period, the Company extended a subordinated loan of Rs. 1,486,524 to ETPL, a wholly owned subsidiary company, to meet its working capital requirements. The loan is subordinated to the finances provided to the subsidiary company by its creditors (other than trade creditors) at the rate of 3 months KIBOR plus 3.5% per annum, payable quarterly.

8. LOANS, ADVANCES AND PREPAYMENTS

On March 20, 2014, the Company and Engro Powergen Limited (EPL), a wholly owned subsidiary, entered into a short-term finance agreement for Rs 200,000. The loan carries markup at the rate of 3 Months KIBOR plus 3.5% per annum, payable on a quarterly basis. The entire loan has been repaid on May 29, 2014 by the Subsidiary Company.

9. BORROWINGS

	Unaudited September 30, 2014	Audited December 31, 2013
	-------------(Rupees)-------------	
Engro Islamic Rupiya Certificates I and II (note 9.1)	3,948,824	-
Engro Rupiya Certificates I (note 9.2)	-	3,777,949
Engro Rupiya Certificates II (note 9.2)	-	2,512,174
Short term finance from banks - secured (note 9.3)	9,278	19
Bridge loan (note 9.4)	-	-
	3,958,102	6,290,142

9.1 Engro Islamic Rupiya (EIR) Certificates are AA rated, listed and secured Ijaratul Musha & Murabaha Sukuk certificates of a total issue size of Rs. 4,000,000 duly approved by the Securities and Exchange Commission of Pakistan (SECP). During the period, the Company received subscription money amounting to Rs. 4,000,000 against the issuance of EIR Certificates from Individual Investors of Engro Rupiya Certificates under Preferential Allocation, Institutional Investors under Private Placement and Individual Investors under Initial Public Offer, on a first come first serve basis. EIR - I Certificates amounting to Rs. 3,000,000 have a tenure of 36 months with an expected profit rate of 13% per annum payable semi-annually, while EIR - II Certificates amounting to Rs. 1,000,000 have a tenure of 60 months with an expected profit rate of 13.5% per annum payable semi-annually. The certificate holder, however, may request the Company for early redemption at any time from the date of investment subject to an Early Redemption Discount service charge on the outstanding issue price.

(Amounts in thousand)

The EIR Certificates have been secured by way of first ranking pari passu floating charge over all the present and future movable properties, including all type of investments, of the Company except for present and future trademarks, copyrights and certain investments in subsidiary companies. The Company, in this respect, has appointed Meezan Bank Limited as a trustee.

9.2 During the period, the Company has repaid the entire remaining principal balance of Engro Rupiya Certificates I & II aggregating to Rs. 3,784,110 and Rs. 2,535,430 respectively to the certificate holders, alongwith profit thereon, upon completion of the tenure of three years.

9.3 During the period, the Company has utilized its Short Term Finance Facilities aggregating to Rs. 1,500,000 (December 31, 2013: Rs. 2,500,000) from various banks to meet its working capital requirements. The facilities are primarily secured against ranking floating charge over all present and future loans, advances, receivables and other current assets (excluding investments) of the Company. Additionally, the facilities are also secured through a pledge over shares of Engro Foods Limited, a Subsidiary Company.

9.4 During the period, the Company has also obtained a Bridge loan facility of Rs. 2,500,000 from a bank to meet its working capital requirements and to bridge the proceeds from Offer for Sale of shares of Engro Powergen Qadirpur Limited. The facility is primarily secured against ranking floating charge over all present and future loans, advances, receivables and other current assets (excluding long-term investments) of the Company. Additionally, the facility is also secured through a pledge over shares of Engro Fertilizers Limited, a Subsidiary Company.

10. CONTINGENCIES AND COMMITMENTS

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

	Unaudited September 30, 2014	Audited December 31, 2013
	-------------(Rupees)-------------	
Corporate Guarantees issued in favor of Subsidiary Companies:		
- Engro Fertilizers Limited (note 10.1)	50,153,708	56,448,271
- Engro Powergen Qadirpur Limited	1,026,600	1,057,700
- Engro Foods Canada Limited (note 10.2)	128,325	247,785
- Elengy Terminal Pakistan Limited (note 10.3)	-	104,507
- Engro Elengy Terminal (Private) Limited (note 10.4)	2,053,200	-
- Engro Eximp (Private) Limited (note 10.5)	564,630	-
	53,926,463	57,858,263

10.1 Includes Corporate Guarantee to International Finance Corporation (IFC) for USD 50,000 under the C Loan Agreement (Original Agreement) and further USD 30,000 under the Amended Facility Agreement entered into by the Subsidiary Company with IFC. During the period under the Original Agreement, IFC has exercised its option and converted loan amount of USD 7,000 into ordinary shares of the Company, as explained in note 7.2.

10.2 During 2012, a Standby Letter of Credit in favour of HSBC Bank Canada amounting to CAD 1,170 was issued by Soneri Bank Limited against banking facilities granted to Engro Foods Canada Limited (a wholly owned subsidiary of Engro Foods Netherlands B.V.). During the period, the Letter of Credit expired on September 17, 2014.

(Amounts in thousand)

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

10.4 During the period, the Company extended a Corporate Guarantee amounting to USD 20,000 to National Bank of Pakistan Limited against a Letter of Credit facility granted to Engro Elengy Terminal (Private) Limited, a wholly owned subsidiary of Elengy Terminal Pakistan Limited.

10.5 During the period, the Company extended a Corporate Guarantee amounting to USD 5,500 to Habib Bank Limited against finance facilities granted to Engro Eximp (Private) Limited, a wholly owned subsidiary company.

10.6 As at September 30, 2014, there is no material change in the status of matters reported as commitments in the notes to the financial statements of the Company for the year ended December 31, 2013.

11. TAXATION

11.1 In 2013, the income tax department, in respect of the tax year 2011, determined additional income tax liability of Rs 218,790 and raised a demand of Rs. 139,575 whereby the Deputy Commissioner Inland Revenue (DCIR) - Audit disallowed allocation of expenses against interest income and apportioned expenses against dividend income and capital gains. The Company filed an appeal with the Commissioner Inland Revenue (CIR) - Appeals who maintained the apportionment of expenses against dividend income and capital gains but allowed the allocation of administrative expenses against interest income, thereby reducing the income tax liability to Rs. 184,191 and revised the demand to Rs. 104,976. The Company has paid Rs. 53,250 and simultaneously filed an appeal against the CIR-Appeals' decision with Appellate Tribunal Inland Revenue (ATIR) which granted a stay to the Company.

During the period, the ATIR has issued an order whereby the aforementioned appeal was remanded back to the assessing officers for denovo proceedings, thereby accepting the Company's contention. The income tax department, in response thereagainst, has filed an appeal with ATIR, which is pending for hearing.

11.2 On May 12, 2013, 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.

(Amounts in thousand)

12. EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per share of the Company, after taking the effect of options granted on Company's shares to International Finance Corporation (note 7.2).

	Quarter ended		Nine month ended	
	September 30, 2014	September 30, 2013 (Restated)	September 30, 2014	September 30, 2013 (Restated)
	----------(Rupees)----------			
Profit after taxation	269,537	1,324,365	1,399,086	2,893,079
	----------(No. of shares)----------			
Weighted average number of ordinary shares (in thousand)	516,970	511,269	514,652	511,269

(Amounts in thousand)

13 CASH UTILIZED IN OPERATIONS

	Nine months ended September 30, 2014	Nine months ended September 30, 2013
	---------------(Rupees)----------------	
Profit before taxation	1,626,746	2,948,481
Adjustment for non-cash charges and other items:		
Depreciation	15,396	24,313
(Gain) / loss on disposal of property, plant and equipment	(593)	908
Provision for retirement and other service benefits	33,322	33,855
Income on deposits / other financial assets	(768,235)	(718,726)
Gain on disposal of long term investments	(535,805)	(730,076)
Dividend income	(808,136)	(2,350,365)
Royalty income	(633,157)	(489,732)
Financial charges	806,654	1,064,247
Working capital changes (note 13.1)	(112,256)	101,005
	(376,064)	(116,090)

13.1 Working capital changes

(Decrease) / increase in current assets		
Loans, advances and prepayments	(44,268)	(16,806)
Other receivables - net	(64,601)	5,784
	(108,869)	(11,022)
(Decrease) / increase in current liabilities		
Trade and other payables including other service benefits - net	(3,387)	112,027
	(112,256)	101,005

14. CASH AND CASH EQUIVALENTS

Short-term investments	2,517	744,531
Cash and bank balances	4,454,095	669,471
Short-term finance from banks	(9,278)	-
	4,447,334	1,414,002

(Amounts in thousand)

15. TRANSACTIONS WITH RELATED PARTIES

Related parties 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 condensed interim financial statements, are as follows:

	Nine months ended September 30, 2014	Nine months ended September 30, 2013
	---------------(Rupees)----------------	
Purchases and services	14,369	13,570
Services rendered	471,879	388,630
Expenses paid on behalf of subsidiary companies	216,706	110,212
Mark up from subsidiaries	541,335	632,224
Investments	1,551,000	169,689
Reimbursements to subsidiary companies	85,813	48,308
Disbursement of loan	2,382,484	1,420,000
Repayment of loan	3,895,960	-
Proceeds from issue of shares upon exercise of conversion option by IFC	680,960	-
Dividend received	268,136	1,900,365
Royalty Income, net of sales tax	633,157	489,732
Service fees against corporate guarantees	8,629	9,210
Associated companies		
Purchases and services	1,941	2,030
Retirement benefits	17,994	21,145
Donations	31,500	15,300
Reimbursement to associated companies	1,576	-
Expenses paid on behalf of associated companies	5,250	-
Investment in Treasury Bills	-	3,786,781
Redemptions of Treasury Bills	-	4,271,172
Joint ventures		
Services rendered	885	1,507
Dividend received	540,000	450,000
Expenses paid on behalf of Joint Venture company	196	60
Reimbursements to Joint Venture company	30,764	4,844
Others		
Directors' fees	6,700	7,700
Key management personnel		
Remuneration	78,048	90,554
Disposal of assets	1,780	-
Reimbursement of expenses	3,170	-

(Amounts in thousand)

16. 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 the preceding financial year, whereas the condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

17. DATE OF AUTHORISATION FOR ISSUE

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

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive

consolidated condensed interim balance sheet as at september 30, 2014

(Amounts in thousand)	Note	(Unaudited) September 30, 2014	(Audited) December 31, 2013 (Restated)
		-------------------(Rupees)-------------------	
ASSETS			
Non-current assets			
Property, plant and equipment	6	133,364,136	131,969,040
Biological assets		807,458	716,465
Intangible assets		315,568	807,966
Deferred taxation		1,843,295	1,502,981
Deferred employee compensation expense		118,318	168,865
Long term investments	7	2,599,161	1,873,995
Long term loans and advances		374,642	307,435
		139,422,578	137,346,747
Current Assets			
Stores, spares and loose tools		7,415,336	7,038,623
Stock-in-trade		24,110,997	20,699,771
Trade debts		5,429,035	3,033,487
Deferred employee compensation expense		100,253	136,153
Derivative financial instruments		359,061	130,207
Loans, advances, deposits and prepayments		2,145,543	1,451,026
Other receivables		6,690,369	4,995,503
Taxes recoverable		3,481,184	3,086,087
Short term investments		21,931,645	21,366,091
Cash and bank balances		7,686,256	6,899,123
		79,349,679	68,836,071
Assets attributable to discontinued operations	9	134,985	980,140
TOTAL ASSETS		218,907,242	207,162,958

(Amounts in thousand)	Note	(Unaudited) September 30, 2014	(Audited) December 31, 2013 (Restated)
		--------------(Rupees)---------------	
EQUITY & LIABILITIES			
Equity			
Share capital		5,169,698	5,112,694
Share premium		11,684,310	10,550,061
Employee share compensation reserve		398,323	407,133
Revaluation reserve on business combination		66,441	74,092
Maintenance reserve		213,335	213,335
Exchange revaluation reserve		1,210	35,418
Hedging reserve		(121,645)	(185,689)
General reserve		4,429,240	4,429,240
Unappropriated profit		30,742,828	26,832,822
Remeasurement of post-employment benefits		(58,599)	(60,760)
		47,355,443	42,295,652
		52,525,141	47,408,346
Non-controlling interest		9,221,906	5,319,491
Reserve / advance against issuance / disposal of shares to Non-controlling interest		3,951,603	2,954,829
Total Equity		65,698,650	55,682,666
Liabilities			
Non-current liabilities			
Borrowings	8	61,166,160	78,321,114
Derivative financial instruments		867,393	1,611,258
Deferred taxation		7,157,320	6,301,051
Deferred liabilities		126,741	221,856
		69,317,614	86,455,279
Current liabilities			
Trade and other payables		53,205,265	40,112,860
Accrued interest / mark-up		1,756,579	2,252,256
Current portion of :			
- borrowings		19,587,308	14,754,508
- deferred liabilities		60,079	45,883
Short term borrowings	10	7,589,569	6,380,255
Derivative financial instruments	5	432,145	1,247,822
Dividend Payable		1,033,940	-
Unclaimed dividends		91,108	92,375
		83,755,993	64,885,959
Total Liabilities		153,073,607	151,341,238
Liabilities associated with discontinued operations	9	134,985	139,054
Contingencies and Commitments	11		
TOTAL EQUITY AND LIABILITIES		218,907,242	207,162,958

The annexed notes 1 to 19 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, 2014

(Amounts in thousand except for earnings per share)

	Note	Quarter ended September 30, 2014	Quarter ended September 30, 2013 (Restated)	Nine months ended September 30, 2014	Nine months ended September 30, 2013 (Restated)
		---(Rupees)---			
Net sales		44,856,457	40,889,827	122,397,200	107,763,991
Cost of sales		(35,265,784)	(30,154,170)	(96,036,886)	(78,960,796)
Gross profit		9,590,673	10,735,657	26,360,314	28,803,195
Selling and distribution expenses		(2,685,596)	(2,435,662)	(7,653,102)	(7,165,369)
Administrative expenses		(1,015,834)	(844,997)	(2,977,600)	(2,537,885)
		5,889,243	7,454,998	15,729,612	19,099,941
Other income		985,279	538,491	2,600,086	1,547,625
Other operating expenses	5	(1,151,502)	(740,425)	(2,311,836)	(1,861,336)
Finance cost	5	(3,144,259)	(3,871,135)	(8,449,402)	(10,716,477)
Share of income from joint ventures		161,817	157,675	523,337	445,338
Profit before taxation		2,740,578	3,539,604	8,091,797	8,515,091
Taxation	5 & 12	(740,868)	(1,144,039)	(2,928,762)	(2,293,019)
Profit for the period		1,999,710	2,395,565	5,163,035	6,222,072
Profit attributable to:					
- Owners of the Holding Company		1,757,992	2,290,055	4,441,497	5,730,654
- Non-controlling interest		241,718	105,510	721,538	491,418
		1,999,710	2,395,565	5,163,035	6,222,072
Profit attributable to:					
- Discontinued operations		(558,805)	-	(558,805)	-
- Continuing operations		2,558,515	2,395,565	5,721,840	6,222,072
		1,999,710	2,395,565	5,163,035	6,222,072
Earnings per share					
- Basic					
- Discontinued operations	13	(0.94)	-	(0.95)	-
- Continuing operations	13	4.34	4.48	9.58	11.21
		3.40	4.48	8.63	11.21
- Diluted					
- Discontinued operations	13	(0.94)	-	(0.95)	-
- Continuing operations	13	4.21	4.48	9.47	11.21
		3.27	4.48	8.52	11.21

The annexed notes 1 to 19 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, 2014

(Amounts in thousand except for earnings per share)

	Note	Quarter ended September 30, 2014	Quarter ended September 30, 2013	Nine months ended September 30, 2014	Nine months ended September 30, 2013
		---(Rupees)---			
Profit for the period		1,999,710	2,395,565	5,163,035	6,222,072
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Hedging reserve - cash flow hedges					
Losses arising during the period		147,569	730,363	(1,232,566)	199,983
Reclassification adjustments for losses included in profit or loss		(111,603)	(636,388)	1,303,603	22,392
Adjustments for amounts transferred to initial carrying amount of hedged items		3,605	(17,834)	65,180	(2,076)
		39,571	76,141	136,217	220,299
Revaluation reserve on business combination		(5,410)	(5,494)	(16,230)	(16,480)
Exchange differences on translation of foreign operations		13,026	26,002	(38,317)	17,786
		47,187	96,649	81,670	221,605
Income tax relating to:					
- Hedging reserve - cash flow hedges		(11,145)	(25,886)	(58,903)	(81,041)
- Revaluation reserve on business combination		1,839	1,923	5,518	5,768
		(9,306)	(23,963)	(53,385)	(75,273)
Items that will not be reclassified to profit or loss					
Remeasurement of post employment benefits obligation		-	(7,781)	3,566	12,301
Income tax relating to remeasurement of post employment benefits obligation		(316)	3,298	(1,373)	(3,530)
		(316)	(4,483)	2,193	8,771
Deferred tax charge relating to revaluation of equity related items		-	-	(1,649)	(1,648)
Other comprehensive income for the period, net of tax		37,565	68,203	28,829	153,455
Total comprehensive income for the period		2,037,275	2,463,768	5,191,864	6,375,527
Total comprehensive income attributable to:					
- Owners of the Holding Company		1,793,307	2,364,628	4,465,574	5,888,212
- Non-controlling interest		243,968	99,140	726,290	487,315
		2,037,275	2,463,768	5,191,864	6,375,527
Total comprehensive income attributable to:					
- Discontinued operations		(564,681)	-	(564,681)	-
- Continuing operations		2,601,956	2,463,768	5,756,545	6,375,527
		2,037,275	2,463,768	5,191,864	6,375,527

The annexed notes 1 to 19 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, 2014

(Amounts in thousand)

	Attributable to owners of the Holding Company: Share capital	Share premium	Capital reserves: Employee share option compensation reserve	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	Revenue reserves: General reserve	Un-appropriated profit	Remeasurement of post employment benefits - Actuarial gain / (loss)	Sub total	Non-controlling interest	Total
	Rupees												
Balance as at January 1, 2013 (audited)	5,112,694	10,550,061	-	84,294	213,335	69,122	(362,925)	4,429,240	18,423,593	(12,883)	38,506,531	4,713,908	43,220,439
Effect of recognition of derivative liability on option to International Finance Corporation (IFC), net of tax - note 5	-	-	-	-	-	-	-	-	(155,406)	-	(155,406)	-	(155,406)
Balance as at January 1, 2013 (audited and restated)	5,112,694	10,550,061	-	84,294	213,335	69,122	(362,925)	4,429,240	18,268,187	(12,883)	38,351,125	4,713,908	43,065,033
Total comprehensive income / (loss) for the nine months ended September 30, 2013 (restated)													
Profit for the period	-	-	-	-	-	-	-	-	5,730,654	-	5,730,654	491,418	6,222,072
Other comprehensive income	-	-	-	(7,651)	-	17,786	139,257	-	-	8,167	157,559	(4,104)	153,455
	-	-	-	(7,651)	-	17,786	139,257	-	5,730,654	8,167	5,888,213	487,314	6,375,527
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 and restated)	5,112,694	10,550,061	178,714	76,643	213,335	86,908	(223,668)	4,429,240	24,768,760	(4,716)	45,187,971	5,227,066	50,415,037
Total comprehensive income / (loss) for the three months ended December 31, 2013 (restated)													
Profit for the period	-	-	-	-	-	-	-	-	2,087,421	-	2,087,421	15,351	2,102,772
Other comprehensive income	-	-	-	(2,551)	-	(51,490)	37,979	-	-	(56,044)	(72,106)	3,477	(68,629)
	-	-	-	(2,551)	-	(51,490)	37,979	-	2,087,421	(56,044)	2,015,315	18,828	2,034,143
Transactions with owners													
Shares issued during the period by subsidiary company	-	-	-	-	-	-	-	-	(23,359)	-	(23,359)	75,794	52,435
Options granted during the period by subsidiary company under Employees Share Option Scheme	-	-	228,419	-	-	-	-	-	-	-	228,419	-	228,419
Dividend by subsidiary allocable to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(2,197)	(2,197)
	-	-	228,419	-	-	-	-	-	(23,359)	-	205,060	73,597	278,657
Balance as at December 31, 2013 (audited and restated)	5,112,694	10,550,061	407,133	74,092	213,335	35,418	(185,689)	4,429,240	26,832,822	(60,760)	47,408,346	5,319,491	52,727,837
Total comprehensive income / (loss) for the nine months ended September 30, 2014 (unaudited)													
Profit for the period	-	-	-	-	-	-	-	-	4,441,497	-	4,441,497	721,538	5,163,035
Other comprehensive income	-	-	-	(7,651)	-	(34,208)	64,044	-	-	1,892	24,077	4,752	28,829
	-	-	-	(7,651)	-	(34,208)	64,044	-	4,441,497	1,892	4,465,574	726,290	5,191,864
Transactions with owners													
Shares issued to IFC on exercise of conversion option - notes 5 & 8.1	57,004	1,134,249	-	-	-	-	-	-	-	-	1,191,253	-	1,191,253
Derecognition of Non-controlling interest relating to investment in Subsidiary	-	-	-	-	-	-	-	-	-	269	269	(331,719)	(331,450)
Effect of Dividend in specie (shares of Subsidiary Company transferred to owners of Holding Company)	-	-	-	-	-	-	-	-	(1,090,913)	-	(1,090,913)	1,090,913	-
Employees Share Option Scheme of Subsidiary Company	-	-	(8,810)	-	-	-	-	-		-	(8,810)	-	(8,810)
Share issued during the period by Subsidiary Company	-	-	-	-	-	-	-	-	602,785	-	602,785	1,417,694	2,020,479
Disposal of shares of Subsidiary Company	-	-	-	-	-	-	-	-	216,824	-	216,824	619,255	836,079
Dividend by subsidiary allocable to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(30,492)	(30,492)
Effect of conversion of IFC loan into ordinary shares by subsidiary company	-	-	-	-	-	-	-	-	773,753	-	773,753	410,474	1,184,227
Interim cash dividend for the year ending December 31, 2014 @ Rs. 2.00 per share	-	-	-	-	-	-	-	-	(1,033,940)	-	(1,033,940)	-	(1,033,940)
	57,004	1,134,249	(8,810)	-	-	-	-	-	(531,491)	269	651,221	3,176,125	3,827,346
Balance as at September 30, 2014 (unaudited)	5,169,698	11,684,310	398,323	66,441	213,335	1,210	(121,645)	4,429,240	30,742,828	(58,599)	52,525,141	9,221,906	61,747,047

The annexed notes 1 to 19 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, 2014

(Amounts in thousand)	Note	Nine months ended September 30, 2014	September 30, 2013
		(Rupees)	
Cash flows from operating activities			
Cash generated from operations	14	21,471,982	32,019,595
Retirement and other service benefits paid		(131,157)	(131,016)
Finance cost paid		(9,070,006)	(9,599,475)
Taxes paid		(2,976,063)	(1,373,934)
Share issuance cost paid		(53,989)	-
Long term loans and advances - net		(67,207)	(87,867)
Net cash generated from operating activities		9,173,560	20,827,303
Cash flows from investing activities			
Purchase of property, plant and equipment (PPE) and biological assets		(5,015,606)	(5,593,260)
Sale proceeds on disposal of PPE and biological assets		177,123	330,858
Income on deposits / other financial assets		1,478,889	657,906
Proceeds on maturity on term deposit receipts		2,001	-
Investment made during the period - net		47,535	-
Dividends received		540,000	450,000
Net cash utilized in investing activities		(2,770,058)	(4,154,496)
Cash flows from financing activities			
Repayments of borrowings - net		(14,735,375)	(9,180,214)
Obligations under finance lease - net		-	(1,941)
Proceeds against partial disposal of shares held in subsidiary company by Holding Company		3,951,603	-
Proceeds from disposal of shares of subsidiary company		-	786,326
Proceeds from issuance of shares by subsidiary companies		-	164,100
Proceeds from issuance of shares to IFC on exercise of conversion option		680,961	-
Proceeds from issuance of Engro Islamic Rupiya certificates		3,948,824	-
Dividends paid		(31,757)	(167,689)
Net cash utilized in financing activities		(6,185,744)	(8,399,418)
Net increase in cash and cash equivalents		217,758	8,273,389
Cash and cash equivalents at beginning of the period		21,914,289	4,833,212
Cash and cash equivalents at end of the period	15	22,132,047	13,106,601

The annexed notes 1 to 19 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, 2014

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

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

1.1 The "Group" consists of:

Holding Company - Engro Corporation Limited

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

	%age of direct holding	
	September 30, 2014	September 30, 2013
- Engro Fertilizers Limited (note 1.1.1)	86.60	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 Limited (note 1.1.5)	87.06	87.06
- Engro Polymer and Chemicals Limited	56.19	56.19
Joint Venture Company:		
- Engro Vopak Terminal Limited	50	50

1.1.1 Engro Fertilizers Limited

During 2013, Engro Fertilizers Limited (Efert), a Subsidiary Company, through an Initial Public Offer (IPO) issued 75 million ordinary shares having face value of Rs. 10 each at a price of Rs. 28.25 per share, determined through the book building process. Further, the Holding Company also divested 30 million ordinary shares of the Subsidiary Company, representing 2.45% of its total investment in the Subsidiary Company, at a price of Rs. 28.25 per share to certain local / foreign institutional investors and High Net Worth Individuals (Informed Buyers). The advance received by the Holding Company, in this respect, net of transaction costs of Rs. 11,421, amounting to Rs. 836,079 was classified as 'Reserve / advance received against issuance / disposal of shares to Non-controlling interest' under Non-controlling interest portion of equity in the audited financial statements for the year ended December 31, 2013. During the period, the Subsidiary Company was formally listed on the Karachi and Lahore Stock Exchanges and the shares have been duly allotted to the shareholders.

On March 31, 2014, the shareholders of the Holding Company in its Annual General Meeting approved a Dividend in Specie for the year ended December 31, 2013 in the ratio of 1:10 (one share of EFert for every ten shares held of the Holding Company). Consequently, 51,126,943 shares of the Subsidiary Company, representing 4.29% of the Holding Company's investment in the Subsidiary Company, were allotted to the Holding Company's shareholders in April 2014.

The Subsidiary Company has availed a loan of USD 30,000 from the International Finance Corporation (IFC), divided into (i) 30% convertible loan on its shares at Rs. 24 per ordinary share calculated at the dollar rupee exchange rate prevailing on the business day prior to the date of the notice issued by IFC to exercise the conversion option and (ii) 70% non-convertible loan. This conversion option is exercisable upto March 31, 2017. During the period, the Subsidiary Company received a notice from the IFC for exercise of option on USD 5,000 loan. Accordingly 20,541,667 ordinary shares of the Subsidiary Company have been allotted to the IFC.

As a result of the aforementioned events, the Holding Company, as at the balance sheet date, holds 86.60% of the share capital of the Subsidiary Company.

1.1.2 Engro Eximp (Private) Limited

Engro Eximp Agriproducts (Private) Limited (EEAP), a wholly owned subsidiary of Engro Eximp (Private) Limited, has incurred a loss after tax of Rs. 3,311,491 for the nine months ended September 30 2014. The weak financial performance of EEAP is primarily due to a variety of reasons including the unexpected appreciation of the Pak Rupee and the recent downturn in the rice industry. Moreover, the management of EEAP has decided to re-evaluate the scale of the rice business, change the business model to reduce the exposure to commodity price volatility and focus on reduction of fixed costs to curtail any potential losses in the future.

1.1.3 Engro Powergen Limited

1.1.3.1 Sindh Engro Coal Mining Company Limited (SECMC), a jointly controlled entity of Engro Powergen Limited (EPL), which is a wholly owned subsidiary of the Holding Company, was formed under a Joint Venture Agreement (JVA) dated September 8, 2009, between the Subsidiary Company and the Government of Sindh (GoS). Under the JVA, the equity of GoS and EPL in SECMC was 40% and 60%, respectively.

During the period, on January 24, 2014, a revised and amended JVA was signed, under which GoS will have minimum shareholding of 51%, however, Engro Group will retain the right to manage the SECMC as long as Engro Group holds a minimum of 26% shareholding in the Company. Further, as at the balance sheet date, EPL has reduced its shareholding in SECMC from 60% to 26% and GoS increased its shareholding to 74%. Consequent to this change, SECMC is now Jointly controlled entity of EPL.

1.1.3.2 During the period three wholly owned subsidiaries of EPL were established namely Engro Power International Holding B.V. (EPIH), Engro Power Services Limited (EPSL) and Engro Powergen Thar (Private) Limited (EPTL). EPIH has been established with the objective to incorporate, participate, manage and supervise international businesses and companies. EPIH is a private limited company and has its official seal registered in Rotterdam, Netherlands. EPSL has been established with the objective to carry on business of power generation, transmission, distribution and servicing company. EPSL is a private limited company having its registered office in Nigeria. EPSL has not issued any share capital upto the balance sheet date. The principal operations of the EPTL is to carry out the business of power generation, distribution, transmission and sale of electricity. EPTL has not issued any share capital so far.

1.1.3.3 During December 2013, the Board of Directors of the Holding Company, approved the sale of its entire shareholding in Engro Powergen Qadirpur Limited (EPQL), a Subsidiary of EPL, comprising of 32,000,000 ordinary shares of Rs. 10 each, as part of EPQL's intended Initial Public Offer (IPO) during 2014.

(Amounts in thousand)

During the current quarter, the Holding Company and EPL has made an offer for sale for 32,000,000 and 48,950,000 ordinary shares of Rs 10 each respectively, held in Engro Powergen Qadirpur Limited (EPQL) at a price of Rs. 30.02 per share determined through the book building process. Out of the entire offer of 80,950,000 ordinary shares, 40,475,000 ordinary shares were subscribed by institutional investors through private placement, while the remaining were offered to the general public through IPO. An advance amounting to Rs. 2,734,118 has been received by the Holding Company against the said IPO and has been classified as 'Reserve / Advance received against issuance / disposal of shares to Non-controlling interest' under Non-controlling interest portion of equity in this Consolidated condensed interim financial information. The Karachi Stock Exchange (KSE) has also approved EPQL's application for formal listing and as of September 30, 2014, EPQL is provisionally listed on the KSE. Subsequent to the balance sheet date, the shares have been duly allotted to the investors.

1.1.4 Elengy Terminal Pakistan Limited

During the period, the Holding Company has made a further equity investment in Elengy Terminal Pakistan Limited (ETPL) of Rs. 1,000 through subscription of 100,000 right shares of Rs. 10 each. Further, the Holding Company has also paid Rs. 1,550,000 to ETPL, in respect of advance against further issue of shares.

1.1.5 Engro Foods Netherlands B.V

During the period, Engro Foods Netherlands B.V (EF Netherlands), a Subsidiary of Engro Foods Limited, has entered into a Share Purchase Agreement (SPA) with a Canadian registered company for sale of its North American businesses, which includes Engro Foods Canada Limited. Subject to satisfaction of all conditions precedent as set out in the SPA, it is expected that the transation shall complete on or around October 31, 2014. The Holding Company, based on this has classified Engro Foods Canada Limited as discontinued operations.

2. BASIS FOR PREPARATION

2.1 This consolidated condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This consolidated condensed interim financial information is being submitted to the shareholders in accordance with section 245 of the Ordinance and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2013.

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

2.3 During the preparation of this consolidated condensed interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that apply to the consolidated financial statements of the Group for the year ended December 31, 2013, except for change in certain estimates regarding the new Employees Share Options Scheme (ESOS) of Engro Foods Limited, a Subsidiary Company.

3. BASIS OF CONSOLIDATION

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

(Amounts in thousand)

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

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

4. ACCOUNTING POLICIES

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

5. RESTATEMENT OF PRIOR PERIODS

During the period, the Holding Company upon exercise of option on its shares by the International Finance Corporation (IFC) on IFC's loan to Engro Fertilizers Limited (Subsidiary Company) (note 8.1.2), has accounted for such option (derivate financial instrument) retrospectively and consequently the earliest period 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. There is no impact of this restatement on the consolidated condensed interim statement of cash flows.

The effects of restrospective application are as follows:

Effect on the consolidated condenced interim balance sheet

	Taxes recoverable	Trade and other payables	Unappropriated Profit	Current portion of derivative financial instruments	Deferred Taxation
	(Rupees)				
Balance as at January 1, 2013 as previously reported	3,966,213	30,503,853	18,423,593	573,363	1,544,841
Restatement - recognition of derivative liability on option to IFC	-	(4,879)	(155,406)	243,964	83,679
Balance as at January 1, 2013 - restated	3,966,213	30,498,974	18,268,187	817,327	1,628,520
Balance as at December 31, 2013 as previously reported	2,908,257	40,128,696	27,353,306	455,990	1,425,299
Restatement - recognition of derivative liability on option to IFC:					
- For the year ended December 31, 2012	-	(4,879)	(155,406)	243,964	83,679
- For the year ended December 31, 2013	177,830	(10,957)	(365,078)	547,868	(5,997)
	177,830	(15,836)	(520,484)	791,832	77,682
Balance as at December 31, 2013 - restated	3,086,087	40,112,860	26,832,822	1,247,822	1,502,981

(Amounts in thousand)

Effect on consolidated condensed interim profit and loss account:

	Other operating expenses	Finance cost	Taxation
	------------------(Rupees)	------------------	
Balance for the nine months ended September 30, 2013 as previously reported	1,867,227	10,421,928	2,392,956
Restatement - recognition of derivative liability on option to IFC	(5,891)	294,549	(99,937)
Balance for the nine months ended September 30, 2013 - restated	1,861,336	10,716,477	2,293,019

6. PROPERTY, PLANT AND EQUIPMENT

	Unaudited September 30, 2014	Audited December 31, 2013
	-----------------(Rupees)	-----------------
Operating assets, at net book value	124,213,437	124,581,275
Capital work-in-progress		
- Expansion and other projects	7,292,256	5,805,677
- Capital spares	1,858,443	1,582,088
	133,364,136	131,969,040

7. LONG TERM INVESTMENTS

As stated in note 1.1.3, the Joint Venture Agreement (JVA) was in process of being revised as at December 31, 2013. During the period, JVA has been revised and equity stake of Engro Powergen Limited (EPL) and Government of Sindh (GOS) in Sindh Engro Coal Mining Company Limited (SECMC) has been changed to 26%:74% from 60%:40% as at the last year end. Accordingly, the nature of investment in the books of EPL has changed during the period from a Subsidiary Company to Jointly Controlled Company, and has been classified as a long-term investment at a carrying cost of Rs. 646,361 (2013: Nil).

(Amounts in thousand)

8. BORROWINGS

8.1 Engro Fertilizers Limited

8.1.1 The long term financing includes a loan of USD 30,000 from the IFC, divided into (i) 30% convertible loan on the shares of the Subsidiary Company at Rs. 24 per ordinary share calculated at the dollar rupee exchange rate prevailing on the business day prior to the date of the notice issued by IFC to exercise the conversion option and (ii) 70% non-convertible loan. This conversion option is exercisable upto March 31, 2017. During the period, on June 25, 2014, the Subsidiary Company received a notice from the IFC for exercise of option on USD 5,000 loan which, alongwith the fair value of related options on that date has been classified as equity; accordingly 20,541,667 ordinary shares of the Subsidiary Company have been allotted to the IFC. The fair value of the remaining conversion option, included in derivative financial instruments, amounts to Rs. 725,036.

8.1.2 The above finance also includes a loan for USD 50,000 availed under an agreement entered into by the Holding Company with IFC. This loan is divided into (i) Tranche A (USD 15,000) convertible into the Holding Company's ordinary shares at Rs. 119.46 per ordinary share calculated at the dollar rupee exchange rate prevailing on the business day prior to the date of the notices issued by IFC to exercise the conversion option; (ii) Tranche B (USD 35,000) non-convertible loan. Both tranches were transferred to the Subsidiary Company under the scheme of demerger effective January 1, 2010. However, the option given to convert the Tranche A remained upon the Holding Company's shares.

The Holding Company, upon shareholders' approval in the Annual General Meeting of February 27, 2010, entered into an agreement with the Subsidiary Company that in the event IFC exercises the aforementioned conversion option (Tranche A), the loan amount then outstanding against the Subsidiary Company would stand reduced by the conversion option amount and the Subsidiary Company would pay the rupee equivalent of the corresponding conversion amount to the Holding Company which would simultaneously be given to the Subsidiary Company as a subordinated loan, carrying mark-up payable by the Holding Company for rupee finances of like maturities plus a margin of 1%. The effect of IFC conversion in substance would result in a loan from the Holding Company having the same repayment terms / dates as that of Tranche A.

During the period, the Holding Company received a notice from IFC for exercise of option on USD 7,000 out of the loan amount of USD 15,000 and accordingly, 5,700,318 shares of the Holding Company have been allotted to IFC.

8.2 Engro Polymer and Chemicals Limited

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, 2014, 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.

(Amounts in thousand)

9 DISCONTINUED OPERATIONS

9.1 In view of the divestment of the business as more fully explained in note 1.1.5, at September 30, 2014, Goodwill and Brand (Al - Safa) have been impaired and their respective carrying costs have been reduced to their recoverable amount in the consolidated condensed interim financial information.

9.2 An analysis of the discontinued operations as required by IFRS 5 is as under:

	September 30, 2014
	(Rupees)
a) Assets	
Property, plant & equipment	821
Intangibles - Brand & Goodwill	31,151
Stock in trade	32,719
Trade debts	58,712
Advances, deposits and prepayments	8,034
Others receivable	3,176
Cash & bank balances	372
	134,985
b) Liabilities	
Trade and other payables	30,898
Short term borrowings	104,087
	134,985

c) Results of operations

	For nine months ended September 30, 2014	2013
	---------------(Rupees)-------------	
Sales	349,340	718,506
Gross profit	44,538	81,919
Operating loss	(111,547)	(145,739)
Loss for the period from discontinued operations *	(558,805)	(110,175)
Loss attributable to the holder of the Holding Company	(486,496)	(110,175)

* Includes Rs. 45,837 & Rs. 388,437 in respect of impairment of Goodwill and Brand respectively.

d) Cash flows

	For nine months ended September 30, 2014	2013
	---------------(Rupees)-------------	
Operating cash flows	(31,230)	(205,380)
Investing cash flows	-	(504)
Financing cash flows	123,151	167,143
	91,921	(38,741)

(Amounts in thousand)

10. SHORT TERM BORROWINGS

10.1 Engro Islamic Rupiya (EIR) Certificates are AA rated, listed and secured Ijaratul Musha & Murabaha Sukuk certificates of a total issue size of Rs. 4,000,000 duly approved by the Securities and Exchange Commission of Pakistan (SECP). During the period, the Holding Company received subscription money amounting to Rs. 4,000,000 against the issuance of EIR Certificates from Individual Investors of Engro Rupiya Certificates under Preferential Allocation, Institutional Investors under Private Placement and Individual Investors under Initial Public Offer on a first come first serve basis. EIR - I Certificates amounting to Rs. 3,000,000 have a tenure of 36 months with an expected profit rate of 13% per annum payable semi-annually, while EIR - II Certificates amounting to Rs. 1,000,000 have a tenure of 60 months with an expected profit rate of 13.5% per annum payable semi-annually. The certificate holder, however, may request the Holding Company for early redemption at any time from the date of investment subject to an Early Redemption Discount service charge on the outstanding issue price.

The EIR Certificates have been secured by way of first ranking pari passu floating charge over all the present and future movable properties, including all type of investments, of the Holding Company except for present and future trademarks, copyrights and certain investments in subsidiary companies. The Holding Company, in this respect, has appointed Meezan Bank Limited as a trustee.

During the period, the Holding Company has repaid the entire remaining principal balance of Engro Rupiya Certificates I & II aggregating to Rs. 3,784,110 and Rs. 2,535,430 respectively to the certificate holders, alongwith profit thereon, upon completion of the tenure of three years.

10.2 Engro Polymer and Chemicals Limited
During the period, the Subsidiary Company has drawn Istisna loan amounting to Rs. 300,000 from Burj Bank Limited to meet its working capital requirements. The loan carries mark-up at the rate of matching KIBOR plus 1.5%, with roll over of maximum ninety (90) days and matures on April 30, 2015. The facility is secured by a floating charge over stocks and book debts of the Subsidiary Company.

11. CONTINGENCIES AND COMMITMENTS

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

	Unaudited September 30, 2014	Audited December 31, 2013
	--------------------(Rupees)----------------	
Contingencies:		
11.1 Corporate Guarantees issued by Engro Corporation Limited in favor of Subsidiary Companies:		
- Engro Fertilizers Limited (note 11.1.1)	50,153,708	56,448,271
- Engro Powergen Qadirpur Limited	1,026,600	1,057,700
- Engro Foods Canada Limited (note 11.1.2)	128,325	247,785
- Elengy Terminal Pakistan Limited (note 11.1.3)	-	104,507
- Engro Elengy Terminal (Private) Limited (note 11.1.4)	2,053,200	-
- Engro Eximp (Private) Limited (note 11.1.5)	564,630	-
	53,926,463	57,858,263

(Amounts in thousand)

11.1.1 Includes a Corporate Guarantee to International Finance Corporation (IFC) for USD 50,000 under the C Loan Agreement (Original Agreement) and further USD 30,000 under the Amended Facility Agreement entered into by the Subsidiary Company with IFC. During the period, under the Original Agreement, IFC has exercised its option and converted loan amount of USD 7,000 into ordinary shares of the Holding Company as explained in note 8.1.2.

11.1.2 During 2012, a Standby Letter of Credit in favour of HSBC Bank Canada amounting to CAD 1,170 was issued by Soneri Bank Limited against banking facilities granted to Engro Foods Canada Limited (a wholly owned subsidiary of Engro Foods Netherlands B.V.). During the period, the Letter of Credit expired on September 17, 2014.

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

11.1.4 During the period, the Holding Company extended a Corporate Guarantee amounting to USD 20,000 to National Bank of Pakistan Limited against a Letter of Credit facility granted to Engro Elengy Terminal (Private) Limited, a wholly owned subsidiary of Elengy Terminal Pakistan Limited.

11.1.5 During the period, the Holding Company extended its Corporate Guarantee amounting to Rupee equivalent of USD 5,500 to Habib Bank Limited against finance facilities granted to Engro Eximp (Private) Limited, a wholly owned subsidiary company.

	Unaudited September 30, 2014	Audited December 31, 2013
	-----------------(Rupees)----------------	
11.2 Bank guarantees provided by:		
- Engro Powergen Qadirpur Limited	2,496,126	2,496,126
- Engro Fertilizers Limited	1,069,119	1,069,119
- Engro Foods Limited	359,632	409,257
- Engro Eximp (Private) Limited	417,000	417,000
- Engro Elengy Terminal (Private) Limited	1,086,755	-
	5,428,632	4,391,502

(Amounts in thousand)

	Unaudited September 30, 2014	Audited December 31, 2013
	-----------------(Rupees)----------------	
11.3 Capital expenditure contracted but not incurred by:		
- Engro Fertilizers Limited	496,331	873,019
- Engro Eximp Agriproducts (Private) Limited	47,923	73,672
- Engro Foods Limited	157,512	966,772
- Engro Elengy Terminal (Private) Limited	3,958,960	-
	4,660,726	1,913,463
11.4 Letters of credit / contracts by:		
- Engro Foods Limited for purchase of commodities	2,206,780	731,586
- Engro Eximp (Private) Limited for import of fertilizers	26,750	2,473,321
- Engro Powergen Qadirpur Limited for senior lenders	823,818	843,872
- Engro Elengy Terminal (Private) Limited	3,183,700	-
	6,241,048	4,048,779
11.5 Other commitments by:		
- Engro Eximp (Private) Limited	4,500,000	4,500,000
- Engro Powergen Limited	47,185	133,271
- Engro Foods Limited	280,179	235,634
	4,827,364	4,868,905

11.6 As at September 30, 2014 post-dated cheques amounting to Rs. Nil (December 31, 2013: Rs. 44,003) have been provided 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.

11.7 The aggregate facility for performance guarantees to be issued by banks on behalf of the Engro Polymer and Chemicals Limited, a Subsidiary Company, as at September 30, 2014 amounts to Rs. 1,165,000 (December 31, 2013: Rs. 1,598,000). The amount utilized thereagainst as at September 30, 2014 was Rs. 1,030,860 (December 31, 2013: Rs. 946,859).

12. TAXATION

12.1 On May 12, 2013, 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 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 Supreme Court, which they intend to approach, if required. Therefore, the Group has continued to carry forward minimum tax paid in prior years.

(Amounts in thousand)

12.2 During the period, the Additional Commissioner Inland Revenue in respect of Engro Foods Limited (Subsidiary Company) raised a demand of Rs. 713,341 for tax year 2012 by disallowing the initial allowance and depreciation on certain additions to property, plant and equipment, provision for retirement and other service benefits, purchase expenses, sales promotion and advertisement and other expenses etc. The Subsidiary Company has obtained a stay order from the Sindh High Court against the recovery proceedings and has also filed an appeal thereagainst before the Commissioner Appeals. The Subsidiary Company, based on the opinion of its tax consultant, is confident of a favourable outcome of the appeal, and, accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

12.3 During the period, Engro Foods Limited (Subsidiary Company) has recorded a prior period tax credit of Rs. 152,000 (for period from January 1, 2013 to December 31, 2013), available under section 65B of the Income Tax Ordinance, 2001, (10% of the value of additions to plant and machinery qualifying for balancing, modernisation, replacement, extension and expansion). The aforesaid tax credit have also been recognized for the nine months ended September 30, 2014 amounts to Rs. 310,000 and have been netted off against the current tax charge for the period.

13. EARNINGS PER SHARE - BASIC AND DILUTED

There is a dilutive effect on the basic earnings per share of the Group for the period ended September 30, 2014, after taking effect of options granted on the Holding Company's shares to IFC, on the loan provided to Engro Fertilizers Limited, a Subsidiary Company. 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, 2014	September 30, 2013 (Restated)	September 30, 2014	September 30 2013 (Restated)
	----(Rupees)----			
The basic and dilutive earnings per share is based on:				
Profit after taxation (attributable to the owners of the Holding Company)	1,757,992	2,290,055	4,441,497	5,730,654
The information necessary to calculate basic and diluted earnings per share is as follows:				
Profit for the period	1,757,992	2,290,055	4,441,497	5,730,654
Add: Finance cost related to IFC loan and derivative - net of tax	(60,664)	108,389	(21,867)	244,359
	1,697,328	2,398,444	4,419,630	5,975,013
	----(Number in thousands)----			
Weighted average number of ordinary shares	516,970	511,269	514,652	511,269
Add: Weighted average adjustment for effect of conversion of IFC loan	2,162	2,702	3,241	1,156
Weighted average number of ordinary shares for determination of diluted EPS	519,132	513,971	517,893	512,425

(Amounts in thousand)

14. CASH GENERATED FROM OPERATIONS

	Nine months ended	
	September 30, 2014	September 30, 2013
	----(Rupees)----	
Profit before taxation	8,091,797	8,515,091
Adjustment for non-cash charges and other items:		
Depreciation and amortization	6,765,909	6,603,283
Loss on disposal / write off of property, plant and equipment and biological assets	140,510	7,233
Write-off of biological / operating assets	4,423	50,533
Stock write off	2,466	-
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets	(162,382)	(94,844)
Provision for retirement and other service benefits	93,218	149,431
Damaged operating assets write-off	-	8,059
Income on deposits / other financial assets	(1,606,097)	(717,551)
Share of income from joint venture companies	(523,337)	(445,338)
Finance cost	8,449,402	10,716,477
Gain on disposal of investments - net	(107,895)	-
Employees share compensation expense	-	37,232
Foreign currency translations	107,479	-
Working capital changes (note 14.1)	216,489	7,189,989
	21,471,982	32,019,595

14.1 Working capital changes

(Increase) / decrease in current assets		
- Stores spares and loose tools	(376,713)	(439,609)
- Stock-in-trade	(3,732,283)	1,452,835
- Trade debts	(2,398,570)	5,251,785
- Loans, advances, deposits and prepayments	(696,515)	(2,107,613)
- Other receivables - net	(1,694,866)	618,705
	(8,898,947)	4,776,103
Increase in current liabilities		
- Trade and other payables including other service benefits - net	9,115,436	2,413,886
	216,489	7,189,989

15. CASH AND CASH EQUIVALENTS

Cash and bank balances	7,685,884	7,330,929
Short term investments	21,931,645	9,719,257
Short term borrowings	(7,485,482)	(3,943,585)
	22,132,047	13,106,601

(Amounts in thousand)

16. 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, 2014	September 30, 2013
	-----------------(Rupees)-----------------	
Associated companies and joint ventures		
Purchases and services	7,735,256	7,690,373
Services rendered / sale of goods	148,316	1,373,140
Retirement benefits	572,351	480,427
Dividends received	540,000	450,000
Payment of interest on TFCs and repayment of principal amount	12,648	16,018
Donations	68,000	42,300
Investment in mutual funds and T-Bills	-	8,634,678
Redemption of investments in mutual funds and T-Bills	-	9,214,260
Expenses paid on behalf of associates	103,137	-
Reimbursments to associates	45,553	-
Key Management Personnel		
Remuneration paid to key management personnel / directors	537,666	545,798
Directors Fees	11,690	8,350
Balances due from Joint Ventures	1,134	1,896

(Amounts in thousand)

17. SEGMENT REPORTING

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

Type of segments	Nature of business
Fertilizer	Manufacture, purchase and market fertilizers.
Polymer	Manufacture, market and sell Poly Vinyl Chloride (PVC), PVC compounds and related chemicals.
Food	Manufacture, process and sell dairy and other food products.
Power	Includes Independent Power Projects (IPP)
Other operations	Includes chemical terminal & storage services.

	Quarter ended		Nine months ended	
	September 30, 2014	September 30, 2013 (Restated)	September 30, 2014	September 30 2013 (Restated)
	---------------------------------(Rupees)---------------------------------			
Revenue				
Fertilizer	23,948,264	21,030,547	58,542,660	48,218,251
Polymer	5,244,063	6,105,485	17,146,591	18,136,909
Food	12,889,005	10,844,578	37,399,127	33,291,285
Power	2,749,530	2,895,260	9,265,651	8,074,211
Other operations	411,014	1,712,122	1,441,293	2,840,097
Elimination - net	(385,419)	(1,698,165)	(1,398,122)	(2,796,762)
Consolidated	44,856,457	40,889,827	122,397,200	107,763,991
Profit after taxation				
Fertilizer	2,450,150	1,915,681	6,176,089	3,623,901
Polymer	(156,694)	127,062	(33,356)	552,388
Food	(974,912)	(114,605)	(3,105,678)	298,070
Power	450,511	494,589	1,593,685	1,526,595
Other operations	276,019	1,335,472	1,402,745	2,878,854
Elimination - net	(45,364)	(1,362,634)	(870,450)	(2,657,736)
Consolidated	1,999,710	2,395,565	5,163,035	6,222,072

	Unaudited September 30, 2014	Audited December 31, 2013 (Restated)
	-----------------(Rupees)-----------------	
Assets		
Fertilizer	120,898,869	112,279,943
Polymer	26,020,913	25,368,363
Food	37,068,400	44,017,218
Power	22,162,917	20,562,316
Other operations	45,731,335	38,058,027
Elimination - net	(32,975,192)	(33,122,909)
Consolidated	218,907,242	207,162,958

(Amounts in thousand)

18. CORRESPONDING FIGURES

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

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

19. DATE OF AUTHORISATION FOR ISSUE

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

Hussain Dawood
Chairman

Muhammad Aliuddin Ansari
President and Chief Executive