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together, we will change the world

50 years of engro

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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 79% owned subsidiary is one of the leading fertilizer manufacturing and marketing companies in the country. It is primarily engaged in the manufacturing and marketing of urea and NPK fertilizers.

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

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

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

Engro Foods Limited

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

Engro Powergen Limited

Engro Powergen Limited owns and operates Engro Powergen Qadirpur Limited, a 224 megawatt power plant and the group's first initiative in the power sector of Pakistan. Engro Powergen Qadirpur Limited was listed on the Karachi Stock Exchange in October 2014 where 25% of the shares were offered. As of now Engro Powergen Qadirpur Limited is 69% owned by Engro Corp via Engro Powergen whereas the remainder is owned by the International Finance Corporation (IFC) and employees.

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

Engro Polymer & Chemicals Limited

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

Engro Eximp Agri Products (Private) Limited

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

Engro Vopak Terminal Limited

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

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

Elengy Terminal Pakistan Limited

Elengy Terminal Pakistan Limited is a 100% owned subsidiary of the company, which has been created to establish and operate a terminal for the handling, regasification, storage, treatment and processing of Liquefied Natural Gas (LNG) , Re-gasified Liquefied Natural Gas (RLNG), Liquid Petroleum Gas (LPG), Natural Gas Liquid (NGL) and all other related liquids, gases and chemical & petroleum products. The Federal Cabinet has approved import of Liquefied Natural Gas (LNG) and a LNG terminal to be constructed in Port Qasim Karachi. In line with the approval, LNG Services Agreement (LSA) has been signed between SSGC and Elengy Terminal Pakistan Limited (ETPL). The project was constructed ahead of time on March 29, 2015, in a record period of 300 days, making it amongst the fastest terminals built in the world.

directors' report

During 3Q15, all eyes were set on China as the Yuan depreciation kept the Chinese economy in the limelight. With weakened Chinese growth outlook for the year, change in the Yuan pricing mechanism to a managed float pushed down the Yuan by 3% against the Dollar in August. Also, the expected US Fed hike in September was again delayed as decision makers remained cautious of China and its potential spillover to other economies. Resultantly, IMF further reduced its global growth forecast to 3.1% for the year. On the commodities front, ample supply and weak demand, especially for industrial commodities, contributed to continued slide in most commodity prices in the third quarter 2015. This trend is expect to continue, if not worsen for reminder of the year,

Pakistan's economy continues its successful recovery under the IMF's Extended Fund Facility arrangement. Towards the end of September, Pakistan successfully completed its 8th review under the program and issued Eurodollar bonds to finance a repayment early next year, which combined raised ~$1bn leading to all-time high foreign reserves. Further, decade-low inflation number in August led the SBP to further continue with its accommodative monetary policy decreasing the discount rate by another 50bps. However, with sizeable depreciation in currencies of our regional trade competitors, going forward exports will remain under pressure.

Business Review

Engro Corporation had a momentous first half of the year on account of LNG terminal commencement and increased sales in the Foods and Fertilizer businesses. In the third quarter, the company's growth was hampered by exogenous factors in the local Urea market, resulting from Urea price uncertainty following the gas price hike; however, it still performed better than third quarter last year.

On a consolidated basis, Engro Corporation recorded a 2% increase in revenues up from PKR 122.4 billion in 9M'14 to PKR 124.9 billion in 9M'15. The increase came from the fertilizers, foods and LNG businesses, slightly offset due to lower rice sales. The earnings also increased significantly on the back of better margins from various businesses. The international and local rice markets continued to suffer from the commodity price downturn which began last year. The rice business was able to curtail its losses for the period by scaling down its business and reducing its fixed costs. During the period, the management taking cognizance of the losses as an indicator of impairment has booked an impairment loss of PKR 2,138 million against its rice processing plant. The profit-after-tax (PAT) grew from PKR 4,441 million in 9M'14 to PKR 8,880 million in 9M'15, posting an increase of 100% over the same period last year. A summary of business-wise financial performance is as follows:

Engro Fertilizers

Gas prices for the fertilizer sector were increased effective September 1, 2015, which was followed by an increase in urea prices by all manufacturers. However, the recent farmer package announcement by the Government led to an uncertainty about urea prices which affected sales. Resultantly, the domestic Urea industry sales fell by 4% vs. the same period last year to 3,946 KT. Sale of branded urea has decreased by 3% over the same period last year to 3,463 KT. On the production front, the national urea production grew by 8% to 3,877 KT in 9M'15 as compared to 3,597 KT in same period last year, attributable to better performance by plants on the Mari network. Domestic DAP industry sales decreased by 21% to 592 KT in 9M'15 as compared to same period last year. On the international front Urea prices slightly fell, which coupled with a hike in local prices has significantly narrowed the gap between local and imported prices.

EFert's Urea production for 9M'15 stood at 1,472 KT as compared to 1,332 KT in the comparative period last year i.e. an increase of 11%, mainly due to continuous two plant operations, lower outage days and better gas supply. Further, EFert sold 1,294 KT of urea versus 1,320 KT during 9M'14 showing a fall of 2% while still maintaining an overall urea market share of 33% and a branded urea market share of 37%. EFert also sold 137 KT of DAP during 9M'15 which constitutes a 25% market share in the industry for the brand 'Engro DAP' which was at par with the market share in the corresponding period last year. EFert's blended fertilizers' (Zarkhez & Engro NP) sales for the period increased to 79 KT from 75 KT in the corresponding period last year led by higher NP sales.

EFert continued to receive 60 MMSCFD gas from Mari Shallow throughout the period and is expected to continue till 31st Dec 2015 as per ECC decision against which EFert installed compressors for Guddu Power Plant (GENCO II) at its own cost.

Post enactment of the GIDC Act 2015, EFert has obtained stay orders against the retrospective applicability of GIDC. However, on the request of the Government, and without compromising its legal stance, it has paid the complete accrued amount of PKR 15.2 Billion against non-concessionary gas supplied. Currently, EFert is paying GIDC on all non-concessionary gas. It has also obtained a stay order against GIDC applicability on concessionary gas and therefore no GIDC is being paid or accrued for concessionary gas supplied to the new urea plant. GIDC on concessionary gas is in direct contravention with the Fertilizer Policy and our Gas supply contracts on the basis of which the company invested USD 1.1 Billion to expand its fertilizer manufacturing capacity.

EFert is in the process of seeking requisite approvals for merger of Engro EXIMP (Private) Ltd as it proceeds with the complete integration of the DAP business.

Financially, EFert clocked in consolidated revenues of PKR 52.3 billion in 9M'15 as compared to PKR 43.7 billion last year. Despite lower Urea sales volumes, increase in revenues came from the purchase of trading business this year. The net consolidated PAT for the period stood at PKR 9,590 million as compared to PKR 5,511 million same period last year, on account of implementation of concessionary pricing effective from March 16, 2015, lower finance cost as a result of IFC loan conversion, early loan repayments, lower KIBOR and better cash flows.

Engro Foods

In 9M'15 EFoods performance showed a marked improvement over prior year, largely due to favorable commodity prices and effective pricing strategy. EFoods attained a revenue growth of 22.8% mainly on back of strong performance in the dairy segment. Further, continued decline in global commodity and energy prices provided the business with a platform for growth in its gross margins from 18.5% to 25%. Revenue for the period was PKR 37.7 billion versus PKR 30.7 billion in the same period last year, while the overall PAT was PKR 2,601 million versus PKR 252 million in the same period last year, largely due to higher volumes and cheaper milk procurement, fuel and energy costs.

Dairy and Beverages segment continued on the momentum it created during last year, witnessing a volume and value growth of around 23% during first three quarters this year versus the same period last year. EFoods share of the dairy market was 56% as of August 2015 (as per A.C. Nielsen). The segment reported a record top line of PKR 34.7 billion. Persistent marketing investment has further strengthened brand equity and enabled the business to defend and grow its market share in an aggressive environment.

During 9M'15, the Ice Cream business witnessed a volumetric growth of 17% versus the same period last year. This growth was led by consumer relevant product launches, geographical expansion and operational improvements in the distribution network.

Dairy Farm continues to remain a rich and nutritious source of raw material for the dairy segment. Due to impact of animals' valuation and better yields, the segment reported a profit of PKR 15 million for 9M'15 versus a loss of PKR 34 million during same period last year.

Engro Polymer

The year started with high PVC-Ethylene delta resulting in healthy margins for EPolymer in 1Q'15 but it sharply fell during 2Q'15 on account of international price volatility. International PVC prices remained stable in 1H'15, however Ethylene prices had an upward trend due to tight supply driven by regional plant turnarounds, thereby the margins shrunk in 2Q'15. During 3Q'15, the PVC-Ethylene delta showed a positive movement as the drop in ethylene prices more than compensated for the drop in PVC prices.

Imposition of 5% regulatory duty last year on imports of Ethylene and EDC by the Government continued to increase EPolymer's raw material cost and impacted financial performance during 1H'15. However after successful negotiations with the Government, the business was successful in obtaining reduction in duty on Ethylene to minimum slab of 2% effective from July 1, 2015 in the Federal Budget for fiscal year 2016.

PVC resin production during 9M'15 increased by 9% to 119KT as the business realized full benefit of PVC debottlenecking projects that were completed last year. To meet the PVC raw material requirements, the business produced 120KT VCM during 9M'15 compared to 115KT same period last year. Because of some operational issues at Chlor Alkali plant the Caustic production fell to 74KT in the first nine months as compared to 87KT same period last year.

The growth in domestic PVC sales to 113KT in 9M'15 compared to 91KT same period last year couldn't translate into topline growth due to a fall in PVC prices. EPolymer posted revenues of PKR 17.1 billion in 9M'15, the same as last year's, along with a loss-after-tax of PKR 813 million versus PKR 33 million loss for the same period last year primarily due to lower international PVC-Ethylene core delta, higher energy prices, duty impact on raw material in the first half and high cost raw material inventory carried over from last year as well as foreign exchanges losses incurred on USD based liabilities due to PKR devaluation during the period.

Engro Eximp Agriproducts (EEAP)

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

During 9M'15 the business achieved a total husking of 14,310 KT of paddy and processed 7,605 KT of rice. The business exported 7,257 KT of rice during the first nine months of 2015 compared to 31,987 KT in same period last year. Processing and sales volumes were lower due to the new rice business strategy of minimizing open positions on paddy. As a result of the new strategy, the business managed to significantly reduce its losses in 9M'15 as compared to same period last year. However, the management taking cognizance of the losses suffered by the business, as an indicator of impairment, has booked an impairment loss amounting to PKR 2,138 million against its investment in the rice processing unit.

The business also launched 'Onaaj Chakki Atta' as part of a commercial pilot to explore the consumer staples market in Pakistan. Initial response is positive with sales picking up in line with expectation.

Engro Powergen

Pakistan continues to face chronic electricity shortage due to demand growth, limited addition in generation capacity, high transmission and distribution losses and the persistent issue of circular debt. The electricity woes continue in the country with demand-supply deficit touching 5,000MW at peak hours. Government is undertaking multiple projects to resolve this issue. Liquefied Natural Gas (LNG) based power generating projects are among some of the initiatives being under taken by the Government; however low cost producers including Engro Powergen Qadirpur Ltd (EPQL) are expected to remain on high priority list of the power purchaser.

Qadirpur Power Plant: During 9M'15 EPQL completed its turnaround activity (due every six years) utilizing 33 days of scheduled outage in April/May. Further, there was an 8 day outage in July/August on account of annual turnaround of Qadirpur gas processing facility. Both these outages were billed to the power purchaser for capacity charges; however they did impact the variable payments as Net Electrical Output (NEO) was lower at 1,023 GwH with a load factor of 73.9% as compared to a load factor of 93.6% for same period last year. As at 30th September, overdue receivable from PEPCO stood at PKR 1,590 million vs. PKR 1,210 million at last year-end. Similarly overdue payables to SNGPL on September 30, 2015 were PKR 757 million vs. PKR 232 million as on December 31, 2014. EPQL earned a PAT of PKR 1,398 million in 9M'15 versus PKR 1,533 million in the same period last year.

Thar Coal Mining Project: Overburden removal activities of Sindh Engro Coal Mining Company (SECMC) are on track. Initial contract of 3M BCM removal was completed during 2Q'15 and another contract of 1M BCM removal was awarded to the same local contractor. Around 3.5M BCM removal has been completed till 9M'15. Local Common Terms Agreement has been signed during the quarter and remaining documentation in in progress. For foreign financing, approval of the Chinese Term Sheet has been received from the Ministry of Finance. Negotiations were held during the period over the financing documents with lenders. Post negotiations, revised drafts of agreements have been shared.

Thar Coal Power Plant Project: During the period, the company signed project management agreement with Engro Powergen Limited. On the financing front; foreign financing commitment for the entire amount is in place (CDB, ICBC and CCB), terms and conditions for Chinese Financing have been negotiated and signed off, while local banks are processing their internal approvals for funded and non-funded facilities. Financing and security documents are being negotiated with Chinese and local banks and are expected to be finalized in next one month.

In line with Engro's strategy to expand its reach in the energy sector and grow its services arm, following are the updates in the respective investments:

GEL Utility, Nigeria: Engro's O&M team completed 9M 2015 with an availability of 99.9%. The plant dispatched 40,900 MWh to Port Harcourt Refinery during the period.

Tenaga Wind Project: Project construction has been initiated with the ground breaking ceremony held in September. Test piling activity started in Sep'15 is expected to be completed in Oct'15 and a temporary site facility is also being established. Commencement date for off-shore and on-shore EPC agreements was achieved in early August and L/C for GE wind turbines has been established. Efforts are underway to reduce the project schedule timeline from the current 18 months.

Magboro Project: Owner's Engineer contract for the project has been signed while negotiations for finalization of O&M contract are being held. Eco Bank has approved the guarantee letter for Hungarian EXIM bank financing and loan documents are being prepared. Financial close for the project is expected in Nov-2015.

Engro Elengy

In 2014, Engro embarked on the journey to build Pakistan's first LNG Storage and Regasification Terminal. An LNG Operations and Services Agreement (LSA) was entered into with Sui Southern Gas Company Limited (SSGCL) in April 2014, whereby Engro committed to achieving commercial operations by March 31, 2015. On March 29, 2015, the Company received Certificate of Acceptance from SSGCL after successful completion of tests as per LSA and initiated delivery of re-gasified LNG to SSGCL. The project was constructed ahead of time on March 29, 2015, in a record period of 300 days, making it amongst the fastest terminals built in the world. The project has yet again demonstrated Engro's commitment towards the betterment of the country as it will enable the Government of Pakistan to alleviate the increasing natural gas shortage of the country by up to 30%. The Project has been built utilizing the existing infrastructure of Engro thus resulting in reduced capital expenditure as compared to other terminals across the globe and one of the lowest tariffs in the world of $0.66/mmbtu. Till 30 September 2015, the terminal has handled 6 cargo shipments by FSRU shuttling to Qatar and 5 Ship-to-Ship (STS) operations, taking the total tally to 11 cargoes. The LNG handled during the 9M'15 was 631,006 MT.

Engro Vopak

The company recorded increase in top and bottom line mainly due to positive tariff impact of LPG import as SSGC's terminal remained close for a few months on account of operational issues, thereby all LPG imported to the country during that period was handled by EVTL. This also set the highest LPG volume handled in history of EVTL of 74 KT year to date. Further, services provided for the import of LNG into the country also increased the company's profitability.

Business Outlook

Engro Fertilizers

Poor crop economics have had a dampening effect on sales. However, the implementation of the Farmer Package, keenly awaited by the industry, should offset it to some extent. Given current urea demand supply situation, the industry appears to be adequately supplied for the upcoming season.

International Urea prices are likely to soften as the market is expected to move towards the bottom of the commodity cycle. Similarly, International DAP prices are expected to remain under pressure due to weak import demand from major demand centers (India and Brazil).

With Rabi season picking up, EFert expect to offload all of its Urea production. Post clarity on subsidy implementation, it also expects sales of phosphate based fertilizer to pick up. In addition to existing inventory of DAP additional volumes have been locked in to meet demand.

Engro Foods

The future environment is becoming more challenging as new competition enters the industry. However, we believe that investment from new entrants will support expansion of the UHT category in the longer run. We will maintain our focus on key growth parameters like innovation, brand health and operational excellence.

Engro Polymer

Domestic market for PVC is expected to continue its robust performance on account of favorable construction sector outlook, improving economic sentiment and decline in interest rates, while Caustic Soda market is expected to remain stable. Improvement in PVC-Ethylene core delta, due to decline in Ethylene prices and reduction in import duty, is expected to provide support to PVC margins in the upcoming quarter.

Engro Eximp Agriproducts

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

Engro Powergen

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

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

Engro Elengy

The project has started playing its role in alleviating some of the energy shortage faced by the country and will further place Engro at the forefront for other such projects in the future. October deliveries have already been confirmed while PSO has issued tenders for LNG procurement for November and December. Further, first LNG carrier from Qatar is expected in the month of December 2015, subject to signing of the contract.

Engro Vopak

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

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

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

condensed interim balance sheet as at september 30, 2015

(Amounts in thousand)	Note	(Unaudited) September 30, 2015	(Audited) December 31, 2014
		----(Rupees)----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	90,665	76,119
Long term investments	5	28,314,386	28,879,985
Long term loans and advances	6	22,166	2,165,599
Deferred taxation		-	84,450
		28,427,217	31,206,153
Current assets			
Loans, advances and prepayments	7	11,349,195	4,725,454
Other receivables		660,901	184,801
Taxes recoverable		276,454	214,301
Short term investments	8	3,964,375	721,700
Cash and bank balances		400,083	531,534
		16,651,008	6,377,790
TOTAL ASSETS		45,078,225	37,583,943
EQUITY & LIABILITIES			
Equity			
Share capital		5,237,848	5,237,848
Share premium		13,068,232	13,068,232
General reserve		4,429,240	4,429,240
Remeasurement of post employment benefits - Actuarial gain		5,462	5,462
Unappropriated profit		15,288,027	10,072,770
Total equity		38,028,809	32,813,552
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations		15,955	17,029
Deferred taxation		2,979	-
		18,934	17,029
Current liabilities			
Trade and other payables		770,369	461,075
Borrowings		3,962,719	3,951,521
Accrued interest / mark-up		117,945	250,274
Dividend Payable		2,095,139	-
Unclaimed dividends		84,310	90,492
		7,030,482	4,753,362
Total liabilities		7,049,416	4,770,391
Contingencies and Commitments	9		
TOTAL EQUITY & LIABILITIES		45,078,225	37,583,943

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

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

condensed interim statement of comprehensive income (unaudited) for the nine months ended september 30, 2015

(Amounts in thousand except for earnings per share)	Note	Quarter ended September 30, 2015	Quarter ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
		----(Rupees)----			
Dividend income		1,752,762	180,000	5,605,281	808,136
Royalty income		172,607	231,014	626,548	633,157
		1,925,369	411,014	6,231,829	1,441,293
Administrative expenses		(366,415)	(99,162)	(568,932)	(278,657)
		1,558,955	311,852	5,662,898	1,162,636
Other income		326,318	218,719	8,038,757	1,304,631
Other operating expenses		(35,235)	(7,768)	(266,008)	(33,867)
Operating profit before impairment		1,850,038	522,803	13,435,647	2,433,400
Impairment against investment	5.3	(2,138,000)	-	(2,138,000)	-
Operating (loss) / profit after impairment		(287,962)	522,803	11,297,647	2,433,400
Finance cost		(149,467)	(150,726)	(451,108)	(806,654)
(Loss) / profit before taxation		(437,429)	372,077	10,846,539	1,626,746
Taxation	10	(136,595)	(102,540)	(393,434)	(227,660)
(Loss) / profit for the period		(574,024)	269,537	10,453,105	1,399,086
Other comprehensive income for the period		-	-	-	-
Total comprehensive (loss) / income for the period		(574,024)	269,537	10,453,105	1,399,086
Earnings per share - basic and diluted	11	(1.10)	0.52	19.96	2.72

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

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

condensed interim statement of changes in equity (unaudited) for the nine months ended september 30, 2015

(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 01, 2014 (Audited)	5,112,694	10,550,061	4,429,240	9,871	9,137,267	29,239,133
Total comprehensive income for the nine months ended September 30, 2014	-	-	-	-	1,399,086	1,399,086
Transactions with owners						
Shares issued to International Finance Corporation (IFC) on exercise of conversion option	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 ended 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	9,871	8,990,678	30,283,797
Total comprehensive income for the three months ended December 31, 2014	-	-	-	(4,409)	1,082,092	1,077,683
Transactions with owners						
Shares issued to IFC on exercise of conversion option	68,150	1,383,922	-	-	-	1,452,072
Balance as at December 31, 2014 (Audited)	5,237,848	13,068,232	4,429,240	5,462	10,072,770	32,813,552
Total comprehensive income for the nine months ended September 30, 2015	-	-	-	-	10,453,105	10,453,105
Transactions with owners						
Final cash dividend for the year ended December 31, 2014 @ Rs. 4.00 per share	-	-	-	-	(2,095,139)	(2,095,139)
Interim cash dividends for the year ending December 31, 2015:						
1st interim @ Rs.2.00 per shares	-	-	-	-	(1,047,570)	(1,047,570)
2nd interim @ Rs.4.00 per shares	-	-	-	-	(2,095,139)	(2,095,139)
Balance as at September 30, 2015 (Unaudited)	5,237,848	13,068,232	4,429,240	5,462	15,288,027	38,028,809

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

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

condensed interim statement of cash flows (unaudited) for the nine months ended september 30, 2015

(Amounts in thousand)

	Note	Nine months ended September 30, 2015	Nine months ended September 30, 2014
		(Rupees)	(Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	12	(502,591)	(376,064)
Royalty received		713,067	399,909
Taxes paid		(368,156)	(227,506)
Retirement and other service benefits paid		(11,442)	(36,352)
Long term loans and advances - net		(6,567)	(22,660)
Net cash utilized in operating activities		(175,688)	(262,672)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		5,605,281	808,136
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries		188,978	887,240
Advance received against investment classified as held for sale		-	2,734,118
Investments made during the period		(6,550,000)	(1,551,000)
Proceeds from partial disposal of investment in subsidiary company		7,919,874	-
Proceeds from disposal of investment in subsidiary company		4,383,000	-
Proceeds from sale of Treasury bills		13,526,634	-
Purchase of Treasury bills		(16,629,308)	-
Loans granted to subsidiary companies		(8,205,100)	(2,382,484)
Repayment of loan by subsidiary companies		3,694,600	3,895,960
Proceeds on maturity of short-term investments		-	2,001
Purchases of Property, plant and equipment (PPE)		(38,821)	(54,860)
Sale proceeds on disposal of PPE		9,846	4,192
Net cash generated from investing activities		3,904,984	4,343,303
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	680,960
Proceeds from issue of Engro Islamic Rupiya Certificates		-	3,948,824
Repayment of Engro Rupiya Certificates I & II upon maturity		-	(6,317,240)
Financial charges paid		(571,855)	(866,073)
Dividends paid		(3,148,891)	(1,265)
Net cash utilized in financing activities		(3,720,746)	(2,554,794)
Net increase in cash and cash equivalents		8,550	1,525,836
Cash and cash equivalents at beginning of the period		1,253,234	2,921,498
Cash and cash equivalents at end of the period	13	1,261,784	4,447,334

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

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

notes to the condensed interim financial information (unaudited) for the nine months ended september 30, 2015

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

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

2. BASIS OF PREPARATION

2.1 This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of 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 annual financial statements of the Company for the year ended December 31, 2014. This condensed interim financial information represents the condensed interim financial information of the Company on a standalone basis. The consolidated condensed interim financial information of the Company and its subsidiary companies is presented separately.

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.

2.3 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 annual financial statements of the Company for the year ended December 31, 2014.

3. ACCOUNTING POLICIES

3.1 The significant accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of annual financial statements for the year ended December 31, 2014.

3.2 There are certain new International Financial Reporting Standards (Standards), amendments to published Standards and interpretations that are mandatory for the financial year beginning on January 1, 2015. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in the condensed interim financial information.

3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

(Amounts in thousand)

	Unaudited September 30, 2015	Audited December 31, 2014
	-------------(Rupees)-------------	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets (note 4.1)	52,457	66,823
Capital work in progress	38,208	9,296
	90,665	76,119

4.1 Additions to operating assets during the period / year amounted to Rs. 10,082 (December 31, 2014: Rs. 49,255). Operating assets costing Rs. 24,920 (December 31, 2014: Rs. 14,196) having a net book value of Rs. 5,758 (December 31, 2014: Rs. 3,749), were disposed off during the period / year for Rs. 9,846 (December 31, 2014: Rs. 4,571).

5. LONG TERM INVESTMENTS

5.1 Engro Fertilizers Limited (EFert)
During the period:

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

- the Company sold 93,165,000 ordinary shares of Rs. 10 each held in EFert, representing 8.16% of its investment through a private placement, at a price of Rs. 85 per share, determined through a book building mechanism. These shares were placed to local / foreign institutional investors and high net-worth individuals. The gain on such disposal amounts to Rs. 6,939,818 which has been recorded as Other income, net of transaction cost. As a result of the above, the Company, as of balance sheet date, holds 78.78% of the issued share capital of EFert.

5.2 Engro Eximp (Private) Limited (EXIMP)
During the period:

- the Company has made further equity investment of Rs. 2,150,000 in EXIMP through subscription of 215,000 ordinary shares of Rs. 10 each at a premium of Rs. 9,990 per share, resulting in carrying cost of the investment in EXIMP to be Rs. 4,045,100.

- the Board of Directors of the Company resolved, subject to regulatory approvals, to transfer / sale 100% of the Company's equity in EXIMP (along with its wholly owned subsidiary - Engro Eximp FZE, UAE) to EFert, together with rights to use 'Engro' trademarks (under license from the Company to EXIMP) for imported fertilizers / associated products, against a lump sum consideration of Rs. 4,400,000, which was determined on the basis of an independent valuation. The shareholders of the Company, in its Annual General Meeting held on April 22, 2015, approved the above sale transaction. Accordingly, on May 1, 2015, the Company sold its entire shareholding in EXIMP to EFert at a price of Rs. 4,383,000. The transaction will enable the Company to enhance its earnings, create value through synergies and increase its foot prints in agricultural input. The gain on sale amounting to Rs. 337,900 has been recognized in Other income.

(Amounts in thousand)

5.3 Engro Eximp Agriproducts (Private) Limited (EEAPL)

On February 18, 2015, the Board of Directors of the Company resolved to acquire entire shareholding of EEAPL from EXIMP for Rs. 4,400,000 in order to delink the rice business from the trading entity and bring in the required focus as part of its restructuring plans. On April 1, 2015, the Company acquired the entire shareholding in EEAPL and it is now a wholly owned subsidiary of the Company.

The principal activity of EEAPL is to produce, manufacture and trade all kinds of raw, processed and prepared food products including agriculture, dairy and farming products. EEAPL has set-up a Rice Processing Plant (RPP) in District Shaikhupura, which commenced commercial production in 2011.

During the period, EEAPL incurred a loss after taxation of Rs. 3,097,149 which includes an impairment loss of Rs. 2,138,000. The weak financial performance is primarily due to the continuing downturn in the rice industry which resulted in significant reduction of margins. During the period, the management has restructured the business by focusing on creating brand equity to attain market share and to reduce the exposure to commodity price volatility. The management has also decided to scale down its rice business and focus on reduction in fixed costs.

The Company's management taking cognizance of the losses suffered by EEAPL, as an indicator of impairment, has conducted an impairment test for its long-term investment in EEAPL amounting to Rs. 4,400,000 at September 30, 2015.

The recoverable amount in respect of long-term investment in EEAPL has been based on the estimated cash forecasts for the life of the EEAPL Rice Processing Plant. The recoverable amount so determined is less than the carrying value of the long-term investment in EEAPL, thereby resulting in an impairment loss of Rs. 2,138,000.

6. LONG TERM LOANS AND ADVANCES

In 2013, the Company had extended long-term loan and sub-ordinated loan to Engro Eximp (Private) Limited (EXIMP), a wholly owned subsidiary, amounting to Rs. 1,720,000 and Rs. 430,000, respectively, for a period of five years. These loans carried mark-up at the rate of 6 months KIBOR plus 3.5% per annum, payable on a quarterly basis, and were repayable through one lump sum installment due on June 28, 2017. During the period, EXIMP has fully repaid the loans to the Company.

7. LOANS, ADVANCES AND PREPAYMENTS

7.1 During the period, the Company extended a further loan of Rs. 6,805,100 (December 31, 2014: Rs. 4,036,124) to Elengy Terminal Pakistan Limited, a wholly owned subsidiary, for it to meet its working capital requirements. The loan is subordinated to the finances provided to the subsidiary company by its creditors (other than trade creditors) and carries mark-up at the rate of 3 months KIBOR plus 3.5% per annum, payable on a quarterly basis. Further, during the period, loan amounting to Rs. 1,544,600 has been repaid by the subsidiary.

(Amounts in thousand)

7.2 During the period, the Company extended a further loan of Rs. 1,400,000 (December 31, 2014: Rs. 600,000) to Engro Polymer & Chemcials Limited, a subsidiary company, for it to meet its working capital requirements. The loan is subordinated to the finances provided to the subsidiary company by its banking creditors and carries mark-up at the rate of 3 months KIBOR plus 3.5% per annum, payable on a quarterly basis.

	Unaudited September 30, 2015	Audited December 31, 2014
	(Rupees)	
8. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit or loss:		
- Fixed income placement	940,000	2,000
- Treasury bills	3,024,375	719,700
	3,964,375	721,700

9. CONTINGENCIES AND COMMITMENTS

9.1 Significant changes in the status of contingencies and commitments since December 31, 2014 is as follows :

- During the period, a bank has issued performance guarantee on behalf of Engro Powergen Thar (Pvt.) Limited (EPTL) in favour of Private Power and Infrastructure Board (PPIB). The performance guarantee relates to 2 x 330 MW mine mouth power plants to be constructed by EPTL and has been submitted to PPIB as a condition precedent for the issuance of Letter of Support (LoS) by PPIB for the Thar Power Project. The performance guarantee is valid upto March 30, 2016 and is secured by way of first exclusive charge on all present and future assets of Engro Powergen Limited (EPL), a wholly owned subsidiary of the Company and a parent company of EPTL. In addition necessary documentation relating to issuance of counter guarantee by EPL to the bank is currently being finalized, which will be effective from the date of issuance of guarantee by the bank. In this regard, the Company has extended corporate guarantee amounting to Rs. 228,000 to the bank against Letter of Guarantee facility granted to EPL.

- During the period, as mentioned in note 5.1, the Company divested some of its shareholding in EFert. The Company held such shareholding in EFert since 2010 i.e. more than five years. Under the income tax laws, capital gain on sale of securities held for more than 24 months are to be taxed at zero %. However, the Company was informed by the National Clearing Company of Pakistan Limited (NCCPL) that their clearing system shall deduct capital gain tax on such disposal and NCCPL shall deposit the same with the tax authorities. The Company has obtained a stay thereagainst from High Court of Sindh and has also provided a bank guarantee amounting to Rs. 650,000 in this respect in favor of Nazir of High Court of Sindh.

9.2 As at September 30, 2015, there is no material change in the status of matters reported as commitments in the financial statements of the Company for the year ended December 31, 2014.

(Amounts in thousand)

10. TAXATION

10.1 Includes Rs. 55,580 on account of one-time Super Tax for tax year 2015, which has been levied through Finance Act 2015 for the rehabilitation of temporary displaced persons.

10.2 During the period, in respect of pending tax assessments for tax year 2011 and tax year 2012, as reported in the financial statements of the Company for the year ended December 31, 2014, the Company received notices of demand amounting to Rs. 105,955 and Rs. 250,773 respectively, whereby the Deputy/Additional Commissioner Inland Revenue - Audit again disallowed allocation of expenses against interest income and apportioned expenses against dividend income and capital gains. The Company has filed appeals thereagainst with the Commissioner Inland Revenue - Appeals and also obtained stays from the High Court of Sindh from initiating any recovery proceedings.

11. EARNINGS PER SHARE

As at September 30, 2015, there is no dilutive effect on the basic earnings per share of the Company, since the options granted on Company's shares to IFC were completely exercised during last year. Earnings per share is based on following :

	Quarter ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	(Rupees)			
Profit after taxation	(574,024)	269,537	10,453,105	1,399,086
	(No. of share)			
Weighted average number of ordinary shares (in thousand)	523,785	516,970	523,785	514,652

(Amounts in thousand)

12. CASH UTILIZED IN OPERATIONS

	Nine months ended	
	September 30, 2015	September 30, 2014
	(Rupees)	
Profit before taxation	10,846,539	1,626,746
Adjustment for non-cash charges and other items:		
Depreciation	18,517	15,396
Gain on disposal of Property, plant and equipment	(4,088)	(593)
Provision for retirement and other service benefits	10,369	33,322
Provision for Impairment	2,138,000	-
Income on deposits / other financial assets	(749,283)	(768,235)
Capital gain on partial disposal of long-term investment, net of transaction cost	(7,325,275)	(535,805)
Dividend income	(5,605,281)	(808,136)
Royalty income	(626,548)	(633,157)
Financial charges	450,723	806,654
Exchange gain	(385)	-
Working capital changes (note 12.1)	344,122	(112,256)
	(502,591)	(376,063)

12.1 Working capital changes

Decrease / (Increase) in current assets		
- Loans, advances and prepayments	36,759	(44,268)
- Other receivables (net)	(1,931)	(64,601)
	34,828	(108,869)
Increase / (Decrease) in current liabilities		
- Trade and other payables including other service benefits (net)	309,294	(3,387)
	344,122	(112,256)

13. CASH AND CASH EQUIVALENTS

Short term investments	861,701	2,517
Cash and bank balances	400,083	4,454,095
Short-term finances from banks	-	(9,278)
	1,261,784	4,447,334

(Amounts in thousand)

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

14.1 Financial risk factors

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

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

14.2 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

	Level 1	Level 2	Level 3	Total
		(Rupees)		
Assets				
Financial assets at fair value through profit or loss				
- Short term investments	-	3,964,375	-	3,964,375

There were no transfers amongst the levels during the period.

There were no changes in the valuation techniques during the period.

15. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise subsidiaries, joint venture companies, other companies with common directors, retirement benefit funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in this condensed interim financial information, are as follows:

	Nine months ended	
	September 30, 2015	September 30, 2014
	(Rupees)	
Subsidiary companies		
Purchases and services	19,050	14,369
Services rendered	448,246	471,879
Mark-up from subsidiaries	586,653	541,335
Disbursement of loan to subsidiaries	8,205,100	2,382,484
Repayment of loan by subsidiaries	3,694,600	3,895,960
Dividend received	4,997,781	268,136
Royalty income, net of sales tax	626,548	633,157
Reimbursements to subsidiaries	294,063	85,813
Expenses paid on behalf of subsidiaries	190,163	216,706
Investments made	6,550,000	1,551,000
Service fees against corporate guarantees	7,670	8,629
Remittance in Subsidiary Company	5,405	-
Proceeds from disposal of long-term investment	4,383,000	-
Associated companies		
Purchases and services	2,553	1,941
Services rendered	52,274	-
Contributions for Corporate Social Responsibility	17,500	31,500
Investment in Treasury bills	608,070	-
Redemptions of Treasury bills	719,701	-
Reimbursement to associated companies	4,196	1,576
Expenses paid on behalf of associated companies	5,094	5,250
Utilization of overdraft facility	467,112	-
Repayment of overdraft facility	467,112	-
Markup on Utilisation of overdraft facility	2,172	-
Commitment Fee	4,332	-
Interest on Deposit	1,504	-
Bank Charges	4	-
Joint ventures		
Services rendered	921	885
Dividend received	607,500	540,000
Expenses paid on behalf of Joint venture company	627	196
Reimbursement to Joint venture company	915	30,764
Others		
Directors' fees	14,950	6,700
Contribution to staff retirement benefits	23,069	17,994
Remuneration of key management personnel	91,674	78,048
Reimbursements to key management personnel	5,745	3,170

(Amounts in thousand)

16. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in its meeting held on October 29, 2015 has approved an interim cash dividend of Rs. 5.00 per share for the year ending December 31, 2015. This condensed interim financial information does not include the effect of the said interim dividend.

17. CORRESPONDING FIGURES

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

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 29, 2015 by the Board of Directors of the Company.

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

consolidated condensed interim balance sheet
as at september 30, 2015

(Amounts in thousand)	Note	(Unaudited) September 30, 2015	(Audited) December 31, 2014
		-------------------(Rupees)-------------------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	130,628,669	134,507,257
Biological assets		996,395	858,680
Intangible assets		275,055	296,093
Deferred taxation		1,465,392	1,103,153
Deferred employee compensation expense	6	193,831	112,581
Long term investments	7	3,043,331	2,735,157
Long term loans, advances and other receivables	8	2,765,841	1,183,224
		139,368,514	140,796,145
Current Assets			
Stores, spares and loose tools		7,898,762	7,547,456
Deferred taxation		960,537	960,537
Stock-in-trade		19,519,211	11,567,174
Trade debts		5,345,793	4,615,213
Deferred employee compensation expense	6	110,483	90,430
Derivative financial instruments		72,333	-
Loans, advances, deposits and prepayments		3,057,075	1,708,023
Other receivables		6,058,517	5,317,228
Taxes recoverable		2,231,279	3,252,789
Short term investments		5,305,832	28,987,084
Cash and bank balances		4,600,507	12,244,533
		55,160,329	76,290,467
TOTAL ASSETS		194,528,843	217,086,612

(Amounts in thousand)	Note	(Unaudited) September 30, 2015	(Audited) December 31, 2014
		--------------(Rupees)--------------	
EQUITY & LIABILITIES			
Equity			
Share capital		5,237,848	5,237,848
Share premium		13,068,232	13,068,232
Employee share compensation reserve		664,211	399,740
Revaluation reserve on business combination		58,598	63,890
Maintenance reserve		156,301	178,758
Exchange revaluation reserve		39,593	4,289
Hedging reserve		(101,166)	(143,339)
General reserve		4,429,240	4,429,240
Unappropriated profit		43,568,114	33,996,946
Remeasurement of post-employment benefits		(58,362)	(58,358)
		61,824,761	51,939,398
		67,062,609	57,177,246
Non-controlling interest		14,714,190	10,847,266
Total Equity		81,776,799	68,024,512
Liabilities			
Non-current liabilities			
Borrowings	9	41,210,209	55,379,841
Derivative financial instruments		34,143	51,103
Deferred taxation		8,076,057	6,558,433
Deferred liabilities		149,536	197,543
		49,469,945	62,186,920
Current liabilities			
Trade and other payables	10	28,946,568	53,498,390
Advance received against partial disposal of			
Accrued interest / mark-up		1,597,221	2,067,680
Current portion of :			
- borrowings		22,242,889	17,945,494
- deferred liabilities		79,689	43,338
Short term borrowings		7,833,395	11,764,678
Derivative financial instruments		402,888	1,465,108
Dividends Payable		2,095,139	-
Unclaimed dividends		84,310	90,492
		63,282,099	86,875,180
Total Liabilities		112,752,044	149,062,100
Contingencies and Commitments	11		
TOTAL EQUITY AND LIABILITIES		194,528,843	217,086,612

The annexed notes 1 to 21 form an integral part of this consolidated condensed interim financial information.

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

consolidated condensed interim profit and loss account (unaudited) for the nine months ended september 30, 2015

(Amounts in thousand except for earnings per share)

	Note	Quarter ended September 30, 2015	Quarter ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
		----------(Rupees)----------			
Net sales		37,163,054	44,856,457	124,917,603	122,397,200
Cost of sales		(26,173,471)	(35,265,784)	(89,991,431)	(96,036,886)
Gross profit		10,989,583	9,590,673	34,926,172	26,360,314
Selling and distribution expenses		(2,549,188)	(2,685,596)	(7,673,563)	(7,653,102)
Administrative expenses		(1,465,598)	(1,015,834)	(3,337,366)	(2,977,600)
		6,974,797	5,889,243	23,915,243	15,729,612
Other income		504,305	985,279	2,396,508	2,600,086
Other operating expenses		(628,983)	(1,151,502)	(2,309,694)	(1,310,836)
Share of income from joint ventures and associates		288,267	161,817	764,381	523,337
Operating profit before impairment		7,138,386	5,884,837	24,766,438	17,542,199
Impairment against rice processing plant	5.1	(2,138,000)	-	(2,138,000)	-
Operating profit after impairment		5,000,386	5,884,837	22,628,438	17,542,199
Finance cost		(2,017,524)	(3,144,259)	(6,512,467)	(9,450,402)
Profit before taxation		2,982,862	2,740,578	16,115,971	8,091,797
Taxation	12	(1,520,591)	(740,868)	(5,093,311)	(2,928,762)
Profit for the period		1,462,271	1,999,710	11,022,660	5,163,035
Profit attributable to:					
- Owners of the Holding Company		874,195	1,757,992	8,879,672	4,441,497
- Non-controlling interest		588,076	241,718	2,142,988	721,538
		1,462,271	1,999,710	11,022,660	5,163,035
Earnings per share					
- Basic	13	1.67	3.40	16.95	8.63
- Diluted	13	1.67	3.27	16.95	8.52

The annexed notes 1 to 21 form an integral part of this consolidated condensed interim financial information.

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

consolidated condensed interim statement of comprehensive income (unaudited) for the nine months ended september 30, 2015

(Amounts in thousand)

	Note	Quarter ended September 30, 2015	Quarter ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
		----------(Rupees)----------			
Profit for the period		1,462,271	1,999,710	11,022,660	5,163,035
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Hedging reserve - cash flow hedges					
Losses arising during the period		7,409	147,569	(69,787)	(1,232,566)
Reclassification adjustments for losses included in profit or loss		2,406	(111,603)	120,568	1,303,603
Adjustments for amounts transferred to initial carrying amount of hedged items		-	3,605	37,621	65,180
		9,815	39,571	88,402	136,217
Revaluation reserve on business combination		(5,330)	(5,410)	(15,988)	(16,230)
Exchange differences on translation of foreign operations		34,989	13,026	35,304	(38,317)
		39,474	47,187	107,718	81,670
Income tax relating to:					
- Hedging reserve - cash flow hedges		(2,773)	(11,145)	(31,763)	(58,903)
- Revaluation reserve on business combination		1,950	1,839	5,276	5,518
		(823)	(9,306)	(26,487)	(53,385)
Items that will not be reclassified to profit or loss					
Remeasurement of post employment benefits obligation		272	-	272	3,566
Income tax relating to remeasurement of post employment benefits obligation		(191)	(316)	(191)	(1,373)
		81	(316)	81	2,193
Deferred tax charge relating to revaluation of equity related items		-	-	(4,946)	(1,649)
Other comprehensive (loss) / income for the period, net of tax		38,732	37,565	76,366	28,829
Total comprehensive income for the period		1,501,003	2,037,275	11,099,026	5,191,864
Total comprehensive income attributable to:					
- Owners of the Holding Company		914,878	1,793,307	8,951,853	4,465,574
- Non-controlling interest		586,125	243,968	2,147,173	726,290
		1,501,003	2,037,275	11,099,026	5,191,864

The annexed notes 1 to 21 form an integral part of this consolidated condensed interim financial information.

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

consolidated condensed interim statement of changes in equity (unaudited) for the nine months ended september 30, 2015

(Amounts in thousand)

	Attributable to owners of the Holding Company												
		Capital reserves					Revenue reserves						
	Share capital	Share premium	Employee share option compensation reserve	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Un-appropriated profit	Remeasurement of post employment benefits - Actuarial gain / (loss)	Sub total	Non-controlling interest	Total
	Rupees												
Balance as at January 1, 2014 (audited and restated)	5,112,694	10,550,061	407,133	74,092	213,335	35,418	(185,689)	4,429,240	26,832,822	(60,760)	47,408,346	5,319,491	52,727,837
Total comprehensive income / (loss) for the nine months ended September 30, 2014													
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 upon exercise of conversion option	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 the 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
Total comprehensive income / (loss) for the three months ended December 31, 2014 (audited)													
Profit for the period	-	-	-	-	-	-	-	-	2,565,335	-	2,565,335	72,476	2,637,811
Other comprehensive income	-	-	-	-	(2,551)	-	3,079	(21,694)	-	241	(20,925)	7,333	(13,592)
	-	-	-	-	(2,551)	-	3,079	(21,694)	2,565,335	241	2,544,410	79,809	2,624,219
Transactions with owners													
Shares issued to IFC upon exercise of conversion option	68,150	1,383,922	-	-	-	-	-	-	-	-	1,452,072	(6,136)	1,445,936
Effect of Dividend in specie - Shares of Subsidiary company transferred to owners of Holding Company	-	-	-	-	-	-	-	-	2,942	-	2,942	(2,942)	-
Employees Share Option Scheme of subsidiary company	-	-	1,417	-	-	-	-	-	-	-	1,417	-	1,417
Shares issued during the period by subsidiary company	-	-	-	-	-	-	-	-	675	-	675	(326)	349
Gain on disposal of shares of subsidiary company	-	-	-	-	-	-	-	-	118	-	118	(118)	-
Derecognition of Non-Controlling Interest relating to investment in Subsidiary	-	-	-	-	-	-	-	-	-	-	-	(151,566)	(151,566)
Effect of conversion of IFC loan into ordinary shares bysubsidiary company	-	-	-	-	-	-	-	-	1,904	-	1,904	(1,904)	-
Transfer of maintenance reserve to Non-Controlling Interest	-	-	-	-	(34,577)	-	-	-	-	-	(34,577)	34,577	-
Gain on disposal of equity reserves in subsidiary company	-	-	-	-	-	-	-	-	-	683,144	-	683,144	683,144
Increase in Non-Controlling Interest due to disposal of shareholding in subsidiary company	-	-	-	-	-	-	-	-	-	-	-	1,673,966	1,673,966
December 31, 2014 @ Rs. 2.00 per share	-	-	-	-	-	-	-	-	-	-	-	-	-
	68,150	1,383,922	1,417	-	(34,577)	-	-	-	688,783	-	2,107,695	1,545,551	3,653,246
Balance as at December 31, 2014 (audited)	5,237,848	13,068,232	399,740	63,890	178,758	4,289	(143,339)	4,429,240	33,996,946	(58,358)	57,177,246	10,847,266	68,024,512
Total comprehensive income / (loss) for the nine months ended September 30, 2015 (unaudited)													
Profit for the period	-	-	-	-	-	-	-	-	8,879,672	-	8,879,672	2,142,988	11,022,660
Other comprehensive income	-	-	-	(5,292)	-	35,304	42,173	-	-	(4)	72,181	4,185	76,366
	-	-	-	(5,292)	-	35,304	42,173	-	8,879,672	(4)	8,951,853	2,147,173	11,099,026
Transactions with owners													
Effect of conversion of IFC loan into ordinary shares by subsidiary company	-	-	-	-	-	-	-	-	709,394	-	709,394	287,909	997,303
Gain on disposal of shares of subsidiary company	-	-	-	-	-	-	-	-	5,219,950	-	5,219,950	2,653,367	7,873,317
Employees Share Option Scheme of Subsidiary Company	-	-	264,471	-	-	-	-	-	-	-	264,471	-	264,471
Transfer of maintenance reserve to Non-Controlling Interest	-	-	-	-	(22,457)	-	-	-	-	-	(22,457)	22,457	-
Dividend by subsidiary allocable to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(1,243,982)	(1,243,982)
Final cash dividend for the year ended December 31, 2014 @ Rs. 4.00 per share	-	-	-	-	-	-	-	-	(2,095,139)	-	(2,095,139)	-	(2,095,139)
1st Interim cash dividend for the year ending December 31, 2015 @ Rs. 2.00 per share	-	-	-	-	-	-	-	-	(1,047,570)	-	(1,047,570)	-	(1,047,570)
2nd Interim cash dividend for the year ending December 31, 2015 @ Rs. 4.00 per share	-	-	-	-	-	-	-	-	(2,095,139)	-	(2,095,139)	-	(2,095,139)
	-	-	264,471	-	(22,457)	-	-	-	691,496	-	933,510	1,719,751	2,653,261
Balance as at September 30, 2015 (unaudited)	5,237,848	13,068,232	664,211	58,598	156,301	39,593	(101,166)	4,429,240	43,568,114	(58,362)	67,062,609	14,714,190	81,776,799

The annexed notes 1 to 21 form an integral part of this consolidated condensed interim financial information.

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

consolidated condensed interim statement of cash flows (unaudited) for the nine months ended september 30, 2015

(Amounts in thousand)	Note	Nine months ended September 30, 2015	Nine months ended September 30, 2014
		(Rupees)	
Cash flows from operating activities			
Cash (utilized in) / generated from operations	14	(5,968,203)	21,471,982
Retirement and other service benefits paid		(68,767)	(131,157)
Finance cost paid		(6,630,154)	(9,070,006)
Taxes paid		(2,943,111)	(2,976,063)
Share issuance costs paid		-	(53,989)
Payments against provision for contractual commitments		(40,817)	-
Long term loans and advances - net		(1,633,480)	(67,207)
Net cash (utilized) / generated from operating activities		(17,284,532)	9,173,560
Cash flows from investing activities			
Purchase of property, plant and equipment (PPE) and biological assets		(4,990,102)	(5,015,606)
Sale proceeds on disposal of PPE and biological assets		176,383	177,123
Income on deposits / other financial assets		1,429,803	1,478,889
Purchase of Treasury Bills - net		(3,102,674)	-
Proceeds from disposal of investments		7,919,874	-
Proceeds from short term investments		25,738,474	2,001
Investment made during the period		(212,226)	47,535
Dividends received		607,500	540,000
Net cash generated from / (utilized in) investing activities		27,567,032	(2,770,058)
Cash flows from financing activities			
Repayments of borrowings - net		(10,657,994)	(14,735,375)
Repayments of short term finance - net		(4,750,000)	-
Proceeds against partial disposal of shares held in subsidiary company by Holding Company		-	3,951,603
Proceeds from issuance of shares to IFC on exercise of conversion option		-	680,961
Proceeds from issuance of Engro Islamic Rupiya		-	3,948,824
Dividends paid		(4,392,873)	(31,757)
Net cash utilized in financing activities		(19,800,867)	(6,185,744)
Net (decrease) / increase in cash and cash equivalents		(9,518,367)	217,758
Cash and cash equivalents at beginning of the period		8,488,637	21,914,289
Cash and cash equivalents at end of the period	15	(1,029,730)	22,132,047

The annexed notes 1 to 21 form an integral part of this consolidated condensed interim financial information.

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive

notes to the consolidated condensed interim financial information (unaudited) for the nine months ended september 30, 2015

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

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

1.1 The "Group" consists of:

Holding Company - Engro Corporation Limited

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

	%age of direct holding	
	September 30, 2015	December 31, 2014
- Engro Powergen Limited (note 1.1.1)	100	100
- Elengy Terminal Pakistan Limited (note 1.1.2)	100	100
- Engro Eximp (Private) Limited (note 1.1.3)	-	100
- Engro Eximp Agriproducts (Private) Limited (note 1.1.4)	100	-
- Engro Foods Limited (note 1.1.5)	87.06	87.06
- Engro Fertilizers Limited (note 1.1.6)	78.78	86.60
- Engro Polymer and Chemicals Limited	56.19	56.19
Joint Venture Company:		
- Engro Vopak Terminal Limited	50	50

1.1.1 Engro Powergen Limited (EPL)

During the period, EPL incorporated the following new companies:

- Engro Power Investment International B.V. (EPII)

EPII is a fully owned subsidiary of Engro Power International Holding B.V., Netherlands - a wholly owned subsidiary of EPL. EPII is a private limited company established during the period in Rotterdam, Netherlands on May 12, 2015 with the objective to incorporate, participate, manage and supervise business and companies in the power sector.

(Amounts in thousand)

- EngroGen Energy Service Limited (EESL)

EESL is a 50% share joint venture of Engro Power Services Limited (EPSL), Nigeria, a wholly owned subsidiary company of EPL. EESL is a private limited company incorporated in Mauritius on March 18, 2015. EESL is a joint venture of EPSL and Genesis Energy Holdings Limited. EESL has been established with the objective to incorporate, participate, manage and supervise business and companies in the power sector.

- Kolachi Portgen (Private) Limited (KPL)

KPL is a fully owned subsidiary established on September 17, 2015 with the objective to operate and own a RLNG based power generation plant. The shares in the name of the Company will be issued after completion of legal formalities.

1.1.2 Elengy Terminal Pakistan Limited (ETPL)

During the period, EETPL received Certificate of Acceptance from Sui Southern Gas Company Limited (SSGCL) with respect to the Branch Pipeline on March 29, 2015. It also commenced commercial operations i.e. delivery of regasified LNG, to SSGCL, from March 29, 2015.

The project is being financed through 75% debt and 25% equity. In this regard, EETPL has signed loan agreements with International Finance Corporation (IFC) and Asian Development Bank (ADB). A term sheet for project finance had also been signed with local banks and agreements finalized. Project finance facility is expected to be disbursed in November, 2015.

1.1.3 Engro Eximp (Private) Limited (EXIMP)

On February 18, 2015, the Board of Directors of the Holding Company in its meeting resolved (subject to regulatory approvals) to transfer 100% of the Holding Company's equity in EXIMP (along with its wholly owned subsidiary - Engro Eximp FZE, UAE) to Engro Fertilizers Limited (EFert), together with rights to use 'Engro' trademarks (under license from the Company to EXIMP) for imported fertilizers / associated products, against a lump sum consideration of Rs. 4,400,000, which was determined on the basis of an independent third party valuation. The shareholders of the Holding Company, in its Annual General Meeting held on April 22, 2015, also approved the above arrangement. On May 01, 2015, the Holding Company sold its entire shareholding in EXIMP to EFert at a price of Rs. 4,383,000. The transaction will enable the Group to enhance its earnings, create value through synergies and increase its foot prints in agricultural input. The transaction has resulted in the increase of non controlling interest in this consolidated condensed interim financial information.

1.1.4 Engro Eximp Agriproducts (Private) Limited (EEAPL)

On February 18, 2015, the Board of Directors of the Holding Company in its meeting resolved that EEAPL is to be acquired by the Holding Company from EXIMP in order to delink the rice business from the trading entity and bring in the required focus as part of its restructuring plans. On April 01, 2015, the Holding Company acquired the entire shareholding in EEAPL from EXIMP for Rs. 4,400,000.

1.1.5 Engro Foods Limited (EFoods)

During the period, EFoods applied with Netherland Chamber of Commerce (NCC) for dissolution / liquidation of its wholly own subsidiary, Engro Foods Netherland B.V., as the Subsidiary Company did not have any operations and assets. NCC through its letter dated September 21, 2015 notified that the subsidiary company stands dissolved.

(Amounts in thousand)

1.1.6 Engro Fertilizers Limited (EFert)
During the period, on January 9, 2015, EFert received a second notice from International Finance Corporation (IFC) for exercise of options on further USD 3,000 of the loan amount. Accordingly, 12,590,625 ordinary shares of EFert were allocated to IFC on January 14, 2015.

Further, during the period, the Holding Company sold 93,165,000 ordinary shares of Rs. 10 each held in EFert, representing 8.16% of its investment through a private placement, at a price of Rs. 85 per share, determined through the book building mechanism. These shares were placed to local / foreign institutional investors and high net-worth individuals.

As a result of the aforementioned events, the Holding Company, as at the balance sheet date, now holds 78.78% of the issued share capital of Efert.

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

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

2.3 During the preparation of this consolidated condensed interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that apply to the consolidated financial statements of the Group for the year ended December 31, 2014, except for estimates regarding the Employees Share Options Scheme of Engro Foods Limited, a Subsidiary Company. The estimated fair value of these options and the underlying assumptions are disclosed in note 6.

3. BASIS OF CONSOLIDATION

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

3.2 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.

(Amounts in thousand)

3.3 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.

3.4 The consolidated condensed interim financial information is presented in Pakistan Rupees, which is the Holding Company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income, except where such gains and losses are directly attributable to the acquisition, construction or production of a qualifying asset, in which case, such gains and losses are capitalized as part of the cost of that asset.

4. ACCOUNTING POLICIES

4.1 Following new International Financial Reporting Standards (standards) are mandatory for the financial year beginning January 1, 2015 and a relevant to the Group:

- IFRS 10 'Consolidated financial statements' (effective for periods beginning on or after January 1, 2015). This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in determination of control where this is difficult to assess.

- IFRS 13 'Fair value measurement' (effective for periods beginning on or after January 1, 2015). The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 1, 2015 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations and are, therefore, not disclosed in this consolidated condensed interim financial information.

4.2 The significant accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of audited annual consolidated financial statements of the Group for the year ended December 31, 2014, except for adoption of new accounting policies as stated in notes 4.2.1 and 4.2.2 below:

4.2.1 Property, Plant and Equipment

Dredging expenditure
Dredging expenditure is categorized into capital dredging and major maintenance dredging. Capital dredging is expenditure, which creates new harbor and deepens or extends the basin in front of jetty in order to allow access to larger ships. This expenditure is capitalized and depreciated over a period of 15 years.

Major maintenance dredging is expenditure incurred to restore the depth to its previous condition. The management estimates that maintenance dredging has an average service potential of 5 years. Maintenance dredging is regarded as a separate component and is capitalized and depreciated over a period of 5 years on straight line basis.

4.2.2 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, and is recognized as follows:

Revenue from re-gasification and transportation of LNG to SSGCL is recognized on the following basis:
- Capacity and flexibility revenue on the basis of capacity made available to SSGCL.
- Utilization revenue on the basis of Regasified Liquid Natural Gas (RLNG) throughput to SSGCL.

The amount of revenue on account of capacity, flexibility and utilization is determined under the mechanism laid down in LNG Operations and Services Agreement (LSA).
Revenue generated from the provision of LNG carrier services of Floating, Storage and Re-gasification Unit (FSRU) is recognized on accrual basis.

4.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

5. PROPERTY, PLANT AND EQUIPMENT

	Unaudited September 30, 2015	Audited December 31, 2014
	(Rupees)	
Operating assets, at net book value	127,500,784	122,940,571
Capital work-in-progress		
- Expansion and other projects	3,475,154	9,886,547
- Capital spares	1,790,731	1,680,139
	132,766,669	134,507,257
Less: Provision for impairment (note 5.1)	(2,138,000)	-
	130,628,669	134,507,257

5.1 During the period, Engro Eximp Agriproducts (Pvt) Ltd (EEAPL) incurred a loss after taxation of Rs. 3,097,149. The weak financial performance is primarily due to the continuing downturn in the rice industry which resulted in significant reduction of margins. During the period, the management has restructured the business by focusing on creating brand equity to attain market share and to reduce the exposure to commodity price volatility. The management has also decided to scale down its rice business and focus on reduction in fixed costs.

The management taking cognizance of the losses suffered by EEAPL, as an indicator of impairment, has conducted an impairment test of its Property, plant and equipment having carrying value of Rs. 4,409,515 as at September 30, 2015.

The recoverable amount has been based on the estimated cash forecasts for the life of the EEAPL Rice Processing Plant. The recoverable amount so determined is less than the carrying value of the Property, plant and equipment, thereby resulting in an impairment loss of Rs. 2,138,000.

(Amounts in thousand)

6 EMPLOYEES' SHARE OPTION SCHEME

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

Under the Scheme, options can be granted in the years 2013 to April 2015. 50% of the options granted will vest in two years whereas the remaining 50% will vest in three years from the date of the grant of options. These options are exercisable within 3 years from the end of vesting period. The details of share options granted to date, which remained outstanding as at September 30, 2015 are as follows:

- number of options	5,200,000
- range of exercise price	Rs. 182.85 - Rs. 253.77
- weighted average remaining contractual life	3.16 years

The weighted average fair value of options granted till date, as estimated at the date of grant using the Black-Scholes model was Rs. 24.81 per option, whereas weighted average fair value of options to be granted has been estimated as Rs. 45.74 per option. The following weighted average assumptions were used in calculating the fair values of the options:

	Options granted in 2013	Options granted in 2015	Options to be granted
- number of options	4,400,000	800,000	11,700,000
- share price	Rs. 133.58	Rs. 107.67	Rs. 147.36
- exercise price	Rs. 191.89	Rs. 182.85	Rs. 182.85
- expected volatility	32.54%	30.32%	36.58%
- expected life	3.1 years	3.5 years	4 years
- annual risk free interest rate	9.42%	7.93%	7.11%

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

The time period under the Scheme for granting of share options expired during the period in April 2015. However, EFoods obtained approval of shareholders for extension in share options grant period for further 3 years in the Annual General Meeting held on April 27, 2015. During the period, EFoods has received approval from SECP for aforementioned modification in the Scheme.

In respect of the Scheme, Employee share option compensation reserve and the related deferred expense amounting to Rs. 644,221 has been recognized, out of which Rs. 339,907 has been amortized to date, including Rs. 163,168 being charge for the current period, in respect of related employees services received to the balance sheet date.

(Amounts in thousand)

7 LONG TERM INVESTMENTS

7.1 Sindh Engro Coal Mining Company Limited (SECMC)

During the period, the Board of Directors of the Engro Powergen Limited (EPL) resolved that the right shares issued by SECMC be renounced in favour of Habib Bank Limited (HBL), thereby reducing the percentage holding of the Group in SECMC from 22.15% to 20.37%. Gain arising on deemed disposal amounting to Rs. 5,133 is reflected in 'Other income' in this consolidated condensed interim financial information.

7.2 Magboro Power Company Limited (MPCL)

During the period, Engro Power Investment International B.V. (EPII), a fully owned subsidiary of Engro Power International Holding B.V. (EPIH) which is a fully owned subsidiary of EPL, entered into a share sale and purchase agreement with Bresson AS Nigeria Limited in relation to the acquisition of 1,666,667 shares representing 16.7% of the issued share capital of MPCL. EPII has advanced an amount of USD 1,400, being the first installment, out of a total agreed purchase price of USD 7,000. The shares thereagainst have not been issued as yet.

8 LONG TERM LOANS, ADVANCES AND OTHER RECEIVABLES

8.1 This includes receivable from Sui Southern Gas Company Limited (SSGCL), amounting to Rs. 1,090,598. Engro Elengy Terminal (Private) Limited, the subsidiary company, entered into LNG Operations and Services Agreement (LSA) with SSGCL. As per the terms of LSA, the subsidiary company was required to construct / build a pipeline, to be transferred to SSGCL upon commissioning of the Project. The subsidiary company under the LSA is entitled to recover the cost of construction of the pipeline through charges to be billed to SSGCL over the term of LSA. During the period, the subsidiary company constructed and transferred the pipeline to SSGCL on March 29, 2015, for which the Certificate of Acceptance has been received from SSGCL. The receivable represents construction costs incurred in this respect.

8.2 This also includes Rs. 1,247,269 representing customs duty on import of FSRU for its use in storage and regasification of LNG, as more fully explained in note 10.2. The amount is being amortized over the period of operating lease, i.e. 15 years.

9 BORROWINGS

9.1 Engro Fertilizers Limited

9.1.1 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 US Dollar to Pakistan Rupee exchange rate prevailing on the business day prior to the date of the notice issued by IFC to exercise the conversion option and (ii) 70% non-convertible loan. This conversion option is exercisable upto March 31, 2017. Option on USD 5,000 was exercised by IFC in 2014. During the period, the Subsidiary Company received a notice from IFC for exercise of option on further USD 3,000 on January 9, 2015. Accordingly, 12,590,625 ordinary shares of the Subsidiary Company have been allotted to IFC on January 14, 2015. The fair value of the remaining conversion option on USD 1,000, included in derivative financial instruments, amounts to Rs. 333,345.

9.1.2 The long-term finances also includes offshore Islamic Finance Facility of USD 36,000 from Habib Bank Limited, National Bank of Pakistan and SAMBA Financial Group and Rs. 3,618,000 from Faysal Bank (acquired by Faysal Bank from Citi Bank N.A on March 31, 2015), Dubai Islamic Bank Pakistan Limited and Standard Chartered Bank (Pakistan) Limited.

9.2 Engro Polymer & Chemicals Limited

Under the terms of the agreements for long term borrowings from International Finance Corporation (IFC) and Syndicate banks and under the bilateral loans agreements, the Subsidiary Company is required to comply with certain debt covenants. The Subsidiary Company is not in compliance with some of these debt covenants and has notified the concerned financial institutions. The Subsidiary Company has already obtained approval from the shareholders for the issuance of preference shares during the current period, by way of right issue, amounting to Rs. 4,000,000 to improve Subsidiary Company’s financial position and ratios.

10. TRADE AND OTHER PAYABLES

10.1 On May 22, 2015 the Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and GIDC Ordinance, 2014.The matter regarding levy of the cess prior to promulgation of the GIDC Act, 2015 is presently indeterminate and subjudice. Further a committee has been formed by the Federal Government to review the anomalies of GIDC Act, 2015. The financial exposure of the Group in respect of GIDC upto September 30, 2015 amounts to Rs. 1,744,484 (December 31, 2014: Rs. 14,168,427).

Engro Fertilizers Limited (Subsidiary Company) had challenged the validity and promulgation of GIDC Act, 2015 before the Honorable High Court of Sindh, wherein the Court passed interim orders, thereby restraining Mari Gas, Oil and Gas Development Company Limited, Spud Energy Pty Limited, Government Holdings (Private) Limited and IPR TransOil Corporation from recovering GIDC arrears till the pendency of the matter. Further, the Court has also passed interim orders restraining Sui Northern Gas Pipeline Limited from charging or recovering GIDC on concessionary gas. However, at the request of the Government, and without compromising our legal stance on the same, the fertilizer industry agreed to pay GIDC arrears except on concessionary gas/fixed price contracts to the Government. An amount of Rs. 15,172,915 was paid during the period by the Subsidiary Company.

Engro Polymer and Chemicals Limited (Subsidiary Company), on July 24, 2015 has obtained ad-interim stay order against the GIDC Act, 2015 from the High Court of Sindh. This stay order has restrained SSGCL from charging and/ or recovering the cess under the GIDC Act, 2015 till the final decision on this matter.

10.2 During the period, Engro Elengy Terminal (Private) Limited (Subsidiary Company), received a notice from Model Customs Collectorate (the ‘Customs Authorities’) seeking information on import of FSRU and contending that the import attracts all leviable duties and taxes i.e. customs duty and advance income tax. The Subsidiary Company is of the view that the FSRU has been classified as plant, machinery and equipment vide SRO 337(I)/2015 dated April 22, 2015 and accordingly, along with sales tax, custom duty is also exempt under SRO 678(I)/2004 dated August 7, 2004, read with condition (vii) relating to the clause 2(a), being of the nature of import-cum-export or temporary import of plant, machinery and equipment. Further, since the Subsidiary Company’s profits and gains are exempt from income tax for 5 years from the date of commercial operations, the subsidiary company is also entitled to exemption from collection of advance income tax. The Customs Authorities are not in agreement with Subsidiary Company’s views on the same and to treat import of FSRU for 15 years as a temporary import. The subsidiary company in response filed a suit with the High Court of Sindh which through its order dated June 29, 2015 has restrained Customs Authorities from collection of customs duty and advance income tax. However, the Subsidiary Company, based on the merits of the case and opinion of its legal advisor has provided for the potential exposure relating to customs duty amounting to Rs. 1,297,737, being 5% of the value of FSRU, whereas, the likelihood of matter relating to advance income tax being decided against the Subsidiary Company is considered to be remote.

(Amounts in thousand)

11 CONTINGENCIES AND COMMITMENTS

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

11.1 During the period, as mentioned in note 1.1.6, the Holding Company divested some of its shareholding in EFert. The Holding Company held such shareholding in EFert since 2010 i.e. more than five years. Under the income tax laws, capital gain on sale of securities held for more than 24 months are to be taxed at zero %. However, the Holding Company was informed by the National Clearing Company of Pakistan Limited (NCCPL) that their clearing system shall deduct capital gain tax on such disposal and NCCPL shall deposit the same with the tax authorities. The Holding Company has obtained a stay thereagainst from High Court of Sindh and has also provided a bank guarantee amounting to Rs. 650,000 in favor of Nazir of High Court of Sindh in this respect.

11.2 During the period, Engro Elengy Terminal (Private) Limited (EETPL), a wholly owned subsidiary of Elengy Terminal Pakistan Limited, has provided a Stand By Letter of Credit (SBLC) amounting to USD 20.7 million to Excelerate Energy - the FSRU owner as credit support for the payments under the Time Charter Party Agreement. The SBLC is primarily secured against assignment of the SBLCs submitted by SSGC under the LSA to National Bank of Pakistan, ranking charge on hypothecation of assets and corporate guarantee of Holding Company. SBLC is renewable annually.

11.3 During the period, Habib Bank Limited (HBL) has issued performance guarantee on behalf of Engro Powergen Thar (Pvt.) Limited (EPTL) in favour of Private Power and Infrastructure Board (PPIB). The performance guarantee relates to 2 x 330 MW mine mouth power plants to be constructed by EPTL and has been submitted to PPIB as a condition precedent for the issuance of Letter of Support (LoS) by PPIB for the Thar Power Project. The performance guarantee is valid upto March 30, 2016 and is secured by way of first exclusive charge on all present and future assets of Engro Powergen Limited (EPL), a wholly owned subsidiary of the Company, and parent company of EPTL. In addition necessary documentation relating to issuance of counter guarantee by EPL to the bank is currently being finalized, which will be effective from the date of issuance of guarantee by the bank. In this regard, the Holding Company has extended corporate guarantee amounting to Rs. 228,000 to the bank against Letter of Guarantee facility granted to EPL. 11.4

As at September 30, 2015, there is no material change in the status of matters reported as commitments in the consolidated financial statements of the Holding Company for the year ended December 31, 2014.

12. TAXATION

12.1 Engro Corporation Limited

In respect of pending tax assessments for tax year 2011 and tax year 2012, as reported in the financial statements of the Holding Company for the year ended December 31, 2014, the Holding Company received a notice of demand amounting to Rs. 105,955 and Rs. 250,773 respectively, whereby the Deputy/Additional Commissioner Inland Revenue - Audit again disallowed allocation of expenses against interest income and apportioned expenses against dividend income and capital gains. The Holding Company has filed appeals thereagainst with the Commissioner Inland Revenue - Appeals and also obtained stays from the High Court of Sindh from initiating any recovery proceedings.

12.2 Engro Eximp Agriproducts (Private) Limited

In respect of pending tax assessments for tax year 2011 as reported in the financial statements of the Subsidiary Company for the year ended December 31, 2014, during the interim period, the ATIR reverted the case to the Commissioner and directed to assess the case in the light of evidences and supports available with the management. To date, management has submitted partial information with a request for extension in filing other necessary supports. The management based on advice of tax consultant, is confident that matters will be decided in favor of the Subsidiary Company. Accordingly, no provision has been recognized in this condensed interim financial information.

(Amounts in thousand)

12.3 Engro Elengy Terminal (Private) Limited

The Economic Coordination Committee (ECC) of the Cabinet in its meeting held on April 6, 2012 approved the summary forwarded by the Ministry of Petroleum and Natural Resources (MNPR) regarding exemption of taxes and duties (gas import pipeline and LNG project) which amongst other matters included a proposal for 5 years tax holiday from income tax on terminal operators. The ECC, in its meeting held on April 9, 2015, reconfirmed a 5 years tax holiday inclusive of minimum tax.

Through the Finance Act 2015, the subsidiary company has been granted tax holiday for a period of 5 years from the date of commencement of operations.

13. EARNINGS PER SHARE - BASIC AND DILUTED

As at September 30, 2015, there is no dilutive effect on the basic earnings per share of the Holding Company since the options granted on Holding Company's shares to IFC were completely exercised last year.

	Quarter ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30 2014
	(Rupees)			
Profit after taxation (attributable to the owners of the Holding Company)	874,195	1,757,992	8,879,672	4,441,497
The information necessary to calculate basic and diluted earnings per share is as follows:				
Profit for the period	874,195	1,757,992	8,879,672	4,441,497
Add: Finance cost related to IFC loan and derivative - net of tax	-	(60,664)	-	(21,867)
	874,195	1,697,328	8,879,672	4,419,630
	(Number in thousands)			
Weighted average number of ordinary shares (in thousand)	523,785	516,970	523,785	514,652
Add: Weighted average adjustment for effect of conversion of IFC loan	-	2,162	-	3,241
Weighted average number of ordinary shares for determination of diluted EPS	523,785	519,132	523,785	517,893

(Amounts in thousand)

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
	-----------------(Rupees)-----------------	

14. CASH GENERATED FROM OPERATIONS

	September 30, 2015	September 30, 2014
Profit before taxation	16,115,971	8,091,797
Adjustment for non-cash charges and other items:		
Depreciation and amortization	7,531,787	6,765,909
(Gain) / Loss on disposal / write-off of property, plant and equipment and biological assets	(41,508)	140,510
Write-off of biological / operating assets	46	4,423
Stock write off	-	2,466
Provision for impairment	2,138,000	-
Provision for retirement and other service benefits	118,775	93,218
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets	(176,722)	(162,382)
Income on deposits / other financial assets	(1,455,690)	(1,606,097)
Share of income from joint venture companies	(764,381)	(523,337)
Finance cost	6,512,467	8,449,402
Gain on disposal of investments - net	(5,133)	(107,895)
Foreign currency translations	15,566	107,479
Working capital changes (note 14.1)	(35,957,381)	216,489
	(5,968,203)	21,471,982

14.1 Working capital changes

	September 30, 2015	September 30, 2014
Increase in current assets		
- Stores spares and loose tools	(351,306)	(376,713)
- Stock-in-trade	(7,952,037)	(3,732,283)
- Trade debts	(730,580)	(2,398,570)
- Loans, advances, deposits and prepayments	(1,349,052)	(696,515)
- Other receivables - net	(741,289)	(1,694,866)
	(11,124,264)	(8,898,947)
(Decrease) / increase in current liabilities		
- Trade and other payables including other service benefits - net	(24,833,117)	9,115,436
	(35,957,381)	216,489

15. CASH AND CASH EQUIVALENTS

	September 30, 2015	September 30, 2014
Cash and bank balances	4,600,507	7,685,884
Short term investments	2,203,158	21,931,645
Short term borrowings	(7,833,395)	(7,485,482)
	(1,029,730)	22,132,047

(Amounts in thousand)

16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

16.1 Financial risk factors

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

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

16.2 Fair value estimation

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

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

	Level 1	Level 2	Level 3	Total
	---------------------------------(Rupees)---------------------------------			
Assets				
Financial assets at fair value through profit and loss				
- Short term investments	-	4,128,028	-	4,128,028
Derivatives				
- Derivative financial instruments	-	71,667	-	71,667
	-	4,199,695	-	4,199,695
Liabilities				
Derivatives				
- Derivative financial instruments	-	68,021	-	68,021
- Conversion option on IFC loans	-	333,345	-	333,345
	-	401,366	-	401,366

16.3 There were no transfers between Levels 1 and 2 during the period. Further, there were no changes in valuation techniques during the period.

16.4 Valuation techniques used to derive Level 2 fair values

Level 2 fair valued instruments comprise short term investments and hedging derivatives which include forward exchange contracts, interest rate swaps and conversion option on IFC loans. These forward foreign exchange contracts have been fair valued using forward exchange rates that are received from the contracting banks and financial institutions. Interest rate swaps are fair valued using mark to market rates received from the banks and financial institutions. The fair value of conversion options on IFC loan is determined using the option pricing model where its determinants are derived from observable market inputs.

(Amounts in thousand)

16.5 Fair value of financial assets and liabilities

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

17. TRANSACTIONS WITH RELATED PARTIES

Related party comprise 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, 2015	September 30, 2014
	(Rupees)	
Associated companies and joint ventures		
Purchases and services	7,116,539	7,735,256
Services rendered / sale of goods	135,593	148,316
Dividends received	607,500	540,000
Payment of interest on Term Finance Certificates and repayment of principal amount	12,553	12,648
Contribution for Corporate Social Responsibility	67,518	68,000
Investment in Mutual funds and Treasury Bills	1,098,070	-
Redemption of investments in Mutual funds and Treasury Bills	1,210,911	-
Expenses paid on behalf of associates	44,758	103,137
Reimbursements to associates	5,111	45,553
Utilization of overdraft facility	467,112	-
Repayment of overdraft facility	467,112	-
Commitment Fee	4,332	-
Interest on Deposit	1,504	-
Bank Charges	4	-
Key Management Personnel		
Remuneration paid to key management personnel / directors	556,214	537,666
Directors Fees	15,850	11,690
Reimbursement of expenses	5,745	-
Balances due from Joint Ventures	804	1,134
Contribution for retirement benefits	473,440	572,351

(Amounts in thousand)

18. 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, Caustic Soda and related chemicals.
Food	Manufacture, process and sell dairy and other food products.
Power	Includes Independent Power Projects (IPP).
Other operations	Includes engineering business.

	Quarter ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30 2014
	(Rupees)			
Revenue				
Fertilizer	13,974,678	23,948,264	56,951,864	58,542,660
Polymer	4,646,758	5,244,063	17,063,768	17,146,591
Food	13,056,763	12,889,005	39,292,311	37,399,127
Power	3,243,630	2,749,530	9,944,071	9,265,651
Other operations	4,201,047	411,014	11,427,946	1,441,293
Elimination - net	(1,959,822)	(385,419)	(9,762,357)	(1,398,122)
Consolidated	37,163,054	44,856,457	124,917,603	122,397,200
Profit / (loss) for the period				
Fertilizer	2,750,564	2,450,150	8,329,543	6,176,089
Polymer	(379,288)	(156,694)	(812,702)	(33,356)
Food	303,608	(974,912)	1,641,980	(3,105,678)
Power	475,970	450,511	1,487,141	1,593,685
Other operations	1,995,048	276,019	13,699,548	1,402,745
Elimination - net	(3,683,631)	(45,364)	(13,322,850)	(870,450)
Consolidated	1,462,271	1,999,710	11,022,660	5,163,035

(Amounts in thousand)

	Unaudited September 30, 2015	Audited December 31, 2014
	-----------------(Rupees)-----------------	
Assets		
Fertilizer	99,396,548	117,700,955
Polymer	24,122,546	26,336,715
Food	35,183,518	34,719,874
Power	23,981,026	21,835,491
Other operations	62,505,865	51,312,571
Elimination - net	(50,660,660)	(34,818,994)
Consolidated	194,528,843	217,086,612

19. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Holding Company in its meeting held on October 29, 2015 has approved an interim cash dividend of Rs. 5.00 per share for the year ending December 31, 2015. This consolidated condensed interim financial information does not include the effect of the said interim dividend.

20. 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.

21. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information is authorized for issue on October 29, 2015 by the Board of Directors of the Holding Company.

Hussain Dawood
Chairman

Khalid Siraj Subhani
President and Chief Executive