



# enabling growth

first quarter accounts 2020



PRINTLINE PACKAGES  
FGBLue Communications

+92-21-111-211-211

- engro.com
- engro.corporation
- engrocorp
- engrocorporation
- engrocorp





engro corp



## Engro's investments in food & agri, petrochemicals, telecommunication infrastructure, and energy & related infrastructure are designed to enable nutrition, prosperity, connectivity, and progress for Pakistan.

### 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, telecommunication infrastructure, a bulk liquid chemical terminal, foods and power generation. 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 in four verticals which include food & agri, petrochemicals, energy & infrastructure and connectivity

### Engro Fertilizers Limited

Engro Fertilizers Limited-a 56% owned subsidiary of Engro Corporation – is a premier fertilizer manufacturing and marketing company having a portfolio of fertilizer products with significant focus on balanced crop nutrition and increased yield. As one of the 50 largest fertilizer manufacturers of the world we have close to 5 decades of operations as a world class facility with a wide range of fertilizer brands, besides urea, which include some of the most trusted brand names by Pakistani farmers. These include brands like Engro Zarkhez, Zingro and Engro DAP amongst others.

### Engro Polymer & Chemicals Limited

Engro Polymer & Chemicals Limited-a 56% owned subsidiary of Engro – is the only fully integrated chlor-vinyl chemical complex in Pakistan and produces poly-vinyl chloride (PVC), caustic soda, sodium hypochlorite, hydrochloric acid and other chlorine by-products. The business was setup as a state-of-the-art plant in 1997, as a 50:50 joint venture, with Mitsubishi and Asahi Glass with Asahi subsequently divesting its shareholding in 2006.

### Engro Energy Limited

Engro Energy Limited is a wholly owned subsidiary of Engro Corporation and it 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 to the public. As of now Engro Powergen Qadirpur Limited is 69% owned by Engro Energy Limited.

Engro Energy Limited is also involved in the Thar Coal project. The project operates a coal mine under Sindh Engro Coal Mining Company (SECMC) and operations of two 330 MW mine mouth power plants under Engro Powergen Thar Limited (EPTL) in the first phase. SECMC is a joint venture company formed in 2009 between the Government of Sindh (GoS) and Engro Energy Limited & Affiliates. SECMC's shareholders include Government of Sindh, Engro Energy Limited, Thal Limited, Habib Bank Ltd, CMEC Thar Mining Investment Limited, Huolinhe Open Pit Coal Investment Company Limited and Hub Power Company Limited (HUBCO). The Sindh Coal Authority has awarded a 95.5 square kilometer area of the coalfield, known as Block II, to SECMC for exploration and development of coal deposits. Within this block, there is an estimated amount of exploitable lignite coal reserves of 1.57 billion tons. In 2010, SECMC completed the Bankable Feasibility Study (BFS) for Thar Block II Coal Mining Project by engaging internationally renowned Consultants such as RWE-Germany, Sinocoal-China, SRK-UK and HBP Pakistan, meeting all national / international standards. The first phase of the Project has started. Thar Coal Project achieved its Commercial Operations Date (COD) in July 2019 and since been providing low cost electricity to the national grid.

### Elengy Terminal Pakistan Limited

Elengy Terminal Pakistan Limited (ETPL) is a 56% owned subsidiary of Engro Corporation. The company won the contract to handle liquefied natural gas (LNG) and thereafter acquired FSRU vessel on lease from a US-based company - Excelerate Energy. Engro Elengy Terminal Limited, a wholly

owned subsidiary of ETPL, set up a state of the art LNG terminal, at Port Qasim. The terminal – which is also one of the most cost efficient terminals in the region – has the capacity for regasification of up to 600 mmcf/d.

### Engro Vopak Terminal Limited

Engro Vopak is a joint venture with Royal Vopak of the Netherlands – the world's largest bulk liquid chemical handling company. The business is engaged in handling, storage and regasification of liquid & gaseous chemicals, Liquefied Petroleum Gas (LPG), petrochemicals and bio-fuels. Engro Vopak's terminal is Pakistan's first cryogenic facility that handles 70% of all liquid chemical imports into Pakistan including Paraxylene (PX), Acetic Acid (AA), Vinyl Chloride Monomer (VCM), Ethylene Dichloride (EDC), Mono Ethylene Glycol (MEG), Ethylene along with Phosphoric Acid (PA) imports, which are pumped directly to customer's facilities.

### FrieslandCampina Engro Pakistan

FrieslandCampina Engro Pakistan Limited is an 40% owned associated company engaged in the manufacturing, processing and marketing of dairy products and frozen desserts. The business owns two milk processing plants in Sukkur and Sahiwal and operates a dairy farm in Nara, Sindh. In its continued efforts to 'elevate consumer delight worldwide', the business has established several brands that have already become household names in Pakistan such as Olper's (UHT milk, low-fat milk and cream), Omoré (frozen desserts), Tarang (tea whitener) and Dairy Omung (UHT dairy liquid and dessert cream).

### Engro Enfrashare

Engro Enfrashare Private Limited is a wholly owned subsidiary of Engro Infiniti, with a purpose to make connectivity more accessible and affordable for everyone. By aiding increased efficiency for network users, and already partnered with all of the country's major Mobile Network Operators (MNOs), Engro Enfrashare aims to help facilitate financial and social inclusion. While its expertise and investment in connectivity infrastructure allow mobile operators to reduce the cost of access to consumers, it aims to engage with all stakeholders in the telecom ecosystem in order to realize a larger goal of digitizing Pakistan.

### Engro Eximp Agri Products (Private) Limited

Engro Eximp Agriproducts is a wholly owned subsidiary of the holding company and it manages the procurement, processing and marketing of rice. The company owns and operates a state-of-the-art paddy processing plant near Muridke and has an installed capacity of 144KT.

# directors' report

The Directors of Engro Corporation Limited are pleased to submit their report along with the condensed interim financial statements of the Company for the first quarter ended March 31, 2020.

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic and alerted the world that this pandemic will infect large populations and will claim many lives across the world. Epidemiologists and Health Scientists across the world are conducting research to find a therapy or vaccine for the infection caused by the virus. However, until such time a therapy or vaccine is developed the only means to control the spread of the virus is to implement strict social distancing. In order to control virus propagation, several countries implemented a serious lockdown and took economically intrusive measures.

Governments in Pakistan responded well to the crisis and implemented a carefully crafted lockdown phase. The lockdown enforced social distancing but allowed critical industries (food, health care, etc.) to operate, ensuring that one crisis does not lead to another. The impact of this virus on our economy is expected to be daunting, World Bank forecast suggests GDP contraction of 1.3-2.2% in FY 2020 and growth of 0.3-0.9% in FY 2021. Low growth forecast does not bode well for the country.

The portfolio of Engro Corporation is resilient to sail through challenging times. Our philosophy of operating in sectors that help solve pressing issues of Pakistan implies that most of our businesses are of critical nature for day to day running of the society and will continue to operate in times of lockdown. However, we highlight that profitability outlook will be revised and several capital allocation plans may need review.

The management has responded well during this time of crisis and has already taken necessary steps to ensure long term sustainability of cash flows. In addition, a central COVID-19 Crisis Management Committee has been constituted which actively monitors and manages the developing situation across our businesses with regards to the pandemic. On a subsidiary level, all our companies are following a robust risk management framework which comprehensively identifies immediate, medium-term and long-term risks, develops mitigation plan and enforces remedial action. All these measures will help us ensure long-term business continuity and sustainability.

In these challenging times, we remain committed to our Central Idea which requires us to help solve pressing issues of our time, improve lives of the people of Pakistan and have a positive impact on the society we operate in. In order to fight COVID-19 and its negative impacts on Pakistan, Engro, Dawood Hercules and the Group Chairman along with his family have pledged a contribution of PKR 1 billion. The amount will be in the form of services, kind and cash for the short, medium and long-term. The fund will focus on disease prevention, protecting healthcare practitioners, enabling patient care and bolstering livelihood and sustenance of the most deserving in society.

## Business Review

The COVID-19 pandemic developed rapidly in 2020 and resulting measures

taken by governments across the globe to contain the virus have also affected our businesses in various ways including supply chain issues, force majeure declaration by EPC contractors, closure of petrochemical plant due to lock-down and potential liquidity constraints resulting from the economic slowdown. As a result of these issues, our consolidated revenues (on a like-to-like basis, excluding Thar power project) in the first quarter of 2020 were approximately 46% lower than our 2019 revenues in the same period. The consolidated Profit-After-Tax (PAT) for the first quarter of 2020 was PKR 5,941 million, down by 10% from the comparative quarter, while PAT attributable to the shareholders decreased to PKR 3,317 million from PKR 4,010 million during the same period last year. Profitability was impacted on account of economic slowdown, inflation, higher energy costs and PKR devaluation. On a standalone basis, the Company posted a PAT of PKR 780 million against PKR 3,832 million for the same period last year, translating into an EPS of PKR 1.35 per share. Lower PAT is mainly due to delay in receipt of dividends from subsidiaries as their AGMs have been postponed owing to lockdown. The Board is pleased to announce an interim cash dividend of PKR 6.00 per share for the year ending December 31, 2020.

A brief review of significant business segments is as follows:

### Fertilizers

The business achieved its highest-ever quarterly production of urea in its history as a result of continued focus on plant efficiency and engineering excellence. Volumetric sales were lower due to price disparity prevalent during the quarter, which was eliminated at the period-end. Revenue was lower by 54% as compared to same period last year. PAT for the period stood at PKR 571 million against PKR 4,007 million in the comparative period owing to lower offtake and increased finance cost due to higher policy rates and exchange loss on foreign currency borrowings.

### Petrochemicals

In compliance with the on-going lockdown directed by the provincial government, the PVC production facility at Port Qasim has stopped operations and its ongoing projects are also on hold. The business remains committed to its earlier announced projects and will inform the stakeholders once there is further visibility of the impact on project completion timelines. On the operational front, production remained lower due to the fewer days of operations. Resultantly, the business recorded lower revenue of PKR 7,058 million compared to PKR 9,344 million in the same period last year and posted a PAT of PKR 193 million compared to PKR 1,094 million for the same period last year.

### Energy and Power

Coal Mine: Mining operations continued smoothly, and the mine supplied over a million ton of coal to Engro Powergen Thar during the quarter. Construction for expansion of mine doubling its existing capacity is underway with the contractor mobilized at site and 0.7 M BCM having been removed.

Thar Power Plant: The plant achieved 87% availability with a load factor of 83%, dispatching 1,091 GWh to the national grid during 1Q20. It also completed its first scheduled outage with zero recordable injury.

Qadirpur Power Plant: The power plant operates on permeate gas and is facing gas curtailment from Qadirpur gas field as it depletes and has made the plant available on mixed mode. The Plant dispatched a Net Electrical Output of 172 GWh to the national grid with a load factor of 37% compared to 67% during similar period last year. Decline in load factor was primarily on account of lower offtake. The subdued growth in demand worsened by the slowdown in economy and the impact of COVID-19 on the general industry. The business posted a PAT of PKR 895 million for the current quarter as compared to PKR 713 million for the similar period last year.

### Terminal Operations

Profitability of both LNG and chemicals terminals remained healthy for the current quarter. The LNG terminal handled 18 cargoes as compared to 17 cargoes during similar period last year. Owing to ongoing pandemic resulting in lower economic activities, reduced nomination from gas customer continues to be a challenge.

### Near-Term Outlook

We have taken a number of measures to monitor and prevent the effects of the COVID-19 virus such as safety and health measures for our people, securing additional financing to support continuity of our operations, securing the supply of materials that are essential to our production processes and communication to our key stakeholders. At this stage, the impact on our businesses and results is limited. Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, our businesses may experience negative results and liquidity restraints during 2020. The exact impact on our activities in the remainder of 2020 and thereafter cannot be estimated.

### Fertilizers

Domestic urea demand is expected to remain under pressure. Urea production based on indigenous gas-based plants is therefore expected to adequately serve domestic demand whilst ensuring sufficient levels of safety stock during the course of the year. If continued availability of gas is ensured, the business would be able to produce incremental urea thereby allowing for additional national buffer stocks. On DAP front,



Hussain Dawood  
Chairman

international prices are expected to stabilize and remain range bound in 2020 considering the resumption of operations of global production facilities.

### Petrochemicals

The business has requested the Government of Sindh to allow it to run its operations as the business produces key raw material for soap, textile and construction industries - all of which are essential to the economy of Pakistan.

International PVC and ethylene prices will remain reliant on global economic sentiment, supply and demand dynamics. Domestic market is currently unstable due to COVID-19 spread and is expected to take form once the spread is contained and macroeconomic indicators settle.

### Energy and Power

Engro remains on the forefront to help alleviate the energy crisis in the country. Our Energy business segment continues to explore opportunities in the renewable energy sector. The government has not been able to eliminate circular debt in the energy sector. We believe that in the absence of any concrete measures to address its root causes, and given the current pandemic situation prevalent, circular debt will remain a challenge for the industry going forward.

### Terminal Operations

LNG terminal is positively playing its role in alleviating some of the energy shortage faced by the country. This being a dry-dock year and with ongoing pandemic, the business has a challenging year ahead. Unfortunately, during this economic crisis, business is facing reduction in demand from customer and customer's ability to pay will remain a key variable. However, the business is geared up to tackle the challenge and has devised strategies and is taking appropriate preventive measures.

### Acknowledgement

The Directors would like to express their deep appreciation to our shareholders who have always shown their confidence in the Company. We would also like to place on record our sincere appreciation for the commitment, dedication and innovative thinking put in by each member of the Engro family in these challenging times and are confident that they will continue to do so in the future.



Ghias Khan  
President and Chief Executive



**condensed interim statement  
of financial position (unaudited)**

condensed interim statement of financial position (unaudited)  
as at march 31, 2020

(Amounts in thousand)	Note	(Unaudited) March 31, 2020	(Audited) December 31, 2019
------(Rupees)-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	465,102	399,724
Right-of-use assets		844,188	919,857
Intangible assets		103,820	110,165
Long term investments		26,437,078	26,437,079
Long term loans and advances		444,769	412,253
Deferred taxation		23,046	14,344
		<u>28,318,003</u>	<u>28,293,422</u>
<b>Current assets</b>			
Loans, advances and prepayments	5	5,882,110	4,466,701
Receivables	6	890,877	654,797
Short term investments	7	59,755,046	57,266,555
Cash and bank balances		307,853	3,484,311
		<u>66,835,886</u>	<u>65,872,364</u>
		<u>95,153,889</u>	<u>94,165,786</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital		5,761,633	5,761,633
Share premium		13,068,232	13,068,232
General reserve		4,429,240	4,429,240
Remeasurement of post employment benefits - Actuarial loss		(23,137)	(23,137)
Unappropriated profit		62,640,308	61,860,773
<b>Total equity</b>		<u>85,876,276</u>	<u>85,096,741</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Retirement and other service benefit obligations		49,454	50,076
Lease liabilities		690,388	753,626
		<u>739,842</u>	<u>803,702</u>
<b>Current liabilities</b>			
Trade and other payables		2,238,671	2,075,420
Current portion of lease liabilities		275,664	275,227
Provision for tax		5,431,583	5,623,103
Short term borrowings		305,947	-
Unclaimed dividends		285,906	291,593
		<u>8,537,771</u>	<u>8,265,343</u>
<b>Total liabilities</b>		<u>9,277,613</u>	<u>9,069,045</u>
<b>Contingencies and Commitments</b>			
<b>TOTAL EQUITY &amp; LIABILITIES</b>	8	<u>95,153,889</u>	<u>94,165,786</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

condensed interim statement of  
profit or loss and other comprehensive income (unaudited)  
for the three months ended march 31, 2020

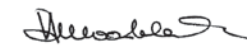
[Amounts in thousand except for earnings per share]

	Note	Three months ended	
		March 31, 2020	March 31, 2019
------(Rupees)-----			
Dividend income		270,000	3,377,412
Royalty income		112,064	247,241
		<u>382,064</u>	<u>3,624,653</u>
Administrative expenses		(379,745)	(347,025)
		<u>2,319</u>	<u>3,277,628</u>
Other income		2,019,748	1,630,614
Other operating expenses		(952,155)	(242,851)
<b>Operating profit</b>		<u>1,069,912</u>	<u>4,665,391</u>
Finance cost		(36,078)	(34,157)
<b>Profit before taxation</b>		<u>1,033,834</u>	<u>4,631,234</u>
Taxation		(254,299)	(799,131)
<b>Profit for the period</b>		<u>779,535</u>	<u>3,832,103</u>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<u>779,535</u>	<u>3,832,103</u>
			<b>(Restated)</b>
<b>Earnings per share - basic and diluted</b>	9	<u>1.35</u>	<u>6.65</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

## condensed interim statement of changes in equity (unaudited) for the three months ended march 31, 2020

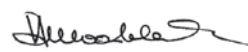
(Amounts in thousand)

	Capital Reserve		Revenue Reserves			Total
	Share capital	Share premium	General reserve	Remeasurement of post employment benefits - Actuarial loss	Unappropriated profit	
	------(Rupees)-----					
Balance as at January 01, 2019 (Audited)	5,237,848	13,068,232	4,429,240	(12,721)	62,380,565	85,103,164
Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	3,832,103	3,832,103
Balance as at March 31, 2019 (unaudited)	5,237,848	13,068,232	4,429,240	(12,721)	66,212,668	88,935,267
Profit for the nine months ended December 31, 2019	-	-	-	-	10,471,215	10,471,215
Other comprehensive loss for the nine months ended December 31, 2019	-	-	-	(10,416)	-	(10,416)
<b>Transactions with owners</b>						
Final cash dividend for the year ended December 31, 2018 @ Rs. 2.00 per share	-	-	-	-	(1,047,570)	(1,047,570)
Bonus shares issued during the period in the ratio of 1 shares for every 10 shares held	523,785	-	-	-	(523,785)	-
First interim cash dividend for the year ended December 31, 2019 @ Rs. 7.00 per share	-	-	-	-	(4,033,143)	(4,033,143)
Second interim cash dividend for the year ended December 31, 2019 @ Rs. 8.00 per share	-	-	-	-	(4,609,306)	(4,609,306)
Third interim cash dividend for the year ended December 31, 2019 @ Rs. 8.00 per share	-	-	-	-	(4,609,306)	(4,609,306)
	523,785	-	-	-	(14,823,110)	(14,299,325)
Balance as at December 31, 2019 (audited)	5,761,633	13,068,232	4,429,240	(23,137)	61,860,773	85,096,741
Total comprehensive income for the three months ended March 31, 2020	-	-	-	-	779,535	779,535
Balance as at March 31, 2020 (unaudited)	5,761,633	13,068,232	4,429,240	(23,137)	62,640,308	85,876,276

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

## condensed interim statement of cash flows (unaudited) for the three months ended march 31, 2020


(Amounts in thousand)

Note	Three months ended	
	March 31, 2020	March 31, 2019
	------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
10	(1,286,161)	(1,238,604)
	282,952	112,524
	(454,521)	(521,154)
	(66,454)	(52,372)
	31,247	(9,862)
	(1,492,937)	(1,709,467)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	-	270,000
	1,037,453	1,537,382
	(1,149,053)	(262,676)
	(950,000)	(13,469,434)
	10,547,856	17,642,881
	(91,468)	(34,841)
	-	98
	9,394,788	5,683,410
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	(10,606)	(68,009)
	(90,618)	-
	(5,687)	(2,995)
	(106,911)	(71,005)
	7,794,940	3,902,938
	6,050,273	54,186,028
11	13,845,213	58,088,966

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

# notes to the condensed interim financial statements (unaudited) for the three months ended march 31, 2020

(Amounts in thousand)

## 1. LEGAL STATUS AND OPERATIONS

Engro Corporation Limited (the Company), is a public listed company incorporated in Pakistan. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is a subsidiary of Dawood Hercules Corporation Limited (the Parent Company). The principal activity of the Company, is to manage investments in subsidiary companies, associated companies and joint venture, engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, development and operations of telecommunication infrastructure, 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 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These unconsolidated condensed interim financial statements represents the condensed interim financial statements of the Company on a standalone basis. The consolidated condensed interim financial statements of the Company and its subsidiary companies are presented separately. These condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2019.

2.3 The preparation of these condensed interim financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to audited annual financial statements of the Company for the year ended December 31, 2019. The accounting estimates will by definition, seldom equal the related actual results. 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 expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(Amounts in thousand)

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are as follows:

On 11 March 2020, the World Health Organization declared Coronavirus disease (COVID-19) a pandemic, and its spread has gained momentum. As at March 31, 2020, COVID-19 has spread throughout the country and lockdowns have been imposed in most parts of the country. The measures taken to reduce the spread have resulted in an overall economic slowdown and disruptions to various businesses. As this is still an evolving situation at the time of issuing these condensed interim financial statements, the overall impact on the entity's financial position cannot be estimated with reasonable certainty.

## 3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2019.

3.2 There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented in these condensed interim financial statements.

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 of the Company.

(Unaudited)	(Audited)
March 31, 2020	December 31, 2019
------(Rupees)-----	

## 4. PROPERTY, PLANT AND EQUIPMENT

Operating assets (note 4.1)

Capital work-in-progress (note 4.2)

349,733	375,824
115,369	23,900
465,102	399,724



(Amounts in thousand)

4.1 Additions to operating assets during the period / year amounted to Rs. nil (December 31, 2019: Rs. 228,627). Operating assets costing Rs. nil (December 31, 2019: Rs. 11,977) having a net book value of Rs. nil (December 31, 2019: Rs. 9,476), were disposed off during the period / year for Rs. nil (December 31, 2019: Rs. 98).

4.2 This mainly represents advance paid to suppliers for purchase of operating assets.

## 5. LOANS, ADVANCES AND PREPAYMENTS

During the period, a further amount of Rs. 1,100,000 (December 31, 2019: 3,500,000) was disbursed to Engro Infiniti (Private) Limited, a wholly-owned subsidiary company, pursuant to agreement entered into on June 26, 2019. The loan carries mark-up at the rate of 6 months KIBOR plus 2% per annum payable on monthly basis. The loan is repayable on May 17, 2020.

## 6. RECEIVABLES

6.1 These include an amount of Rs. 270,000 (December 31, 2019: nil) on account of dividend receivable from Engro Vopak Terminal Limited, a joint venture.

(Unaudited)	(Audited)
March 31,	December 31,
2020	2019
------(Rupees)-----	

## 7. SHORT TERM INVESTMENTS

Fair value through profit or loss

- Treasury bills
- Pakistan Investment Bonds
- Mutual fund units

18,147,511	22,609,639
98,932	95,859
22,943,121	27,372,021
41,189,564	50,077,519

Amortised cost

- Fixed income placement
- Term Finance Certificates

13,886,814	2,607,685
4,678,668	4,581,351
18,565,482	7,189,036
59,755,046	57,266,555

(Amounts in thousand)

## 8. CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments reported in the audited annual financial statements for the year ended December 31, 2019 are as follows:

### 8.1 Contingencies

There are no significant changes in the status of contingencies as disclosed in note 19 of the audited annual financial statements of the Company for the year ended December 31, 2019.

(Unaudited)	(Audited)
March 31,	December 31,
2020	2019
------(Rupees)-----	

### 8.2 Commitments

Commitments in respect of capital expenditure

383,121	405,491
---------	---------

## 9. EARNINGS PER SHARE

9.1 There is no dilutive effect on the basic earnings per share on the Company, which is based on the following:

(Unaudited)	(Unaudited)
Three months ended	
March 31,	March 31,
2020	2019
------(Rupees)-----	

Profit for the period

779,535	3,832,103
---------	-----------

-----Number of shares-----  
(Restated)

Weighted average number of ordinary shares  
(in thousand)

576,163	576,163
---------	---------

(Amounts in thousand)

	Three months ended	
	March 31, 2020	March 31, 2019
	------(Rupees)-----	
<b>10. CASH UTILIZED IN OPERATIONS</b>		
Profit before taxation	1,033,834	4,631,234
Adjustment for non-cash charges and other items:		
Depreciation	26,092	19,954
Amortization	6,345	5,215
Depreciation on right-of-use assets	69,762	-
Gain on disposal of property, plant and equipment	-	(26)
Provision for retirement and other service benefits	65,832	45,352
Income on deposits / other financial assets	(2,008,640)	(1,630,614)
Dividend income	(270,000)	(3,377,412)
Royalty income	(112,064)	(247,241)
Financial charges	36,078	34,157
Working capital changes (note 10.1)	(133,400)	(719,224)
	<u>(1,286,161)</u>	<u>(1,238,604)</u>
<b>10.1 Working capital changes</b>		
Increase in current assets		
- Loans, advances, deposits and prepayments	(167,936)	(33,212)
- Other receivables (net)	(128,715)	(227,583)
	<u>(296,651)</u>	<u>(260,794)</u>
Increase / (decrease) in current liabilities		
- Trade and other payables including other service benefits (net)	163,251	(458,430)
	<u>(133,400)</u>	<u>(719,224)</u>
<b>11. CASH AND CASH EQUIVALENTS</b>		
Short term investments	13,843,307	57,906,349
Short term borrowings	(305,947)	-
Cash and bank balances	307,853	182,617
	<u>13,845,213</u>	<u>58,088,966</u>

(Amounts in thousand)

## 12. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 12.1 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 these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

### 12.2 Fair value estimation

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (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 -----			
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Treasury Bills	-	18,147,511	-	18,147,511
- Pakistan Investment Bonds	-	98,932	-	98,932
- Units of mutual funds	-	22,943,121	-	22,943,121

Level 2 fair values have been determined using PKRV rates and closing Net Asset Values for government securities and mutual fund units, respectively.

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

(Amounts in thousand)

### 13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise subsidiaries, joint venture companies, associated companies, 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 these condensed interim financial statements, are as follows:

	Three months ended	
	March 31, 2020	March 31, 2019
	------(Rupees)-----	
<b>Parent Company</b>		
Reimbursements of expenses	-	75,967
<b>Subsidiary companies</b>		
Purchases and services	491,678	303,294
Mark-up from subsidiaries	155,237	8,198
Disbursement of loan to subsidiary	1,149,053	262,676
Unwinding of discount on term finance certificates	97,317	89,469
Dividend received	-	3,362,779
Royalty income	112,064	247,241
Reimbursements	9,673	14,264
Service fees against Corporate Guarantees	3,963	3,427
<b>Associated companies</b>		
Purchases and services	59,740	101,375
Bank charges	-	8
Reimbursements	241	5,966
<b>Joint venture</b>		
Services rendered	22,064	11,427
Mark-up from joint venture	6,946	-
Dividend received	270,000	270,000
Reimbursements	758	232
<b>Others</b>		
Remuneration of key management personnel	111,141	134,470
Reimbursements to key management personnel	2,019	25,751
Profit on Engro Islamic Rupiya Certificates	-	9,700
Contribution to staff retirement benefit funds	39,164	22,401
Directors' Fee	20,474	18,124

(Amounts in thousand)

### 14. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

14.1 The Board of Directors of Engro Polymer & Chemicals Limited, a subsidiary company, in its meeting held on February 4, 2020 has proposed a final cash dividend of Rs. 0.2 per share for the year ended December 31, 2019, amounting to Rs. 181,785 of which the proportionate share of the Company amounts to Rs. 102,147.

14.2 The Board of Directors of Engro Fertilizers Limited, a subsidiary company, in its meeting held on February 7, 2020 has proposed a final cash dividend of Rs. 2 per share for the year ended December 31, 2019, amounting to Rs. 2,670,599 of which the proportionate share of the Company amounts to Rs. 1,502,746.

These condensed interim financial statements do not include the effects of the aforementioned dividend income, which will be accounted for in the condensed interim financial statements for the half year ending June 30, 2020 once the proposed dividends are approved in the Annual General Meeting (AGM) of respective companies.

14.3 The Board of Directors of the Company in its meeting held on February 21, 2020 had proposed a final cash dividend of Rs.1 per share for the year ended December 31, 2019 amounting to Rs. 576,163 for approval of the members at the Annual General Meeting to be held on April 7, 2020. However, owing to lockdown due to COVID-19, the AGM of the Company has been postponed

These condensed interim financial statements do not include the effect of the proposed dividend, which will be accounted for in the condensed interim financial statements for the half year ending June 30, 2020.

14.4 The Board of Directors of the Company in its meeting held on April 22, 2020 has approved an interim cash dividend of Rs 6.00 per share for the year ending December 31, 2020. These condensed interim financial statements do not reflect the dividend payable


### 15. CORRESPONDING FIGURES

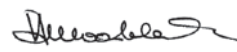
15.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.

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

### 16. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 22, 2020 by the Board of Directors of the Company.

  
Abdul Samad Dawood  
Vice Chairman

  
Hasnain Mochhala  
Chief Financial Officer

  
Ghias Khan  
President and Chief Executive



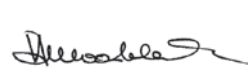
**consolidated condensed interim  
statement of financial position**

consolidated condensed interim statement of  
financial position (unaudited)  
as at march 31, 2020

(Amounts in thousand)	Note	(Unaudited) March 31, 2020	(Audited) December 31, 2019
------(Rupees)-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	261,759,047	253,374,314
Right-of-use asset		4,792,954	4,851,221
Intangible assets		1,065,061	960,866
Long term investments		30,012,369	29,963,000
Deferred taxation		360,462	228,024
Financial asset at amortized cost		6,353,400	5,921,150
Net investment in lease		48,209,606	45,563,942
Long term loans, advances and other receivables		3,157,545	3,305,027
		<u>355,710,444</u>	<u>344,167,544</u>
<b>Current assets</b>			
Stores, spares and loose tools		8,004,220	7,637,331
Stock-in-trade		25,611,763	19,913,340
Trade debts		54,802,087	51,816,893
Loans, advances, deposits and prepayments		6,181,253	4,868,381
Other receivables		18,199,627	17,277,678
Accrued income		515,150	484,224
Contract asset		4,351,477	5,313,283
Current portion of net investment in lease		2,985,316	2,543,927
Short term investments		81,306,955	74,004,144
Cash and bank balances		22,909,078	20,892,734
		<u>224,866,926</u>	<u>204,751,935</u>
Assets classified as held for sale		1,325,595	1,325,595
		<u><u>581,902,965</u></u>	<u><u>550,245,074</u></u>
<b>TOTAL ASSETS</b>			



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

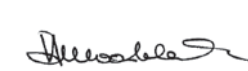
consolidated condensed interim statement of  
financial position (unaudited)  
as at march 31, 2020

(Amounts in thousand)	Note	(Unaudited) March 31, 2020	(Audited) December 31, 2019
------(Rupees)-----			
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital		5,761,632	5,761,632
Share premium		13,068,232	13,068,232
Revaluation reserve on business combination		23,082	12,880
Maintenance reserve		156,301	156,301
Exchange revaluation reserve		1,128,841	608,100
Hedging reserve		(25,721)	(24,969)
General reserve		4,429,240	4,429,240
Unappropriated profit		117,045,448	113,728,540
Remeasurement of post-employment benefits		(94,020)	(94,020)
		<u>135,731,403</u>	<u>131,884,304</u>
Non-Controlling Interest		141,493,035	137,645,936
		<u>60,227,304</u>	<u>57,603,440</u>
<b>Total Equity</b>		<u>201,720,339</u>	<u>195,249,376</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings		142,974,750	138,600,017
Deferred taxation		13,420,086	13,399,390
Lease liability		53,573,959	50,941,216
Deferred liabilities		2,269,479	2,339,209
		<u>212,238,274</u>	<u>205,279,832</u>
<b>Current liabilities</b>			
Trade and other payables		111,123,930	102,806,720
Accrued interest / mark-up		6,362,515	3,315,762
Current portion of :			
- borrowings		20,566,608	19,856,424
- current maturity of lease liability		4,941,433	4,406,997
- deferred liabilities		440,996	430,358
Taxes payable		2,629,319	2,831,004
Short term borrowings		21,485,752	15,511,348
Derivative financial instruments		154	154
Dividend payable		-	151,125
Unclaimed dividends		393,645	405,974
		<u>167,944,352</u>	<u>149,715,866</u>
<b>Total Liabilities</b>		<u>380,182,626</u>	<u>354,995,698</u>
<b>Contingencies and Commitments</b>	6		
		<u>581,902,965</u>	<u>550,245,074</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

consolidated condensed interim statement of  
profit or loss (unaudited)  
for the three months ended march 31, 2020

(Amounts in thousand)

	Note	Three months ended	
		March 31, 2020	March 31, 2019
------(Rupees)-----			
Revenue		44,977,167	40,647,358
Cost of revenue		(31,257,355)	(28,645,147)
Gross profit		13,719,812	12,002,211
Selling and distribution expenses		(1,056,718)	(1,740,448)
Administrative expenses		(1,508,526)	(1,101,701)
		11,154,568	9,160,062
Other income		3,443,075	2,347,832
Other operating expenses		(1,747,111)	(944,363)
Finance cost		(6,066,385)	(1,515,108)
Share of income from joint ventures and associates		270,316	409,732
Profit before taxation		7,054,463	9,458,155
Taxation		(1,113,623)	(2,893,228)
Profit for the period		5,940,840	6,564,927
Profit attributable to:			
- Owners of the Holding Company		3,316,908	4,009,982
- Non-controlling Interest		2,623,932	2,554,945
		5,940,840	6,564,927
			(Restated)
Earnings per share - basic and diluted	7	5.76	6.96

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

consolidated condensed interim statement of  
comprehensive income (unaudited)  
for the three months ended march 31, 2020

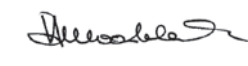
(Amounts in thousand)

	Three months ended	
	March 31, 2020	March 31, 2019
------(Rupees)-----		
Profit for the period	5,940,840	6,564,927
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Hedging reserve - cash flow hedges		
Profit arising during the period	-	-
Less: Reclassification adjustments for (profit) / loss included in statement of profit or loss	(752)	(215)
	(752)	(215)
Revaluation reserve on business combination	10,202	(5,250)
Exchange differences on translation of foreign operations	520,673	30,621
	530,123	25,156
Less: Income tax relating to revaluation reserve on business combination	-	1,680
Other comprehensive income for the period, net of tax	530,123	26,836
Total comprehensive income for the period	6,470,963	6,591,763
Total comprehensive income attributable to		
- Owners of the Holding Company	3,847,098	4,028,434
- Non-controlling Interest	2,623,865	2,563,329
	6,470,963	6,591,763

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer




Ghias Khan  
President and Chief Executive

## consolidated condensed interim statement of changes in equity (unaudited) for the three months ended march 31, 2020


(Amounts in thousand)

	-----Attributable to owners of the Holding Company-----											
	Capital reserves					Revenue reserves						Non-controlling interest
Share capital	Share premium	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Un-appropriated profit	Remeasurement of post employment benefits - Actuarial (loss)	Sub total			
-----Rupees-----												
Balance as at January 1, 2019 (audited)	5,237,848	13,068,232	23,082	156,301	395,605	(24,969)	4,429,240	113,100,747	(71,092)	136,314,994	49,272,245	185,587,239
Total comprehensive income for the three months ended March 31, 2019 (unaudited)												
Profit for the period	-	-	-	-	-	-	4,009,982	-	4,009,982	2,554,945	-	6,564,927
Other comprehensive income	-	-	(2,551)	-	21,151	(148)	-	-	18,452	8,384	-	26,836
Transactions with owners	-	-	(2,551)	-	21,151	(148)	-	4,009,982	4,028,434	2,563,329	-	6,591,763
Dividend by subsidiary allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	(2,421,654)	(2,421,654)
Issuance of right shares of subsidiary company	-	-	-	-	-	-	-	(7,018)	(7,018)	2,615,887	-	2,608,869
Balance as at March 31, 2019 (unaudited)	5,237,848	13,068,232	20,531	156,301	416,756	(25,117)	4,429,240	117,103,711	(71,092)	140,336,410	52,029,807	192,366,217
Total comprehensive income for the nine months ended December 31, 2019												
Profit for the period	-	-	-	-	-	-	12,522,864	-	12,522,864	11,200,300	-	23,723,164
Other comprehensive income	-	-	(7,651)	-	191,344	148	-	(22,928)	160,913	(12,737)	-	148,176
Transactions with owners	-	-	(7,651)	-	191,344	148	-	12,522,864	12,683,777	11,187,563	-	23,871,340
Effect of change in accounting policy - net of deferred tax	-	-	-	-	-	-	(1,066,505)	-	(1,066,505)	(831,528)	-	(1,898,033)
Shares issued during the period - net of transaction cost	-	-	-	-	-	-	(8,419)	-	(8,419)	2,182,623	-	2,174,204
Bonus shares issued during the period in the ratio of 1 shares for every 10 shares held	523,784	-	-	-	-	-	(523,784)	-	-	-	-	-
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	(6,965,025)	(6,965,025)
Final cash dividend for the year ended December 31, 2018 @ Rs. 2.00 per share	-	-	-	-	-	-	-	(1,047,570)	(1,047,570)	-	-	(1,047,570)
First Interim cash dividend for the year ended December 31, 2019 @ Rs. 7.00 per share	-	-	-	-	-	-	-	(4,033,143)	(4,033,143)	-	-	(4,033,143)
Second Interim cash dividend for the year ended December 31, 2019 @ Rs. 8.00 per share	-	-	-	-	-	-	-	(4,609,307)	(4,609,307)	-	-	(4,609,307)
Third Interim cash dividend for the year ended December 31, 2019 @ Rs. 8.00 per share	-	-	-	-	-	-	-	(4,609,307)	(4,609,307)	-	-	(4,609,307)
Balance as at December 31, 2019 (audited)	5,761,632	13,068,232	12,880	156,301	608,100	(24,969)	4,429,240	113,728,540	(94,020)	137,645,936	57,603,440	195,249,376
Total comprehensive income for the three months ended March 31, 2020 (unaudited)												
Profit for the period	-	-	-	-	-	-	3,316,908	-	3,316,908	2,623,932	-	5,940,840
Other comprehensive income	-	-	10,202	-	520,741	(752)	-	-	530,191	(68)	-	530,123
Balance as at March 31, 2020 (unaudited)	5,761,632	13,068,232	23,082	156,301	1,128,841	(25,721)	4,429,240	117,045,448	(94,020)	141,493,035	60,227,304	201,720,339

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.

  
Abdul Samad Dawood  
Vice Chairman

  
Hasnain Moochhala  
Chief Financial Officer


  
Ghias Khan  
President and Chief Executive

## consolidated condensed interim statement of cash flows (unaudited) for the three months ended march 31, 2020

(Amounts in thousand)

Note	Three months ended	
	March 31, 2020	March 31, 2019
------(Rupees)-----		
<b>Cash flows from operating activities</b>		
	8	
Cash generated from operations	10,225,668	12,137,747
Retirement and other service benefits paid	(199,472)	(158,531)
Finance cost paid	(1,682,445)	(909,786)
Taxes paid	(1,519,909)	(1,937,784)
Proceeds from net investment in lease	473,568	-
Finance cost paid on lease liability	(976,779)	-
Finance income received on net investment in lease	1,342,722	-
Repayment of lease liability	(617,314)	-
Long term loans and advances - net	116,857	(43,769)
Net cash generated from operating activities	7,162,896	9,087,877
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (PPE)	(3,901,011)	(5,232,613)
Sale proceeds on disposal of property, plant and equipment (PPE)	-	46,268
Income on deposits / other financial assets	1,927,443	2,192,955
Investment in associates	(49,053)	(185,904)
Investments made during the period - net	7,358,402	9,106,505
Dividends received	-	270,000
Net cash generated from investing activities	5,335,781	6,197,211
<b>Cash flows from financing activities</b>		
(Repayments of) / proceeds from borrowings - net	(1,712,793)	4,071,540
Proceeds from issuance of right shares	-	2,629,032
Share issuance cost	-	(20,163)
Unclaimed dividends	-	(2,995)
Payments of finance lease liabilities	(432,769)	-
Dividends paid	(163,455)	(30,027)
Net cash (utilized in) / generated from financing activities	(2,309,017)	6,647,387
Net increase in cash and cash equivalents	10,189,660	21,932,475
Cash and cash equivalents at beginning of the year	24,243,891	71,639,638
Cash and cash equivalents at end of the period	34,433,551	93,572,113
	9	

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.

  
Abdul Samad Dawood  
Vice Chairman

  
Hasnain Moochhala  
Chief Financial Officer

  
Ghias Khan  
President and Chief Executive

# notes to the consolidated condensed interim financial statements (unaudited) for the three months ended march 31, 2020

(Amounts in thousand)

## 1. LEGAL STATUS AND OPERATIONS

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

1.1 The "Group" consists of:

**Holding Company** - Engro Corporation Limited

**Associated Companies:** Associated companies are entities over which the Group has significant influence but not control.

**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 share holding	
	March 31, 2020	December 31, 2019
- Engro Energy Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Infiniti (Private) Limited	100	100
- Engro Eximp FZE	100	100
- Engro Fertilizers Limited	56.27	56.27
- Engro Polymer and Chemicals Limited	56.19	56.19
- Elengy Terminal Pakistan Limited	56	56

**Joint Venture Company:**

- Engro Vopak Terminal Limited	50	50
--------------------------------	----	----

**Associated Company:**

- FrieslandCampina Engro Pakistan Limited	39.9	39.9
---	------	------

## 2. BASIS FOR PREPARATION

2.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017: and
- Provisions of and directives issued under the Companies Act, 2017.

(Amounts in thousand)

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 The preparation of these consolidated condensed interim financial statements 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 these consolidated condensed interim financial statements, the significant judgements 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, 2019.

2.4 These consolidated condensed interim financial statements do not include all the information required for consolidated annual financial statements and therefore should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended December 31, 2019.

2.5 On 11 March 2020, the World Health Organization declared Coronavirus disease (COVID-19) a pandemic, and its spread has gained momentum. As at March 31, 2020, COVID-19 has spread throughout the country and lockdowns have been imposed in most parts of the country. The measures taken to reduce the spread have resulted in an overall economic slowdown and disruptions to various businesses. As this is still an evolving situation at the time of issuing these consolidated condensed interim financial statements, the overall impact on the Group's financial position cannot be estimated with reasonable certainty.

### 2.6 Initial application of standards, amendments or an interpretation to existing standards

#### a) Standards, amendments and interpretations to accounting and reporting standards that became effective during the period

The following standards, amendments and interpretations to accounting and reporting standards became effective during the period and are relevant to the Group:

- Amendment to International Accounting Standard 1 - 'Presentation of Financial Statements' (IAS 1) on the definition of material; and
- Amendment to International Accounting Standard 8 - 'Accounting policies, changes in accounting estimates and errors' (IAS 8) on the definition of material

The adoption of the above amendments to accounting and reporting standards did not have any material effect on these consolidated condensed interim financial statements.

#### b) Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations to accounting and reporting standards are relevant to the Group:



(Amounts in thousand)

Standards, amendments and interpretations	Effective date (annual periods beginning on of after)
Amendments to International Accounting Standard 1 - 'Presentation of Financial Statements' (IAS 1) on classification of liabilities	January 01, 2022

### 3. BASIS OF CONSOLIDATION

- 3.1 The condensed interim financial statements 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 these consolidated condensed interim financial statements. All material intercompany balances and transactions have been eliminated.
- 3.3 The Group's interest in jointly controlled and associated entities i.e. Engro Vopak Terminal Limited, FrieslandCampina Engro Pakistan Limited, Sindh Engro Coal Mining Company Limited, GEL Utility Limited and SiddiqueSons Energy Limited has been accounted for using the equity method.

### 4. ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of audited annual consolidated financial statements of the Group for the year ended December 31, 2019, except for the following:

#### Foreign currency transactions and translations

These consolidated condensed interim financial statements are presented in Pakistan Rupees, which is the Group's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates 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 consolidated statement of profit or loss.

During the period, the Group, for its Independent Power Producers (IPPs) business, has changed the accounting policy as allowed under SECP SRO 986 (I) 2019 dated September 02, 2019. The said SRO has granted exemption from the requirements of International Accounting Standard 21 (The Effects of Changes in Foreign Exchange Rates) to the extent of capitalisation of exchange differences to all IPPs that have executed their Power Purchase Agreements before January 01, 2019. Accordingly, the foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are being capitalised.

	(Unaudited) March 31, 2020	(Audited) December 31, 2019
	------(Rupees)-----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets, at net book value (note 5.1)	239,028,086	233,475,521
Capital work in progress - Expansion and other projects (note 5.3)	20,157,094	17,508,521
Capital spares and standby equipments	2,573,867	2,390,272
	<u>261,759,047</u>	<u>253,374,314</u>

(Amounts in thousand)

5.1 Additions to operating assets during the period are as follows:

	(Unaudited) March 31, 2020	(Audited) December 31, 2019
	------(Rupees)-----	
Land	-	283,342
Plant and machinery	7,469,129	134,424,582
Building and civil works including pipelines	616,667	1,814,833
Furniture, fixture and equipment	98,878	1,426,918
Pipelines	-	98,288
Catalyst	-	371,195
Vehicles	6,047	1,404,932
Dredging	-	67,617
	<u>8,190,721</u>	<u>139,891,707</u>

5.2 During the period, assets costing Rs. 5,924 (December 31, 2019: Rs. 441,001), having net book value of Rs. 5,624 (December 31, 2019: Rs. 31,716) were disposed / written-off for Rs. nil (December 31, 2019: 35,120).

5.3 Capital work in progress - Expansion and other projects

	(Unaudited) March 31, 2020	(Audited) December 31, 2019
	------(Rupees)-----	
Balance at beginning of the period / year	17,508,521	98,326,481
Add: Additions during the period / year	3,030,514	58,596,637
Less: Transferred to:		
- operating assets	(366,913)	(138,134,214)
- intangible assets	(15,028)	(829,259)
- capital spares	-	(1,062)
Impairment	-	(450,062)
Balance at end of the period / year	<u>20,157,094</u>	<u>17,508,521</u>

### 6. CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments reported in the annual financial statements for the year ended December 31, 2019 are as follows :

6.1 Contingencies

6.1.1 As at March 31, 2020, there is no material change in the status of matters reported as contingencies in audited financial statements of the Group for the year ended December 31, 2019.

6.2 Commitments

6.2.1 Commitments in respect of capital expenditure contracted but not incurred amount to Rs. 9,032,410 (2019: Rs. 9,297,407).

(Amounts in thousand)

Note	Three months ended	
	March 31, 2020	March 31, 2019
	------(Rupees)-----	
<b>7. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
There is no dilutive effect on the basic earnings per share of the Group, which is based on:		
Profit for the period attributable to the owners of the Holding Company	<u>3,316,908</u>	<u>4,009,982</u>
	------(Number in thousands)-----	
		(Restated)
Weighted average number of ordinary shares	<u>576,163</u>	<u>576,163</u>

## 8. CASH GENERATED FROM OPERATIONS

Note	Three months ended	
	March 31, 2020	March 31, 2019
	------(Rupees)-----	
Profit before taxation	7,054,463	9,458,155
Adjustment for non-cash charges and other items:		
Depreciation and amortization	3,185,675	2,035,549
Loss / (gain) on disposal / write off of property, plant and equipment	5,624	(16,324)
Provision for retirement and other service benefits	151,397	90,071
Income on deposits / other financial assets	(3,002,574)	(2,130,736)
Share of income from joint venture and associated companies	(270,316)	(409,732)
Finance cost	5,483,187	1,401,688
Finance income on net investment in lease	(1,342,722)	-
Finance cost on lease liability	976,779	-
Exchange gain on lease liability	3,924,213	-
Exchange loss on net investment in lease	(3,560,622)	-
Foreign currency translations	479,203	105,495
Working capital changes (note 8.1)	(2,858,639)	1,603,581
	<u>10,225,668</u>	<u>12,137,747</u>
<b>8.1 Working capital changes</b>		
(Increase) / decrease in current assets		
- Stores spares and loose tools	(379,578)	(39,895)
- Stock-in-trade	(5,698,424)	(1,134,853)
- Trade debts	(8,006,360)	3,437,715
- Loans, advances, deposits and prepayments	(583,385)	305,965
- Other receivables - net	4,365,217	(864,094)
	<u>(10,302,530)</u>	<u>1,704,838</u>
Increase / (decrease) in current liabilities		
- Trade and other payables including other service benefits - net	7,443,891	(101,257)
	<u>(2,858,639)</u>	<u>1,603,581</u>

(Amounts in thousand)

Note	Three months ended	
	March 31, 2020	March 31, 2019
	------(Rupees)-----	
<b>9. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	22,743,695	16,494,426
Short term investments	33,175,608	81,384,806
Short term borrowings	(21,485,752)	(4,307,119)
	<u>34,433,551</u>	<u>93,572,113</u>

## 10. FINANCIAL RISK MANAGEMENT

### 10.1 Financial risk factors

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

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

### 10.2 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 (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)-----			
<b>Assets</b>				
Financial assets at fair value through profit or loss	-	59,227,546	-	59,227,546
Financial assets through other comprehensive income-	-	6,772,681	-	6,772,681

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

- Level 1 fair valued instruments comprise mutual fund units.
- Level 2 fair valued instruments comprise treasury bills and fixed income placements which are valued using discounted cash flow model.
- The carrying value of all financial assets and liabilities reflected in these consolidated condensed interim financial statements approximate their fair value.

(Amounts in thousand)

## 11. 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 these consolidated condensed interim financial statements, are as follows:

	Three months ended	
	March 31, 2020	March 31, 2019
	------(Rupees)-----	
<b>Parent Company</b>		
Reimbursements to Parent company	-	75,967
<b>Associated companies and joint ventures</b>		
Purchases and services	10,947,888	1,811,015
Dividends received	270,000	270,000
Short term loan	-	14,373,880
Share capital issued	-	2,478,277
Interest on borrowing	704,646	364,076
Reimbursement to associated companies	6,699	143,727
Reimbursement from associated companies	29,251	-
Donations	4,173	14,500
<b>Key Management Personnel</b>		
Remuneration paid to key management personnel / Directors	361,354	365,756
Reimbursements to key management personnel	2,040	25,906
Profit on Engro Rupiya Certificates	-	9,700
Directors' fees	20,474	18,124
<b>Contribution for Retirement benefits</b>	192,031	190,028

(Amounts in thousand)

## 12. SEGMENT REPORTING

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

Type of segments	Nature of business
Fertilizer	Manufacture, purchase and market fertilizers.
Polymer	Manufacture, market and sell Poly Vinyl Chloride (PVC), PVC compounds and related chemicals.
Terminal	Operates and maintains integrated liquid chemical terminal and storage farm, and LNG terminal
Power and mining	Includes Independent Power Producers (IPP)
Other operations	Includes management of investments, telecommunication infrastructure and digital and technology services.

	Three months ended	
	March 31, 2020	March 31, 2019
	------(Rupees)-----	
<b>Revenue</b>		
Fertilizer	10,791,539	23,652,452
Polymer	7,057,942	9,343,634
Terminal	3,684,555	3,531,762
Power and mining	22,295,119	3,378,457
Other operations	1,556,979	4,406,629
Elimination - net	(408,967)	(3,665,576)
Consolidated	44,977,167	40,647,358
<b>Profit after taxation</b>		
Fertilizer	570,764	4,006,815
Polymer	192,840	1,094,158
Terminal	1,082,942	912,479
Power and mining	3,872,421	539,272
Other operations	259,610	3,780,883
Elimination - net	(37,737)	(3,768,680)
Consolidated	5,940,840	6,564,927
	(Unaudited)	(Audited)
	March 31, 2020	December 31, 2019
	------(Rupees)-----	
<b>Assets</b>		
Fertilizer	124,727,787	127,261,901
Polymer	61,185,813	57,519,217
Terminal	69,144,979	64,714,675
Power and mining	236,204,594	210,798,860
Other operations	109,369,410	107,359,280
Elimination - net	(18,729,618)	(17,408,859)
Consolidated	581,902,965	550,245,074

(Amounts in thousand)

### 13. SEASONALITY

- 13.1 The Group's fertilizer business is subject to seasonal fluctuations as a result of two different farming seasons viz, Rabi (from October to March) and Kharif (from April to September). On an average fertilizer sales are more tilted towards Rabi season. The Group manages seasonality in the business through appropriate inventory management.
- 13.2 The Group's agri business is subject to seasonal fluctuation as majority of paddy / unprocessed rice is procured during the last quarter of the year which is the harvesting period for all rice varieties grown in Pakistan. However, rice is sold evenly throughout the year. The Group manages seasonality in the business through appropriate inventory management.

### 14. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

- 14.1 The Board of Directors of the Holding Company in its meeting held on February 21, 2020 had proposed a final cash dividend of Rs.1 per share for the year ended December 31, 2019 amounting to Rs. 576,163 for approval of the members at the Annual General Meeting to be held on April 7, 2020. However, owing to lockdown due to COVID-19, the AGM of the Holding Company has been postponed.

These consolidated condensed interim financial statements do not include the effect of the proposed dividend, which will be accounted for in the consolidated condensed interim financial statements for the half year ending June 30, 2020.

- 14.2 The Board of Directors of the Holding Company in its meeting held on April 22, 2020 has approved an interim cash dividend of Rs 6.00 per share for the year ending December 31, 2020. These condensed interim financial statements do not reflect the dividend payable.

### 15. CORRESPONDING FIGURES


- 15.1 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the consolidated condensed interim statement of financial position has been compared with the balances of annual consolidated financial statements of preceding financial year, whereas the consolidated condensed interim profit or loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.
- 15.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

### 16. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on April 22, 2020 by the Board of Directors of the Holding Company.



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

# ڈائریکٹرز رپورٹ

11 مارچ 2020 کو ورلڈ ہیلتھ آرگنائزیشن (WHO) نے COVID-19 کو عالمی وبا قرار دیتے ہوئے خبردار کیا کہ اس عالمی وبا سے دنیا کی اکثریت متاثر ہوگی اور اس سے دنیا بھر میں لاتعداد اموات بھی ہوں گی۔ دنیا بھر سے وبائی امراض کے ماہرین اور سائنسدان اس وائرس سے ہونے والے اسپیسٹن کے لیے وائسین یا کوئی علاج تلاش کرنے کے لیے تحقیق میں سرگرداں ہیں۔ تاہم جب تک کوئی طریقہ یا وائسین تیار کی جائے اس وقت اس وائرس پر کنٹرول کی صرف ایک ہی صورت سامنے آئی ہے وہ سماجی دوری کو برقرار رکھنا ہے۔ اس وائرس کے پھیلاؤ کو روکنے کے پیش نظر، کئی ممالک نے ایک سخت قسم کے لاک ڈاؤن پر عمل کیا ہے اور اقتصادی امداد کے اقدامات اٹھائے ہیں۔

حکومت پاکستان نے ان مشکل حالات میں بہترین حکمت عملی کے ساتھ احتیاطی انداز میں ایک مربوط لاک ڈاؤن پر عمل کیا۔ اس لاک ڈاؤن میں عوام کو سماجی دوری کے لیے احکامات جاری کئے لیکن ضروری مصنوعات (خوراک، صحت وغیرہ) کو کام جاری رکھنے کی اجازت دیتے ہوئے اس بات کو یقینی بنایا کہ ایک بحران سے دوسرا بحران نہ پیدا ہو جائے۔ اس وائرس سے ہماری معیشت پر شدید اثرات مرتب ہونے کا امکان ہے اور ورلڈ بینک نے مئی سال 2020 میں ملکی جی ڈی پی سکڑ کر 1.3 سے 2.2 فیصد تک رہ جانے کی پیش گوئی کے ساتھ مئی سال 2021 میں 0.3 سے 0.9 فیصد تک مزید کم ہونے کی پیش گوئی کر دی ہے۔ ترقی کی شرح میں کمی کی پیش گوئی ملکی اقتصادیات کے لیے بہتر اشارہ نہیں ہے۔

اینگرو کارپوریشن کا پورٹ فولیو ان مشکل حالات سے نکلنے کی صلاحیت کا حامل ہے۔ ہماری پالیسی ان شعبہ جات میں کام انجام دینا ہے جن سے پاکستان کو درپیش مسائل حل کرنے میں مدد ملے اور ہمارے زیادہ تر بزنس معاشرے کی روزانہ کی ضروریات کو پورا کرنے کے لیے ناگزیر ہیں یہی وجہ ہے کہ لاک ڈاؤن کی صورت حال میں بھی ہم نے اپنا کام جاری رکھا ہوا ہے۔ تاہم، ہم اس بات کی نشاندہی کر رہے ہیں کہ منافع کی صورت حال میں تبدیلی لانی جانے کی اور سرمایہ کاری کے مختلف پلانز کا دوبارہ جائزہ لینے کی ضرورت بھی پیش آسکتی ہے۔

اس بحران کی صورت حال میں انتظامیہ کی جانب سے بھرپور کوششیں جاری ہیں اور ہم نے کیش فلوز کے طویل مدتی استحکام کو یقینی بنانے کے لیے ضروریات اقدامات پر عمل شروع کر دیا ہے۔ اس کے ساتھ ایک مرکزی COVID-19 کرائس منیجمنٹ کمیٹی بھی تشکیل دی جا چکی ہے جو اس وبائی صورتحال کے حوالے سے تمام بزنسز پر مرتب ہونے والے اثرات کا جائزہ لے کر احکامات اور انتظامات کر رہی ہے۔ ہمارے ذیلی اداروں کی سچ پر، ہماری تمام کمپنیاں ایک مربوط رسک منیجمنٹ فریم ورک کی پاسداری کر رہی ہیں جس میں فوری اور بروقت، درمیانہ درجہ اور طویل مدتی خطرات کی نشاندہی، ان پر قابو پانے کا طریقہ اور بحالی کے امور شامل ہیں۔ ان تمام اقدامات سے ہمیں طویل مدتی کاروباری تسلسل اور استحکام کو یقینی بنانے میں مدد ملے گی۔

ان مشکل حالات میں ہم اپنے اصل مقصد اور نفع پر قائم رہنے کے لیے پرعزم ہیں جو ہم سے اس وقت کے مشکل حالات پر قابو پانے، پاکستانی قوم کی زندگیوں میں بہتری لانے اور اپنے ارد گرد کے ماحول میں مثبت تبدیلی لانے میں بھرپور کوششیں کرنے کا متقاضی ہے۔ COVID-19 سے تحفظ اور پاکستان پر اس کے منفی اثرات پر قابو پانے کے لیے، اینگرو، واڈو ہرکولس اور گروپ کے چیئرمین نے اپنے خاندان سمیت ایک بلین روپے پر مشتمل قابل قدر تعاون کیا ہے، یہ تعاون قابل مدتی، درمیانہ مدت اور طویل مدتی خدمات، مدد اور نقد کی صورت میں ہو گا۔ اس فنڈ سے بیماری سے بچاؤ، تحفظ، طبی عمل، علاج معالجہ اور معاشرے کے مستحق افراد کی معاشی مدد کے کام انجام دیئے جائیں گے۔

## کاروباری جائزہ

COVID-19 کی وباء 2020 میں تیزی کے ساتھ پھیل گئی اور پوری دنیا میں اس وائرس پر قابو پانے کے لیے حکومتوں کی جانب سے اٹھائے گئے اقدامات سے ہمارے بزنسز بھی کئی طرح سے متاثر ہوئے ہیں جس میں سپلائی چین کے مسائل، EPC کنٹریکٹرز کی جانب سے قدرتی آفت فرار دینے، لاک ڈاؤن کے سبب پیٹرو کیمیکل پلانٹس کی بندش اور معاشی ست روی کے نتیجے میں لیکوئڈٹی میں واضح کمی جیسے مسائل شامل ہیں۔ اس مسائل کے نتیجے میں، 2020 کی پہلی سہ ماہی کے لیے ہماری مشترکہ آمدنی (تھر پاور پروجیکٹ کے علاوہ، مساوی بنیاد پر) گزشتہ سال کی اسی مدت کے مقابلے میں تقریباً 46 فیصد کم رہی۔ اسی طرح 2020 کی پہلی سہ ماہی کے لیے مشترکہ منافع بعد از ٹیکس 5,941 ملین روپے رہا جو گزشتہ مساوی مدت سے 10 فیصد کم ہے، جبکہ شیئر ہولڈرز میں تقسیم ہونے والا بعد از ٹیکس منافع بھی گزشتہ سال کی اسی مدت کے 4,010 ملین روپے کے مقابلے میں کم ہو کر 3,317 ملین روپے رہا۔ معاشی ست روی، مہنگائی، توانائی کے زائید اخراجات اور روپے کی ناقدری کے سبب منافع میں کمی واضح ہوئی۔ انفرادی طور پر پہلی گزشتہ سال کی اسی مدت میں 3,832 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں 780 ملین روپے کا منافع کمایا، نتیجے میں ہر ایک شیئر پر منافع 1.35 روپے بنتا ہے۔ بعد از ٹیکس منافع میں کمی لاک ڈاؤن کے سبب ذیلی اداروں کے سالانہ اجلاس ملتوی ہونے کی صورت میں ڈیویڈنڈ کی وصولی میں تاخیر کے سبب ہوئی۔ بورڈ 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے ہر ایک شیئر پر 6.00 روپے کا عبوری نقد ڈیویڈنڈ دینے پر خوشی کا اظہار کرتا ہے۔

ہمارے اہم کاروباری شعبہ جات کا تفصیلی جائزہ درج ذیل ہے:

## فرشیلڈوز

پلانٹ کی صلاحیت کو مسلسل بڑھانے اور انجینئرنگ مہارت کے نتیجے میں، بزنس سہ ماہی بنیاد پر یورپا کی سب سے بڑی پیداوار حاصل کرنے میں کامیاب رہا۔ سہ ماہی کے دوران قیمتوں میں عدم توازن سے بیلز کی مقدار کم رہی، یہ عدم توازن اس سہ ماہی کے اختتام پر ختم ہو گیا۔ سہ ماہی کے لیے آمدنی گزشتہ سال کی اسی مدت کے مقابلے میں 54 فیصد کم رہی۔ بعد از ٹیکس منافع مساوی مدت کے 4,007 ملین روپے کے مقابلے میں 571 ملین روپے رہا کیونکہ اس دوران خریداری کم، کلائنڈ پالیسی ریش سے مالی اخراجات میں اضافہ اور بروٹی کرسی میں فرضہ جات پر 1 پیسج نقصان بھی ادا کرنا پڑا۔

## پیٹرو کیمیکلز

صوبائی حکومت کے احکامات پر جاری لاک ڈاؤن پر عمل درآمد کرتے ہوئے، پورٹ قاسم پر پی ڈی سی پروڈکشن کو بند کر دیا گیا ہے اور اس سے متعلقہ پروجیکٹس پر بھی کام مختل ہے۔ بزنس اپنے اعلان کردہ پروجیکٹس کے لیے پرعزم ہے اور ان کی تکمیل سے متعلق ہونے والی پیش رفت سے اپنے اسٹیٹ ہولڈرز کو آگاہ کیا جائے گا۔ آپریشنز کے کم اوقات کے سبب پروڈکشن کم رہی۔ نتیجتاً بزنس نے 7,058 ملین روپے آمدنی کمائی جو گزشتہ سال کی اسی مدت میں 9,344 ملین روپے بھی اور گزشتہ سال کی اسی مدت کے 1,094 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں اس سہ ماہی کے دوران 193 ملین روپے کا بعد از ٹیکس منافع کمایا۔

## انرجی اور پاور

کونسل کی کان: کان کنی کے بزنس کا کام جاری ہے اور اس سہ ماہی کے دوران کان سے اینگرو پاور جن تھر کو ایک ملین ٹن سے زائد کوئلہ فراہم کیا گیا۔ کان کی موجودہ صلاحیت کو دوہرا کرنے کی توسیع کا کام جاری ہے اور کنٹریکٹرز کے ذریعے سائٹ سے 0.7 میٹرک BCM کو ہٹایا جا چکا ہے۔

تھر پاور پلانٹ: 2020 کی پہلی سہ ماہی کے دوران، پاور پلانٹ سے 83 فیصد لوڈ فیکٹرز کے ساتھ 87 فیصد فراہمی کا ہدف حاصل کیا گیا اور نیشنل پکریڈ کو 1,091 GWh بجلی فراہم کی جا چکی ہے۔ پلانٹ نے بغیر کسی حادثہ کے پہلے متعین آؤٹ ایج کو مکمل کر لیا ہے۔

قادر پور پاور پلانٹ: یہ پاور پلانٹ پری میٹ گیس سے چلایا جاتا ہے اور اسے قادر پور گیس فیلڈ سے گیس کی کمی کا سامنا ہے کیونکہ یہ ختم ہوئی جارہی ہے، اس لئے پلانٹ کو دیگر ذرائع سے چلایا جا رہا ہے۔ پلانٹ نے 37 فیصد لوڈ فیکٹرز کے ساتھ نیشنل گریڈ کو 172 GWh بجلی فراہم کی اور اس طرح گزشتہ سال کی اسی مدت کے 67 فیصد کے مقابلے میں 37 فیصد لوڈ فیکٹرز حاصل کیا۔ لوڈ فیکٹرز میں کمی کی وجہ بنیادی طور پر خریداری میں کمی ہے۔ طلب میں یہ کمی معیشت کی سستی روی اور عمومی انڈسٹری پر COVID-19 کے اثرات کی بدولت ہے۔ بزنس نے سہ ماہی کے دوران 895 ملین روپے کا بعد از ٹیکس منافع کمایا جو گزشتہ سال کی اسی مدت کے دوران 713 ملین روپے تھا۔

## ٹرمینل آپریشنز

موجودہ سہ ماہی کے دوران لبل این جی اور کیمیکل ٹرمینل کا منافع بہتر رہا۔ لبل این جی ٹرمینل پر گزشتہ سال کی اسی مدت کے دوران 17 کارگروں کے مقابلے میں 18 کارگروں کے لئے کئے گئے۔ موجودہ وبائی صورتحال میں معاشی سرگرمیوں میں کمی کے ساتھ کیس کنٹریز کی جانب سے نامزدگی میں کمی بھی ایک بڑا مسئلہ بنا ہوا ہے۔

## مستقبل قریب کا جائزہ

ہم نے COVID-19 وائرس کے اثرات سے تحفظ اور نگرانی سے متعلق مختلف اقدامات اٹھائے ہیں جس میں اپنے ملازمین کی صحت اور تحفظ کے اقدامات، اپنے آپریشنز کے تسلسل کو برقرار رکھنے کے لیے اضافی فرضہ جات، اپنی پروڈکشن پروسیس میں مطلوب ضروری میٹریلز کی فراہمی کو یقینی بنانے کے ساتھ اپنے اسٹیٹ ہولڈرز کے ساتھ رابطے میں رہنا شامل ہے۔ اس مرحلے پر ہمارے بزنسز پر اس کا اثر اور نتائج محدود ہیں۔ COVID-19 سے پیدا شدہ بحران کی مدت اور معیشت پر اس کے منفی اثرات کے مطابق ہمارے بزنسز پر 2020 کے دوران منفی نتائج اور لیکوئڈٹی میں کمی واضح ہونے کے امکانات ہیں۔ سال 2020 کی بقیہ مدت میں ہماری سرگرمیوں پر پڑنے والے اثرات اور بعد کی صورت حال کا درست اندازہ لگایا نہیں جا سکتا۔

## فرشیلڈوز

یورپا کی مقامی طلب پر دباؤ رہنے کا امکان ہے۔ اس لئے خالصتاً گیس پر چلنے والے پلانٹس سے پیدا ہونے والے یورپا سے مقامی طلب کو ایک حد تک پورا کرنے کے ساتھ



## غیاث خان

صدر اور چیف ایگزیکٹو

دوران سال محفوظ اسٹاک کی مناسب حد بھی یقینی بنانے کی توقع کی جارہی ہے۔ اگر گیس کی فراہمی باقاعدگی سے جاری رہی تو بزنس اضافی یورپا پیدا کرنے کے قابل ہوگا جس سے ملکی سطح پر اضافی اسٹاک پیدا کرنے میں مدد ملے گی۔ ڈی اسے پی کے حوالے سے عالمی قیمتیں مستحکم رہنے کا امکان ہے اور 2020 کی دوسری سہ ماہی میں عالمی پروڈکشن سہولیات کے دوبارہ کام شروع کرنے سے یہ ایک حد کے اندر رہیں گی۔

## پیٹرو کیمیکلز

بزنس نے حکومت سندھ کو اپنے آپریشنز کھولنے کی اجازت کے لیے درخواست دی ہے کیونکہ بزنس سوپ، ٹیکسٹائل اور کنٹریکشن کی مصنوعات کے لیے بہت اہم خام مال تیار کرتا ہے، یہ تمام مصنوعات پاکستان کی معیشت میں بہت اہم کردار ادا کرتی ہیں۔

انڈینیشن بی وی سی اور انتھالین کی قیمتوں کا دارومدار عالمی معیشت کی صورتحال، رسد اور طلب کے امور پر ہے۔ مقامی مارکیٹ COVID-19 کے پھیلاؤ سے غیر مستحکم ہے اور اس وباء کے پھیلاؤ پر کنٹرول اور معاشی امور بہتر ہونے سے بہتری کی طرف جانے کے امکانات ہیں۔

## انرجی اور پاور

ملک سے توانائی کے بحران کو ختم کرنے میں اینگرو ہمیشہ آگے رہی ہے۔ ہمارے انرجی بزنس کا شعبہ متبادل توانائی کے میدان میں نئے مواقع کی تلاش جاری رکھے ہوئے ہے۔ حکومت توانائی کے شعبے سے سرکلر ڈیٹ کا خاتمہ نہیں کرپائی۔ ہم یہ سمجھتے ہیں کہ اس مسئلے کی وجوہات تلاش کرنے اور حل کے اقدامات کے بغیر، موجودہ وبائی صورتحال کا سامنا کرتے ہوئے، سرکلر ڈیٹ کا مسئلہ آنے والے دنوں میں بھی انڈسٹری کے لیے چیلنج رہے گا۔

## ٹرمینل آپریشنز

لبل این جی ٹرمینل ملک کو درپیش توانائی کے بحران پر قابو پانے میں اپنا کردار ادا کر رہا ہے۔ ڈرائی ڈاک سال کے طور پر اور اس وبائی صورتحال میں، بزنس کے لیے آئندہ سال مشکل ہو سکتا ہے۔ بد قسمتی سے ان معاشی مسائل میں، بزنس کو کنٹریز کی جانب سے طلب میں کمی کا سامنا ہے اور اس کے ساتھ کنٹریز کی ادائیگی کی صلاحیت بھی کمزور رہے گی۔

تاہم بزنس اس چیلنج کا سامنا کرنے کے لیے مکمل طور پر تیار ہونے کے ساتھ منصوبہ بندی اور مناسب حفاظتی اقدامات اٹھائے جا رہے ہیں۔

## اظہار تشکر

ڈائریکٹرز اپنے شیئر ہولڈرز کا شکریہ ادا کرتے ہیں کہ جنہوں نے ہمیشہ کھپتی پر اپنا اعتماد ظاہر کیا۔ ہم اینگرو فیملی کے ہر رکن کے عزائم، لگن اور جدوجہد خیالات پیش کرنے پر مشکور و ممنون ہیں اور پر اعتماد ہیں کہ مستقبل میں بھی یہ لوگ ایسی کوشش جاری رکھیں گے۔



## حسین داؤد

چیئرمین