






enabling growth

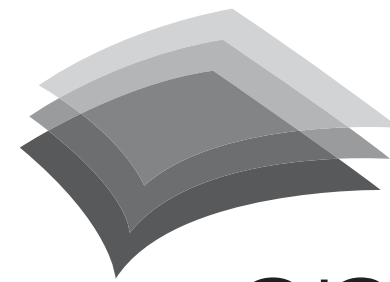
third quarter accounts 2020



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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, 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 330MW 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 - Excelsior 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 mmmcf.

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 present the condensed interim financial statements of the Company for the period ended September 30, 2020.

Business Continuity during the Coronavirus Pandemic (COVID-19)

Pakistan has been able to fight the 1st wave of COVID-19 successfully with the number of cases of COVID-19 declining by ~78% over the past 3 months. This triumph led to cautious easing of restrictions for business operations, and the ultimate gradual recovery of our economy. In its Economic Outlook update, Asian Development Bank (ADB) has projected that, with the expected subsiding of the COVID-19 pandemic and the resuming of structural reforms, Pakistan will experience a broad economic recovery in fiscal year 2021 with improving sentiment to boost.

The portfolio of Engro Corporation is well-positioned to persevere through challenging times. Our philosophy of operating in sectors that help solve some of Pakistan's most pressing issues implies that most of our businesses are critical to day-to-day societal functioning and, hence, must continue to operate in times of lockdown.

The management has responded proactively during this time of crisis and has already taken necessary steps to minimize any impact to long-term sustainability of cash flows. Engro employees are back to work on a rotational basis while continuing work-from-home on other days, and all SOPs are being followed at Engro offices and production facilities to prevent spread of the virus, in line with our core value wherein the safety and health of our employees is paramount. In order to facilitate employees, Engro companies also continue to operate a 24-hour medical helpdesk and on-site quarantine facility. Additionally, to manage employee morale, a number of initiatives have been taken, including special recognition for frontline staff, arrangement of counseling sessions for emotional well-being, and provision of online platforms for social interaction.

In these challenging times, we remain committed to our Central Idea, which guides us to improve lives of all Pakistanis, and have a positive impact on the society in which we operate. In order to fight COVID-19 and its negative impacts on Pakistan, Chairman Hussain Dawood, on behalf of Dawood Hercules Corporation, Engro Corporation, and his family, pledged a contribution in services, kind, and cash of PKR 1 billion for the short-, medium-, and long-term. The pledge focuses on disease prevention, protecting and enabling healthcare practitioners and frontline workers, enabling patient care and facilities, and bolstering livelihoods and sustenance of the most deserving in society. We believe we must remain fully transparent, while attempting to make an impact and work toward saving lives. Information on how and where we apply funds from the Pledge is open to the public and may be viewed at the Pledge website: <https://www.hussaindawoodpledge.com>.

Business Review

Our consolidated revenue for the period ended September 30, 2020 amounts to PKR 182,506 million compared to PKR 147,493 million for the same period last year, representing an increase of 24% primarily attributable to higher revenue from Thar projects. The consolidated Profit-After-Tax (PAT) for the nine months of 2020 stands at PKR 31,073 million, up by 43% from the comparative period of last year, while PAT attributable to the shareholders increased to PKR 18,345 million from PKR 12,922 million during the same period last year. On a standalone basis, the Company posted a PAT of PKR 9,283 million against PKR 9,424 million for the same period last year, translating into an EPS of PKR 16.11 per share.

The Board is pleased to announce an interim cash dividend of PKR 10.00 per share for the year ending December 31, 2020. This is in addition to PKR 14.00 per share announced during the first half of the year, bringing cumulative payout to PKR 24.00 per share.

A brief review of significant business segments is as follows:

Fertilizers

The business achieved its highest-ever 9-month Urea production of 1,694 KT vs 1,451 KT last year. This is a result of our continued focus on plant efficiency & engineering excellence coupled with additional gas allocation. Sales during the current period were 1,451KT compared to 1,331 KT for the same period last year - an increase of 9% primarily due to higher production and aggressive product placement strategy. The business was able to increase its urea market share to 35% vs 31% last year. Revenue for the period stood at PKR 78,138 million vs PKR 77,749 million in 2019. PAT for the period stood at PKR 11,491 million against PKR 10,512 million in the same period last year.

Petrochemicals

The domestic PVC market recorded a healthy volumetric increase of 30% in Q3 2020 as a result of increased demand driven by relaxation of the lockdown and resumption of business activities in various sectors coupled with the Government-announced construction package. On the operation front, PVC production reached its capacity during Q3 2020 as the operating days normalized after turnarounds and COVID-19 lockdown restrictions in 1H 2020.

During Q1 2020, an isolated incident of gas leakage occurred at the EPolymer plant site. The business ensured all staff, majority of whom only needed mild medical attention, had timely access to appropriate medical care. A complete investigation of the incident was conducted during the period; key recommendations were implemented, and necessary steps taken to ensure that our people continue to operate safely.

During Q3 2020, the business concluded Pre-IPO disbursements for preference shares amounting to PKR 2,600 million and LTFF disbursement amounting to PKR 1,950 million. The administrative formalities of both transactions are expected to be completed in Q4 2020.

The business recorded a revenue of PKR 22,932 million as compared to PKR 27,834 million in the same period last year. Moreover, the business posted a PAT of PKR 2,103 million compared to PKR 2,814 million during the same period last year. Decline in demand due to lockdown restrictions and suspension of plant operations on account of COVID-19, prolonged turnaround, and the gas leak incident in Q1 2020 were major contributors towards the decline in revenue and profitability of the business as compared to the same period last year.

Energy and Power

Coal Mine: Mining operations continued smoothly, and the mine supplied approximately 3 million tons of coal to Engro Powergen Thar during the period. Construction for expansion of mine doubling its existing capacity is underway, with the contractor mobilized at site. However, the overburden removal process remained minimal owing to delay in equipment delivery because of COVID-19 lockdowns in China and Pakistan. Construction work is expected to pick up pace in the upcoming quarter as all main mining equipment has reached site.

Thar Power Plant: The plant remained fully operational throughout the 9 months, maintaining system reliability despite challenges posed by the COVID-19 crisis. The plant achieved 86% availability with a load factor of 83%, dispatching 3,303 GWh to the national grid during the period – and it also safely completed the first scheduled outages on both units with zero recordable injury.

Qadirpur Power Plant: The power plant operates on permeate gas and is facing gas curtailment due to depletion of the Qadirpur gas field. To make up for this shortfall, the plant has been made available on mixed mode. During the period, the Plant dispatched a Net Electrical Output of 446 GWh to the national grid with a load factor of 32% compared to 70% during similar period last year. Decline in load factor was primarily on account of lower offtake. The business posted a PAT of PKR 2,031 million for the current period as compared to PKR 2,610 million for the same period last year.

Terminal Operations

Profitability of both LNG and chemicals terminals remained healthy during the current period. The LNG terminal handled 54 cargoes compared to 55 cargoes during the same period last year. During this period, the business faced reduction in demand, however, there were no delays in receipts from the customer.

Telecommunication Infrastructure

Engro Enfrashare engages in the acquisition & construction of shared telecom towers, provision of various telecommunication infrastructure & related services, including state-of-the-art network monitoring solutions. After acquisition of 1,500 towers in 2019, Enfrashare has deployed 627 new sites since, catering to all MNOs in Pakistan. Portfolio expansion has led to a significant increase in the market share from 18% in 2019 to 41% in the period.

Near-Term Outlook

We continue to take steps in monitoring and prevention of the COVID-19 virus, such as safety- and health-related measures for our people, securing the supply of materials that are essential to our production processes, and communication to our key stakeholders. At this stage, we expect that the impact of COVID-19 on our businesses and results will be largely contained, however this may change in the event of a second wave.

With lockdowns easing worldwide and declining cases in Pakistan, we foresee an improvement in economic activity and improvement in results of our businesses and their liquidity position. However, Government interventions related to COVID-19 are expected to play a key role in industry performance going forward.

The recent Supreme Court verdict settling the long-standing GIDC case poses a cashflow challenge to our Fertilizers and Petrochemicals businesses. The Group is considering all available options in this regard.

Fertilizers

With the recovery against 1st wave of COVID 19, the economy is gradually recovering resulting in stability in domestic Urea demand. Furthermore, NDMA has actively taken initiatives to solve the problem of locust attack and has been successful in controlling it. Thus, we expect the full year industry demand to normalize.



Hussain Dawood
Chairman

Petrochemicals

The domestic market for PVC is expected to remain strong on account of various public and private construction projects and post monsoon demand. A further increase in operating rates of caustic market segments are expected as more textile orders will be shifted to Pakistan on account of the US-China trade war and lockdown restrictions in India and Bangladesh.

Energy and Power

Engro remains committed to help alleviate the energy crisis in the country and 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, as well as given the current pandemic situation prevalent, circular debt will remain a challenge for the industry going forward. As a measure to address the circular debt crisis, EPQL, along with other Independent Private Power Producers (IPPs) representing the 2002 Power Policy projects, had several rounds of discussions with the Committee for negotiations with IPPs, notified by Government of Pakistan (Committee), in which the Committee had requested the IPPs to provide concession to the Government of Pakistan (GoP), which shall be passed on to the consumers. The IPPs have reached an understanding with Committee and have signed Memorandum of Understanding (MoU) on August 13, 2020. The terms of the MoU are subject to the approval of National Electric Power Regulatory Authority (NEPRA), Federal Cabinet, IPPs' Board of Directors, other necessary corporate approvals and execution of the final agreement between the relevant parties.

Terminal Operations

Recovering demand in the chemicals sector has stabilized market dynamics and the chemicals terminal expects to retain its market share. The LNG terminal continues to play its role in alleviating some of the energy shortage faced by the country. Although the ongoing pandemic has caused severe disruptions, the companies have ensured continuity of service, maintaining a dynamic strategy to cope with challenges as they arise.

Telecommunication Infrastructure

Mobile data usage is growing exponentially in Pakistan and while revenue growth for MNOs is stagnant, the shift in pattern is driving MNOs towards cost optimization.

Enfrashare will continue to provide optimum cost solutions in the tower sharing space for all capacity and coverage requirements across Pakistan. In addition, Engro Corporation continues to seek new opportunities across the entire connectivity value chain to bridge the digital divide.

Acknowledgement

The Directors would like to express their deep appreciation to our shareholders, who have always shown 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. We are confident that they will continue to do so in the future.



Ghias Khan
President and Chief Executive



**unconsolidated condensed
interim financial information**

unconsolidated condensed interim statement of
financial position (unaudited)
as at september 30, 2020

(Amounts in thousand)	Note	(Unaudited) September 30, 2020	(Audited) December 31, 2019
------(Rupees)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	4	585,858	399,724
Right-of-use assets	5	577,909	919,857
Intangible assets		96,674	110,165
Long term investments	6	26,179,043	26,437,079
Long term loans and advances	7	404,302	412,253
Deferred taxation		20,469	14,344
		<u>27,864,255</u>	<u>28,293,422</u>
Current assets			
Loans, advances and prepayments	8	8,798,366	4,466,701
Receivables	9	500,072	654,797
Short term investments	10	57,624,424	57,266,555
Cash and bank balances		4,024,568	3,484,311
		<u>70,947,430</u>	<u>65,872,364</u>
		<u>98,811,685</u>	<u>94,165,786</u>
EQUITY & LIABILITIES			
Equity			
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		(23,137)	(23,137)
Remeasurement of investments		22,393	-
Unappropriated profit		62,500,966	61,860,773
		<u>85,759,327</u>	<u>85,096,741</u>
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations		24,715	50,076
Lease liabilities		422,334	753,626
		<u>447,049</u>	<u>803,702</u>
Current liabilities			
Trade and other payables		2,056,536	2,075,420
Current portion of lease liabilities		257,439	275,227
Provision for tax		5,411,522	5,623,103
Dividend payable		4,609,306	-
Unclaimed dividends		270,506	291,593
		<u>12,605,309</u>	<u>8,265,343</u>
		<u>13,052,358</u>	<u>9,069,045</u>
		<u>98,811,685</u>	<u>94,165,786</u>
TOTAL EQUITY & LIABILITIES			
Contingencies and Commitments	11		

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Abdul Samad Dawood
Vice Chairman



Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of
profit or loss and other comprehensive income (unaudited)
for the nine months ended september 30, 2020

(Amounts in thousand except for earnings per share)

Note	Quarter ended		Nine Months Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
------(Rupees)-----				
Dividend income	3,451,963	4,026,560	6,978,068	7,673,973
Royalty income	331,449	270,368	790,891	779,657
	<u>3,783,412</u>	<u>4,296,928</u>	<u>7,768,959</u>	<u>8,453,630</u>
Administrative expenses	(541,825)	(588,549)	(1,215,472)	(1,177,980)
	<u>3,241,587</u>	<u>3,708,379</u>	<u>6,553,487</u>	<u>7,275,650</u>
Other income	1,677,760	2,117,565	5,642,853	5,620,036
Other operating expenses	(250,989)	(561,120)	(1,909,809)	(1,164,847)
	<u>4,668,358</u>	<u>5,264,824</u>	<u>10,286,531</u>	<u>11,730,839</u>
Operating profit	4,668,358	5,264,824	10,286,531	11,730,839
Finance cost	(21,932)	(37,171)	(88,153)	(164,783)
Profit before taxation	4,646,426	5,227,653	10,198,378	11,566,056
Taxation	(221,452)	(966,613)	(915,737)	(2,142,327)
	<u>4,424,974</u>	<u>4,261,040</u>	<u>9,282,641</u>	<u>9,423,729</u>
Profit for the period	4,424,974	4,261,040	9,282,641	9,423,729
Other comprehensive income for the period				
Items that may be subsequently reclassified to profit or loss				
Unrealised gain on remeasurement of fair value of short term investments classified as fair value through other comprehensive income	(265,068)	-	22,393	-
	<u>4,159,906</u>	<u>4,261,040</u>	<u>9,305,034</u>	<u>9,423,729</u>
Total comprehensive income for the period	4,159,906	4,261,040	9,305,034	9,423,729
Earnings per share - basic and diluted	7.68	7.40	16.11	16.36

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Abdul Samad Dawood
Vice Chairman



Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of
changes in equity (unaudited)
for the nine months ended september 30, 2020

(Amounts in thousand)

	Share capital	Capital Reserve	Revenue Reserves			Total	
		Share premium	General reserve	Remeasurement of post employment benefits (Rupees)	Remeasurement of investments		Unappropriated profit
Balance as at January 1, 2019 (Audited)	5,237,848	13,068,232	4,429,240	(12,721)	-	62,380,565	85,103,164
Profit for the period	-	-	-	-	-	9,423,729	9,423,729
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended September 30, 2019	-	-	-	-	-	9,423,729	9,423,729
Transactions with owners							
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)
	523,785	-	-	-	-	(10,213,804)	(9,690,019)
Balance as at September 30, 2019 (Unaudited)	5,761,633	13,068,232	4,429,240	(12,721)	-	61,590,490	84,836,874
Profit for the period	-	-	-	-	-	4,879,589	4,879,589
Other comprehensive loss	-	-	-	(10,416)	-	-	(10,416)
Total comprehensive income for the quarter ended December 31, 2019	-	-	-	(10,416)	-	4,879,589	4,869,173
Transactions with owners							
Third interim cash dividend for the year ended December 31, 2019 @ Rs. 8.00 per share	-	-	-	-	-	(4,609,306)	(4,609,306)
	-	-	-	-	-	(4,609,306)	(4,609,306)
Balance as at December 31, 2019 (Audited)	5,761,633	13,068,232	4,429,240	(23,137)	-	61,860,773	85,096,741
Profit for the period	-	-	-	-	-	9,282,641	9,282,641
Other comprehensive income	-	-	-	-	22,393	-	22,393
Total comprehensive income for the nine months ended September 30, 2020	-	-	-	-	22,393	9,282,641	9,305,034
Transactions with owners							
Final cash dividend for the year ended December 31, 2019 @ Rs. 1.00 per share	-	-	-	-	-	(576,163)	(576,163)
First Interim cash dividend for the year ending December 31, 2020 @ Rs. 6.00 per share	-	-	-	-	-	(3,456,979)	(3,456,979)
Second Interim cash dividend for the year ending December 31, 2020 @ Rs. 8.00 per share	-	-	-	-	-	(4,609,306)	(4,609,306)
	-	-	-	-	-	(8,642,448)	(8,642,448)
Balance as at September 30, 2020 (Unaudited)	5,761,633	13,068,232	4,429,240	(23,137)	22,393	62,500,966	85,759,327

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Abdul Samad Dawood
Vice Chairman



Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of
cash flows (unaudited)
for the nine months ended september 30, 2020

(Amounts in thousand)

Note	Nine months ended	
	September 30, 2020	September 30, 2019
------(Rupees)-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash utilized in operations	14 (2,790,411)	(2,762,925)
Royalty received	1,025,235	856,964
Taxes paid	(1,133,443)	(1,359,875)
Retirement and other service benefits paid	(55,152)	(93,040)
Long term loans and advances - net	55,354	2,723
Net cash utilized in operating activities	(2,898,417)	(3,356,153)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	6,978,068	3,917,413
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries	3,672,392	5,131,160
Investment in shares of subsidiary company	-	(184,600)
Acquisition of subsidiary company	-	(1,972,505)
Loan disbursed to subsidiary companies	(4,079,053)	(3,334,676)
Repayment of loan by joint venture	206,221	-
Purchase of units of mutual funds and fixed income placements	(110,629,919)	(48,070,566)
Proceeds from treasury bills, units of mutual funds and fixed income placements	128,391,951	20,348,868
Purchases of property, plant and equipment (PPE)	(288,676)	(134,388)
Sale proceeds on disposal of PPE	-	98
Net cash generated from / (utilized in) investing activities	24,250,984	(24,299,196)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of financial charges	(20,802)	(138,242)
Repayment against Engro Islamic Rupiya Certificates	-	(1,000,000)
Lease rentals paid	(225,768)	(251,331)
Dividends paid	(4,054,229)	(5,087,382)
Net cash utilized in financing activities	(4,300,799)	(6,476,955)
Net increase / (decrease) in cash and cash equivalents	17,051,768	(34,132,304)
Cash and cash equivalents at beginning of the period	6,050,273	54,539,531
Cash and cash equivalents at end of the period	15 23,102,041	20,407,227

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Abdul Samad Dawood
Vice Chairman



Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

notes to the unconsolidated condensed interim financial statements (unaudited) for the nine months ended september 30, 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 is presented separately. These unconsolidated 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 unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these unconsolidated condensed interim financial statements, 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.

2.4 Impact of COVID 19 on the unconsolidated condensed interim financial statements

On 11 March 2020, the World Health Organization declared Coronavirus disease (COVID-19) a pandemic, and its spread has gained momentum. During the period, COVID-19 has spread throughout the country and lockdowns were 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.

However, the management of the Company has evaluated and concluded that there are no material implications of COVID 19 that require specific disclosures in these unconsolidated condensed interim financial statements.

3. SIGNIFICANT 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.

(Amounts in thousand)

3.2 The Company has early adopted and applied the following amendment to published accounting standard:

IFRS 16 'Leases' - The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.

The Company has applied the practical expedient to all qualifying rent concessions granted in relation to office space acquire under rental basis. As a result, Rs 44,704 has been recognized in profit or loss account to reflect changes in lease payments arising from rent concessions that meet the conditions of the practical expedient.

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) September 30, 2020	(Audited) December 31, 2019
----- (Rupees) -----	

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets (note 4.1)	395,421	375,824
Capital work-in-progress (note 4.2)	190,437	23,900
	585,858	399,724

4.1 Additions to operating assets during the period / year amounted to Rs.103,415 (December 31, 2019: Rs. 133,142) for owned assets. 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 and intangible assets.

5. RIGHT-OF-USE ASSETS

During the period, a portion of office space acquired on rental basis was vacated. Accordingly right-of-use asset amounting to Rs. 204,344 and having a net book value of Rs. 127,709, was derecognized.

6. LONG TERM INVESTMENTS

Engro Infiniti (Private) Limited (Einfinity), wholly owned subsidiary, in its Board meeting held on April 17, 2020, decided to discontinue the operations of Engro Digital Limited (Edigital), its wholly owned subsidiary. As a result, the Company has recognized further impairment loss amounting to Rs 258,035 in these unconsolidated condensed interim financial statements representing the remaining carrying amount of investment in EDigital in the financial statements of Engro Infiniti (Private) Limited.

7. LONG TERM LOANS AND ADVANCES

During the period, a further amount of Rs. 49,053 (December 31, 2019: 334,876) was disbursed to Engro Energy Limited, a subsidiary company, pursuant to agreement entered into on December 28, 2018. The total facility under this agreement amounts to USD 21,400 (PKR equivalent). The loan carries mark-up at the rate of 6 months KIBOR plus 2% per annum payable on quarterly basis. The loan is repayable on December 28, 2023.

(Amounts in thousand)

8. LOANS, ADVANCES AND PREPAYMENTS

During the period, a further amount of Rs. 4,030,000 (December 31, 2019: 3,500,000) was disbursed to Engro Infiniti (Private) Limited, a wholly-owned subsidiary company. The loan carries mark-up at the rate of 6 months KIBOR plus 0.2% per annum payable on monthly basis. The loan is repayable on December 17, 2020.

9. RECEIVABLES

9.1 These include an amount of Rs. 81,101 (December 31, 2019: Rs. 315,445) on account of royalty receivable from Engro Fertilizers Limited, a subsidiary.

10. SHORT TERM INVESTMENTS

Fair value through other comprehensive income

- Treasury bills
- Pakistan Investment Bonds

Fair value through profit or loss

- Mutual fund units

Amortised cost

- Fixed income placement
- Term Finance Certificates

	(Unaudited) September 30, 2020	(Audited) December 31, 2019
	------(Rupees)-----	
	18,563,210	22,609,639
	12,577,012	95,859
	31,140,222	22,705,498
	14,086,857	27,372,021
	7,517,798	2,607,685
	4,879,547	4,581,351
	12,397,345	7,189,036
	57,624,424	57,266,555

11. CONTINGENCIES AND COMMITMENTS

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

11.1 Contingencies

During the period:

- Corporate guarantee amounting to US Dollars 10,000, issued to a bank to open Debt Service Reserve Account (DSRA) letter of credit in favour of the senior long term lenders of Engro Powergen Qadirpur Limited, has been released.
- Standby Letters of Credit (Equity SBLs), provided by Engro Energy Limited, a subsidiary company, through National Bank of Pakistan, as explained in note 19.1.3 of the audited annual financial statements of the Company for the year ended December 31, 2019, have reduced to US Dollars 8,635 (December 31, 2019: US Dollars 12,598) and US Dollars nil (December 31, 2019: US Dollars 138). These SBLs relate to the Sindh Engro Coal Mining Company Limited (SECMC), its associated company, and Engro Powergen Thar (Private) Limited (EPTL), its subsidiary company, respectively.

11.2 Commitments

Commitments in respect of capital expenditure

	(Unaudited) September 30, 2020	(Audited) December 31, 2019
	------(Rupees)-----	
	551,624	405,491

(Amounts in thousand)

12. TAXATION

Current

- for the period

	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	------(Rupees)-----			
	219,785	966,660	921,862	2,147,289

Deferred

	1,667	(47)	(6,125)	(4,962)
	221,452	966,613	915,737	2,142,327

12.1 During the period, with respect to the matter disclosed in note 26.3.3 of the annual financial statements of the Company for the year ended December 31, 2019, the Company has received appeal effect orders both dated June 29, 2020 in respect of tax year 2011 and 2012 along with notices of demand amounting to Rs. 75,308 and Rs. 112,681, respectively, whereby the Deputy / Additional Commissioner Inland Revenue - Audit (ACIR) has disallowed allocation of expenses against interest income. An appeal has been filed before the Commissioner Inland Revenue (Appeals) (CIRA) against the said orders, which is pending for hearing. The Company, based on the advice of its tax consultant, is confident that these matters will be decided in its favor. Accordingly, no provision has been recognized in these unconsolidated condensed interim financial statements.

12.2 During the period, the ACIR through order dated June 30, 2020 amended the return for the tax year 2014 creating tax demand of Rs 401,320 mainly on account of tax levied on capital gain on disposal of shares and inter-corporate dividend, disallowance of allocation of expenses against interest income and apportioned expenses against dividend income and capital gains. An appeal has been filed before the Commissioner Inland Revenue (Appeals) (CIRA) against the said order, and stay has been obtained. The Company, based on the advice of its tax consultant, is confident that these matters will be decided in its favor. Accordingly, no provision has been recognized in these unconsolidated condensed interim financial statements.

12.3 During the period, the exemption on inter-corporate dividend was restored through amendment in the Income Tax Ordinance, 2001 vide Tax Laws (Amendment) Act 2020 (Act). However, the provision granting exemption from application of withholding tax on inter-corporate dividend, as previously deleted by Finance Act 2016, has not been restored by the Act. Hence, in respect of the inter-corporate dividend received by the Company from its subsidiaries during the period, the Company has obtained stay from the High Court against deduction of withholding of tax on inter-corporate dividends.

12.4 "During the period, the petition filed by the Company against the imposition of super tax for rehabilitation of temporarily displaced persons under section 4B of the Income Tax Ordinance, 2001 for the tax years 2015 to 2019 in the Honorable High Court of Sindh was rejected vide order dated July 21, 2020. The Company, in consultation with its legal and tax advisors, has filed an appeal against the decision of the Honorable High Court of Sindh in the Supreme Court of Pakistan.

Consequent to the High Court judgement, the tax authorities issued notices to the Company and subsequently framed orders for recovery of super tax for tax years 2017 to 2019 with total tax demand of Rs 2,241,400. An appeal has been filed against these orders with the Commissioner Inland Revenue (Appeals) alongwith stay against recovery of demand based on certain contentious and factual grounds. The management has assessed the sufficiency of tax provision on account of super tax and considers these sufficient for the purpose.

13. EARNINGS PER SHARE

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

	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	------(Rupees)-----			
Profit for the period	4,424,974	4,261,040	9,282,641	94,237,289
	----- Number of shares -----			
Weighted average number of ordinary shares (in thousand)	576,163	576,163	576,163	576,163

(Amounts in thousand)

	Nine months ended	
	September 30, 2020	September 30, 2019
	------(Rupees)-----	
14. CASH UTILIZED IN OPERATIONS		
Profit before taxation	10,198,378	11,566,056
Adjustment for non-cash charges and other items:		
Depreciation	83,818	62,725
Amortization	20,270	15,302
Depreciation on right-of-use assets	196,516	209,287
Rent concession on lease liability	(44,704)	-
Gain on termination of lease	(19,463)	-
Gain on disposal of property, plant and equipment	-	2,403
Write-off of property, plant and equipment	11,945	-
Provision for impairment in long term investments	258,035	-
Provision for retirement and other service benefits	33,997	100,375
Income on deposits / other financial assets	(5,642,853)	(5,620,036)
Dividend income	(6,978,068)	(7,673,973)
Royalty income	(790,891)	(779,657)
Financial charges	88,153	164,783
Working capital changes (note 14.1)	(205,544)	(810,190)
	<u>(2,790,411)</u>	<u>(2,762,925)</u>
14.1 Working capital changes		
Decrease / (increase) in current assets		
- Loans, advances, deposits and prepayments	(121,771)	(149,287)
- Other receivables (net)	(60,683)	(398,799)
	<u>(182,454)</u>	<u>(548,086)</u>
Decrease in current liabilities		
- Trade and other payables including other service benefits (net)	(23,090)	(262,104)
	<u>(205,544)</u>	<u>(810,190)</u>
15. CASH AND CASH EQUIVALENTS		
Short term investments	19,077,473	20,319,524
Cash and bank balances	4,024,568	87,703
	<u>23,102,041</u>	<u>20,407,227</u>

16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

16.1 Financial risk factors

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

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

(Amounts in thousand)

16.2 Fair value estimation

The carrying value of all financial assets and liabilities reflected in these unconsolidated 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 (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
As at September 30, 2020				
Financial assets at fair value through other comprehensive income				
- Treasury Bills	-	18,563,210	-	18,563,210
- Pakistan Investment Bonds	-	12,577,012	-	12,577,012
	<u>-</u>	<u>31,140,222</u>	<u>-</u>	<u>31,140,222</u>
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	14,086,857	-	14,086,857
	<u>-</u>	<u>14,086,857</u>	<u>-</u>	<u>14,086,857</u>
As at December 31, 2019				
Financial assets at fair value through other comprehensive income				
- Treasury Bills	-	22,609,639	-	22,609,639
- Pakistan Investment Bonds	-	95,859	-	95,859
	<u>-</u>	<u>22,705,498</u>	<u>-</u>	<u>22,705,498</u>
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	27,372,021	-	27,372,021
	<u>-</u>	<u>27,372,021</u>	<u>-</u>	<u>27,372,021</u>

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)

17. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiaries, joint venture company, 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 unconsolidated condensed interim financial statements, are as follows:

	Nine months ended	
	September 30, 2020	September 30, 2019
	------(Rupees)-----	
Parent Company		
Dividend paid	3,217,047	3,606,992
Reimbursements of expenses	58,765	130,629
Subsidiary companies		
Purchases and services	1,508,167	1,045,818
Mark-up from subsidiaries	415,757	187,092
Disbursement of loan to subsidiary	4,079,053	3,334,676
Unwinding of discount on Term Finance Certificates	298,196	274,149
Dividend received	6,708,068	6,863,973
Royalty income	790,891	779,657
Reimbursements	109,942	360,732
Service fees against Corporate Guarantees	10,889	-
Investment made in subsidiary	-	2,157,105
Associated companies		
Purchases and services	164,969	245,318
Contribution for Corporate Social Responsibility	101,876	15,000
Dividend paid	596,612	928,960
Reimbursements	3,385	14,166
Joint venture		
Services rendered	83,287	37,888
Mark-up from joint venture	6,221	-
Repayment of loan	200,000	-
Dividend received	270,000	810,000
Reimbursements	3,210	2,422
Others		
Remuneration of key management personnel	442,171	381,327
Reimbursements to key management personnel	2,019	39,765
Profit on Engro Islamic Rupiya Certificates	-	19,504
Contribution to staff retirement benefit funds	122,980	76,372
Dividend paid	183,187	175,618
Directors' Fee	93,214	52,036

18. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

18.1 The Board of Directors of Engro Fertilizers Limited, a subsidiary company, in its meeting held on October 21, 2020 has declared an interim cash dividend of Rs. 5 per share for the year ending December 31, 2020, amounting to Rs. 6,676,497 of which the proportionate share of the Company amounts to Rs. 3,756,865.

(Amounts in thousand)

These unconsolidated condensed interim financial statements do not include the effects of the aforementioned dividend income.

18.2 The Board of Directors of the Company in its meeting held on October 22, 2020 has approved an interim cash dividend of Rs. 10 per share for the year ending December 31, 2020. These unconsolidated condensed interim financial statements do not reflect the effect of dividend payable.

19. CORRESPONDING FIGURES

19.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, as a result, an amount of Rs. 553,832, in respect of human resource development, has been reclassified from Administrative expenses to Other operating expenses. Further, taxes payable amounting to Rs. 2,379,973 presented separately on the unconsolidated statement of financial position has been merged with Provision for tax.

19.2 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.

20. DATE OF AUTHORIZATION FOR ISSUE

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



Abdul Samad Dawood
Vice Chairman



Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive



**consolidated condensed
interim financial information**

consolidated condensed interim statement
of financial position (unaudited)
as at september 30, 2020

(Amounts in thousand)

	Note	(Unaudited) September 30, 2020	(Audited) December 31, 2019
------(Rupees)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	261,028,618	253,374,314
Right-of-use assets		4,871,025	4,851,221
Intangible assets		1,115,201	960,866
Long term investments	6	31,028,937	29,963,000
Deferred taxation		255,081	228,024
Financial asset at amortized cost		4,830,000	5,921,150
Net investment in lease		47,054,806	45,563,942
Long term loans, advances and other receivables		2,093,643	3,305,027
		<u>352,277,311</u>	<u>344,167,544</u>
Current assets			
Stores, spares and loose tools		9,836,456	7,637,331
Stock-in-trade		17,334,362	19,913,340
Trade debts		54,059,774	51,816,893
Loans, advances, deposits and prepayments		6,489,588	4,868,381
Other receivables		16,357,617	17,277,678
Accrued income		420,296	484,224
Contract asset		4,532,353	5,313,283
Current portion of net investment in lease		3,341,098	2,543,927
Short term investments		90,798,224	74,004,144
Cash and bank balances		23,857,788	20,892,734
		<u>227,027,556</u>	<u>204,751,935</u>
Assets classified as held for sale		1,325,595	1,325,595
TOTAL ASSETS		<u><u>580,630,462</u></u>	<u><u>550,245,074</u></u>

consolidated condensed interim statement
of financial position (unaudited)
as at september 30, 2020

(Amounts in thousand)

	Note	(Unaudited) September 30, 2020	(Audited) December 31, 2019
------(Rupees)-----			
EQUITY & LIABILITIES			
Equity			
Share capital		5,761,632	5,761,632
Share premium		13,068,232	13,068,232
Revaluation reserve on business combination		12,880	12,880
Maintenance reserve		156,301	156,301
Exchange revaluation reserve		959,241	608,100
Hedging reserve		(25,725)	(24,969)
General reserve		4,429,240	4,429,240
Unappropriated profit		123,431,510	113,728,540
Remeasurment of investments		22,393	-
Remeasurement of post-employment benefits		(94,020)	(94,020)
		<u>141,960,052</u>	<u>131,884,304</u>
		147,721,684	137,645,936
Non-controlling interest		65,141,623	57,603,440
Total Equity		<u>212,863,307</u>	<u>195,249,376</u>
Liabilities			
Non-Current liabilities			
Borrowings	7	144,849,924	138,600,017
Deferred taxation		13,789,236	13,399,390
Deferred liabilities		2,399,195	2,339,209
Lease liabilities		50,980,455	50,941,216
		<u>212,018,810</u>	<u>205,279,832</u>
Current Liabilities			
Trade and other payables	8	105,694,117	102,806,720
Accrued interest / mark-up		3,401,477	3,315,762
Current portion of:			
- borrowings		21,276,964	19,856,424
- lease liabilities		5,374,132	4,406,997
- deferred liabilities		588,139	430,358
Taxes payable		4,883,389	2,831,004
Short term borrowings		9,541,612	15,511,348
Dividend payable		4,609,306	151,125
Unclaimed dividends		379,209	405,974
		<u>155,748,345</u>	<u>149,715,866</u>
Total Liabilities		<u>367,767,155</u>	<u>354,995,698</u>
Contingencies and Commitments	9		
TOTAL EQUITY AND LIABILITIES		<u><u>580,630,462</u></u>	<u><u>550,245,074</u></u>

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Abdul Samad Dawood
Vice Chairman



Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

consolidated condensed interim statement
of profit or loss (unaudited)
for the nine months ended september 30, 2020

[Amounts in thousand except for earnings per share]

	Note	Quarter ended		Nine months ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
----- (Rupees) -----					
Net revenue		75,333,480	62,714,834	182,505,534	147,492,896
Cost of revenue		(53,512,499)	(43,303,543)	(127,796,052)	(103,251,377)
Gross profit		21,820,981	19,411,291	54,709,482	44,241,519
Selling and distribution expenses		(2,352,657)	(1,911,804)	(5,528,201)	(5,009,066)
Administrative expenses		(1,710,400)	(1,906,861)	(4,612,862)	(3,958,139)
		17,757,924	15,592,626	44,568,419	35,274,314
Other income		1,876,153	3,888,324	8,895,498	10,304,335
Other operating expenses		(232,209)	(1,143,226)	(3,897,607)	(4,257,314)
Impairment	1.2.1	-	-	(132,732)	-
Finance cost		(2,677,727)	(4,717,738)	(13,942,756)	(9,361,659)
Share of income from joint ventures and associates		803,938	472,437	1,947,034	1,162,624
Profit for the period before taxation		17,528,079	14,092,423	37,437,856	33,122,300
Taxation	10	(1,984,346)	(3,753,637)	(6,365,322)	(11,420,188)
Profit for the period		15,543,733	10,338,786	31,072,534	21,702,112
Profit for the period attributable to:					
- Owners of the Holding Company		9,286,253	6,113,274	18,345,418	12,922,162
- Non-controlling interest		6,257,480	4,225,512	12,727,116	8,779,950
		15,543,733	10,338,786	31,072,534	21,702,112
Profit / (loss) attributable to:					
- continuing operations		15,546,075	10,371,940	31,341,021	21,764,400
- discontinued operations	1.2.1	(2,342)	(33,154)	(268,487)	(62,288)
		15,543,733	10,338,786	31,072,534	21,702,112
Earnings / (loss) per share - basic and diluted					
- continuing operations	11	16.12	10.67	32.31	22.54
- discontinued operations		(0.004)	(0.06)	(0.47)	(0.11)
		16.12	10.61	31.84	22.43

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Abdul Samad Dawood
Vice Chairman



Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

consolidated condensed interim statement
of comprehensive income (unaudited)
for the nine months ended september 30, 2020

[Amounts in thousand except for earnings per share]

	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
----- (Rupees) -----				
Profit for the period	15,543,733	10,338,786	31,072,534	21,702,112
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Fair value gain on remeasurement of short term investments classified as FVOCI	(309,870)	-	22,393	-
Hedging reserve - cash flow hedges				
Loss arising during the period	436	(282,176)	-	70,874
Reclassification adjustments for profit included in profit or loss	(756)	(220)	(756)	(653)
	(320)	(282,396)	(756)	70,221
Revaluation reserve on business combination				
Exchange differences on translation of foreign operations	10,058	(5,252)	-	(15,753)
	(50,622)	(97,245)	351,141	274,996
	(40,884)	(384,893)	350,385	329,464
Income tax relating to:				
- Hedging reserve - cash flow hedges	-	81,833	-	(20,552)
- Revaluation reserve on business combination	(2,917)	1,681	-	5,041
	(2,917)	83,514	-	(15,511)
Other comprehensive income for the period, net of tax	(353,671)	(301,379)	372,778	313,953
Total comprehensive income for the period	15,190,062	10,037,407	31,445,312	22,016,065
Total comprehensive income attributable to:				
- Owners of the Holding Company	8,949,998	6,021,285	18,718,196	13,217,264
- Non-controlling interest	6,240,064	4,016,122	12,727,116	8,798,801
	15,190,062	10,037,407	31,445,312	22,016,065
Total comprehensive income / (loss) attributable to:				
- continuing operations	15,192,404	10,070,561	31,713,799	22,078,353
- discontinued operations	(2,342)	(33,154)	(268,487)	(62,288)
	15,190,062	10,037,407	31,445,312	22,016,065

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



Abdul Samad Dawood
Vice Chairman



Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

consolidated condensed interim
statement of changes in equity (unaudited)
for the nine months ended September 30, 2020

(Amounts in thousand)

	Attributable to owners of the Holding Company												
	Capital reserves					Revenue reserves			Remeasurement		Sub total	Non-controlling interest	Total
	Share capital	Share premium	reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Un-appropriated profit	of post employment benefits	Remeasurement of investments			
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
Effect of change in accounting policy - net of deferred tax	-	-	-	-	-	-	-	(1,066,505)	-	-	(1,066,505)	(831,529)	(1,898,034)
Total comprehensive income / (loss) for the nine months ended September 30, 2019 (unaudited)	-	-	-	-	-	-	-	12,922,162	-	-	12,922,162	8,779,950	21,702,112
Profit for the period	-	-	-	-	-	-	-	12,922,162	-	-	12,922,162	8,779,950	21,702,112
Other comprehensive income / (loss)	-	-	(7,652)	-	274,996	27,758	-	-	-	-	295,102	18,851	313,953
Transactions with owners	-	-	(7,652)	-	274,996	27,758	-	12,922,162	-	-	13,217,264	8,798,801	22,016,065
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(5,920,301)	(5,920,301)
Shares issued during the period - net of transaction cost	-	-	-	-	-	-	-	(15,437)	-	-	(15,437)	2,542,495	2,527,058
Preference shares issued during the period - net of transaction cost	-	-	-	-	-	-	-	-	-	-	-	1,229,759	1,229,759
Advance against issue of share capital	-	-	-	-	-	-	-	-	-	-	-	1,031,430	1,031,430
Bonus shares issued during the period in the ratio of 1 share for every 10 shares held	523,784	-	-	-	-	-	-	(523,784)	-	-	-	-	-
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)
Balance as at September 30, 2019 (Unaudited)	5,761,632	13,068,232	15,430	156,301	670,601	2,789	4,429,240	114,727,163	(71,092)	-	138,760,296	56,122,900	194,883,196
Total comprehensive income / (loss) for the three months ended December 31, 2019	-	-	-	-	-	-	-	3,610,684	-	-	3,610,684	4,975,295	8,585,979
Profit for the period	-	-	-	-	-	-	-	3,610,684	-	-	3,610,684	4,975,295	8,585,979
Other comprehensive income / (loss)	-	-	(2,550)	-	(82,501)	(27,758)	-	-	(22,928)	-	(115,737)	(23,204)	(138,941)
Transactions with owners	-	-	(2,550)	-	(82,501)	(27,758)	-	3,610,684	(22,928)	-	3,494,947	4,952,091	8,447,038
Shares issued during the period - net of transaction cost	-	-	-	-	-	-	-	-	-	-	-	(5,173)	(5,173)
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(3,466,378)	(3,466,378)
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)	-	137,845,936	57,603,440	195,249,376
Total comprehensive income / (loss) for the nine months ended September 30, 2020 (unaudited)	-	-	-	-	-	-	-	18,345,418	-	-	18,345,418	12,727,116	31,072,534
Profit for the period	-	-	-	-	-	-	-	18,345,418	-	-	18,345,418	12,727,116	31,072,534
Other comprehensive income / (loss)	-	-	-	-	351,141	(758)	-	-	22,393	372,778	22,393	18,718,196	31,445,312
Transactions with owners	-	-	-	-	351,141	(758)	-	18,345,418	-	-	18,718,196	12,727,116	31,445,312
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(5,188,933)	(5,188,933)
Final cash dividend for the year ended December 31, 2019 @ Rs. 1.00 per share	-	-	-	-	-	-	-	(576,163)	-	-	(576,163)	-	(576,163)
First interim cash dividend for the year ending December 31, 2020 @ Rs. 6.00 per share	-	-	-	-	-	-	-	(3,456,979)	-	-	(3,456,979)	-	(3,456,979)
Second interim cash dividend for the year ending December 31, 2020 @ Rs. 8.00 per share	-	-	-	-	-	-	-	(4,609,306)	-	-	(4,609,306)	-	(4,609,306)
Balance as at September 30, 2020 (Unaudited)	5,761,632	13,068,232	12,880	156,301	959,241	(25,725)	4,429,240	123,431,510	(94,020)	22,393	147,721,684	65,141,623	212,863,307

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.

Abdul Samad Dawood
Vice Chairman

Mazhar Abbas Hasnani
Chief Financial Officer

Ghias Khan
President and Chief Executive

consolidated condensed interim
statement of cash flows (unaudited)
for the nine months ended September 30, 2020

(Amounts in thousand)

Note	Nine months ended	
	September 30, 2020	September 30, 2019
------(Rupees)-----		
	50,897,494	55,911,124
Cash flows from operating activities		
Cash generated from operations	(157,569)	(190,625)
Retirement and other service benefits paid	(12,088,237)	(12,965,448)
Finance cost paid	(3,988,455)	(9,152,628)
Taxes paid	1,934,381	1,251,738
Proceeds from net investment in lease	(2,326,742)	(1,659,972)
Repayment of lease liability	4,108,616	3,961,126
Finance income received on net investment in lease	(2,981,217)	(2,887,945)
Finance cost paid on lease liability	(668,949)	655,941
Deferred income	353,830	-
Bank balance held as margin	178,585	(10,346)
Long term loans and advances - net		
Net cash generated from operating activities	35,261,737	34,912,965
Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles	(11,248,986)	(41,389,567)
Proceeds from disposal of:		
- property, plant and equipment	68,145	58,424
- short term investments - net	11,390,710	(21,651,340)
Income on deposits / other financial assets	6,240,404	8,054,371
Investment in associate company	(49,053)	(417,176)
Dividends received	270,000	810,000
Net cash generated from / (utilized in) investing activities	6,671,220	(54,535,288)
Cash flows from financing activities		
Proceeds from borrowings - net	4,489,336	7,617,200
Repayment against Engro Islamic Rupiya Certificates	-	(1,000,000)
Proceeds from issuance of shares - net	2,625,000	3,793,809
Repayment of loan by joint venture	206,221	-
Advance against issuance of shares	-	1,031,430
Share issuance costs	-	(36,992)
Lease rentals paid	(1,398,447)	(1,140,615)
Dividends paid	(9,799,976)	(7,579,881)
Net cash (utilized in)/ generated from financing activities	(3,877,866)	2,684,951
Net increase / (decrease) in cash and cash equivalents	38,055,091	(16,937,372)
Cash and cash equivalents at beginning of the period	24,183,891	71,639,638
Cash and cash equivalents at end of the period	62,238,982	54,702,266

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.

Abdul Samad Dawood
Vice Chairman

Mazhar Abbas Hasnani
Chief Financial Officer

Ghias Khan
President and Chief Executive

notes to the consolidated condensed interim financial statements (unaudited) for the nine months ended September 30, 2020

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

1.1 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, maintaining and operating telecommunication infrastructure 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.

1.2 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 indirectly controlled by the Holding Company:

	%age of direct share holding	
	September 30, 2020	December 31, 2019
- Engro Energy Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Infiniti (Private) Limited (note 1.2.1)	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
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Associated Company:

- FrieslandCampina Engro Pakistan Limited	39.9	39.9
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1.2.1 As a result of continuous losses from the operations of Engro Digital Limited (EDigital), subsidiary of Engro Infiniti (Private) Limited (EInfiniti), EInfiniti in its Board meeting held on April 17, 2020, decided to discontinue the operations of EDigital. Accordingly, with the discontinuance of the entire operations of EDigital, it is no longer a going concern; and financial statements of EDigital as at September 30, 2020 have been presented on a basis other than going concern. During the period, EDigital incurred loss amounting to Rs. 268,487 out of which Rs. 132,732 was recognised as impairment loss against the carrying value of its current and non-current assets.

(Amounts in thousand)

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 comprises of:

- International Accounting Standards 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 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. 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.

2.3 These consolidated condensed interim financial statements do not include all the information and disclosure 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.

2.4 IMPACT OF COVID 19

On 11 March 2020, the World Health Organization declared Coronavirus disease (COVID-19) a pandemic, and its spread has gained momentum. During the period, COVID-19 has spread throughout the country and lockdowns were 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.

On March 31, 2020, the management of Engro Polymer and Chemicals Limited (EPCL), a subsidiary company, reported a foreseeable delay in the Liner Alkyl Benzene Sulphonic Acid (LABSA) and Hydrogen Peroxide, through PSX, on account of COVID-19 in Pakistan. Further, on April 23, 2020, the management of EPCL reported foreseeable delays in PVC III & VCM Debottlenecking projects through PSX and has issued Force Majeure Notices to its contractors working on these projects, on account of COVID-19 in Pakistan. Moreover, EPCL's management remains committed to these projects.

Expansion projects of EPCL were also impacted as some of the equipment deliveries and project construction work was also suspended as a precautionary measure. From May, production and sales were resumed and business has recovered well to date. Activities on expansion projects have also been resumed and work is now progressing as per the revised schedule. Based on EPCL's management assessment no impairment loss has been recognized.

Except for the above, the management of the Holding Company has evaluated and concluded that there are no material implications of COVID 19 that require specific disclosures in these consolidated condensed interim financial statements.

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.

(Amounts in thousand)

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. SIGNIFICANT 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 of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are capitalized as permissible under SRO 986 (I) 2019 dated September 02, 2019 issued by the Securities and Exchange Commission of Pakistan. This SRO has granted exemption from the requirements of International Accounting Standard (IAS) 21 - 'The Effects of Changes in Foreign Exchange Rates' to the extent of Capitalisation of exchange differences to all companies that have executed their Power Purchase Agreements before January 1, 2019. Accordingly, the Group has capitalized all related exchange differences as per IAS 21 related to its power projects and has concluded that the retrospective application of this change is not material to these consolidated condensed interim financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets, at net book value (notes 5.1 and 5.2)
Capital work in progress (CWIP) - Expansion and other projects
Capital spares and standby equipment

	(Unaudited) September 30, 2020	(Audited) December 31, 2019
	------(Rupees)-----	
Operating assets, at net book value (notes 5.1 and 5.2)	232,675,538	233,475,521
Capital work in progress (CWIP) - Expansion and other projects	25,651,124	17,508,521
Capital spares and standby equipment	2,701,956	2,390,272
	<u>261,028,618</u>	<u>253,374,314</u>
5.1 Following additions including transfers from CWIP to operating assets during the period:		
Land	18,524	283,342
Plant and machinery	8,659,288	134,424,582
Building and civil works including pipelines	1,462,344	1,814,833
Furniture, fixture and equipment	1,709,647	1,426,918
Pipelines	-	98,288
Catalyst	-	371,195
Vehicles	833,084	1,404,932
Dredging	-	67,617
	<u>12,682,887</u>	<u>139,891,707</u>

5.2 During the period, operating assets costing Rs. 201,117 (December 31, 2019: Rs. 441,001), having net book value of Rs. 82,899 (December 31, 2019: Rs. 31,716) were disposed / written-off for Rs. 68,145 (December 31, 2019: 35,120).

(Amounts in thousand)

6. LONG TERM INVESTMENTS

	(Unaudited) September 30, 2020	(Audited) December 31, 2019
	------(Rupees)-----	
Balance at beginning of the period	29,963,000	31,590,380
Add:		
- Investment made during the period		
- associates (note 6.1)	49,053	788,726
- others (note 6.2)	99,996	-
- Share of profit for the period	1,947,034	1,147,999
Less:		
- Dividend received during the period	(270,000)	(1,305,000)
- Provision against tax contingency	(760,146)	290,794
Balance at end of the period	<u>31,028,937</u>	<u>29,963,000</u>

6.1 During the period, Engro Energy Limited, a subsidiary company, subscribed to an additional 4,905,281 ordinary shares of Siddiqsons Energy Limited (SEL) while maintaining its percentage shareholding as at September 30, 2020 at 19%.

6.2 During the period, Engro Infiniti Limited, a subsidiary company, subscribed to 8,333,000 ordinary shares of TPL Trakker Ltd. at an issue price of PKR 12 per share by participation in its Initial Public Offer.

7. BORROWINGS

7.1 Engro Fertilizers Limited (EFert)

During the period, principal repayments of long-term finances were made to MCB Bank Limited, Allied Bank Limited, United Bank Limited, Dubai Islamic Bank Limited, Local Syndicate and DEG amounting to Rs. 2,000,000, Rs. 1,000,000, Rs. 2,000,000, Rs. 200,000, Rs. 1,522,042 and Rs. 278,334 respectively.

7.2 Engro Polymer and Chemicals Limited (EPCL)

On September 14, 2020, EPCL obtained Islamic Long Term Financing Facility (LTFF) of the State Bank of Pakistan through Musharaka agreement entered with financial institutions to finance its PVC-III expansion project. The amount is repayable over 10 years in equal quarterly installments of Rs. 60,938 each with the first payment commencing from December 2022. These are secured by way of hypothecation charge of present and future fixed assets of EPCL (excluding land and building) which shall rank pari passu with the charges created in favour of the existing creditors.

7.3 Engro Elengy Terminal (Private) Limited (EETL)

The principal amounts for repayment at September 30, 2020 for foreign currency denominated loans are USD 8,200 for IFC and USD 12,300 for Asian Development Bank (ADB), respectively.

7.4 Engro Powergen Thar (Private) Limited (EPTL)

As at September 30, 2020, under the USD Facility Agreement with foreign banks, EPTL has made draw down of the entire amount of USD 621,000 (December 31, 2019: USD 621,000).

As at September 30, 2020, EPTL has made the entire draw down of its local currency long term financing facilities of Rs. 24,150,000 (December 31, 2019: Rs. 24,150,000).

8. TRADE AND OTHER PAYABLES

The Honorable Supreme Court of Pakistan ("SCP") through its judgment dated August 13, 2020 ("Judgment") declared that the levy imposed under the Gas Infrastructure Development Cess ("GIDC") Act, 2015 ("the Act") is valid and in accordance with the provisions of the Constitution of Pakistan 1973. The SCP in its Judgment stated that the Government has already collected Rs. 295 billion and this amount combined with the outstanding amount would be in the vicinity of Rs. 700 billion. The SCP, therefore, issued the following directions:

- It restrained the Federal Government from collecting further GIDC until such time that the GIDC already collected and accrued (but not yet collected), is expanded on the projects listed under the Act;
- As all industrial and commercial entities which consume gas for their business activities pass on the burden to their customers, therefore, GIDC that has become due upto 31.07.2020 and has not been recovered so far shall be recovered by the Companies responsible under the Act to recover from their consumers;
- Gas companies responsible to collect GIDC under the Act should collect the unpaid GIDC (which has accrued but yet not collected) in twenty-four equal monthly installments, without the component of Late Payment Surcharge ("LPS");

(Amounts in thousand)

- LPS shall only become payable for the delays that may occur in the payment of any of the twenty-four installments; and
- The Federal Government shall take all steps to commence work on the laying of the pipelines. In case, no work is carried out on the pipelines (in the manner and/or time specified in the Judgment), the purpose of levying GIDC shall be deemed to have been frustrated and the Act would become completely in-operational and considered dead for all intents and purposes.

8.1 Engro Fertilizers Limited (EFert)

EFert aggrieved by the Judgment has filed a review petition before the SCP. Further, after SNGPL issued an invoice for the first installment of GIDC on feed gas supplied to EFert under a fixed price gas sale and purchase agreement dated April 11, 2007 ("GSPA"), EFert also approached the Sindh High Court ("SHC") to challenge this imposition. EFert has obtained a stay order in its favour and the SHC has restrained SNGPL from taking any coercive against EFert on collecting GIDC on feed stock gas supplied to the EFert under the GSPA.

As of September 30, 2020, EFert carries a provision of Rs. 19,581,117 in respect of GIDC on supply of non-concessionary gas (i.e. gas other than the feed gas supplied under the GSPA). EFert has made an assessment (and as also confirmed by the legal advisor) there are reasonable chances of a favourable outcome in relation to the legal proceedings filed against SNGPL for feed gas supplied under the GSPA. Hence no provision on account of GIDC has been recorded by EFert in respect of feed gas received under the GSPA.

8.2 Engro Polymer and Chemicals Limited (EPCL)

EPCL, aggrieved of the decision has filed a review petition in Honorable Supreme Court against its decision. As of September 30, 2020, EPCL carries a provision of Rs. 8,637,288 in respect of GIDC.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

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

9.2 Commitments

9.2.1 Commitments in respect of capital and revenue expenditure contracted but not incurred amount to Rs. 14,436,066.

10. TAXATION

The Holding Company

10.1 During the period, with respect to the matter disclosed in note 39.1 of the consolidated annual financial statements of the Holding Company for the year ended December 31, 2019, the Holding Company has received appeal effect orders both dated June 29, 2020 in respect of tax year 2011 and 2012 along with notices of demand amounting to Rs. 75,308 and Rs. 112,681, respectively, whereby the Deputy / Additional Commissioner Inland Revenue - Audit (ACIR) has disallowed allocation of expenses against interest income. An appeal has been filed before the Commissioner Inland Revenue (Appeals) (CIRA) against the said orders, which is pending for hearing. The Holding Company, based on the advice of its tax consultant, is confident that these matters will be decided in its favor. Accordingly, no provision has been recognized in these consolidated condensed interim financial statements.

10.2 During the period, the ACIR through order dated June 30, 2020 amended the return for the tax year 2014 creating tax demand of Rs. 401,320 mainly on account of tax levied on capital gain on disposal of shares and inter-corporate dividend, disallowance of allocation of expenses against interest income and apportioned expenses against dividend income and capital gains. An appeal has been filed before the Commissioner Inland Revenue (Appeals) (CIRA) against the said order and stay has been obtained. The Holding Company, based on the advice of its tax consultant, is confident that these matters will be decided in its favor. Accordingly, no provision has been recognized in these consolidated condensed interim financial statements.

10.3 During the period, the exemption on inter-corporate dividend was restored through amendment in the Income Tax Ordinance, 2001 vide Tax Laws (Amendment) Act 2020 (Act). However, the provision granting exemption from application of withholding tax on inter-corporate dividend, as previously deleted by Finance Act 2016, has not been restored by the Act. Hence, in respect of the inter-corporate dividend received by the Holding Company from its subsidiaries during the period, the Holding Company has obtained stay from the High Court for stay against deduction of withholding of tax on inter-corporate dividends.

10.4 During the period, the petition filed by the Company against the imposition of super tax for rehabilitation of temporarily displaced persons under section 4B of the Income Tax Ordinance, 2001 for the tax years 2015 to 2019 in the Honorable High Court of Sindh was rejected vide order dated July 21, 2020. The Holding Company, in consultation with its legal and tax advisors, has filed an appeal against the decision of the Honorable High Court of Sindh in the Supreme Court of Pakistan.

(Amounts in thousand)

Consequent to the High Court judgement, the tax authorities issued notices to the Holding Company and subsequently framed orders for recovery of super tax for tax years 2017 to 2019 with total tax demand of Rs. 2,241,400. An appeal has been filed against these orders with the Commissioner Inland Revenue (Appeals) along with stay against recovery of demand based on certain contentious and factual grounds. The management has assessed the sufficiency of tax provision on account of super tax and considers these sufficient for the purpose.

Engro Fertilizers Limited

10.5 In previous years, the income tax department amended the assessment filed by Engro Fertilizers Limited, a subsidiary company (EFert), for the tax years 2015, 2016 and 2017. EFert filed appeals there against before the Commissioner Inland Revenue Appeals (CIRA) for disallowances made in the orders which mainly included proration of expenses to exempt / FTR incomes, exchange loss disallowances, loss on derivatives and losses purchased from Engro Eximp Agriproducts Limited under section 59B of the Income Tax Ordinance, 2001, resulting in cumulative addition of Rs. 16,173,826 to taxable income of these tax years. Last year, CIRA passed an order for tax years 2015, 2016 and 2017 maintaining most of the additions made by taxation officer in the amendment order, whilst allowing deletion of expenses on allocation basis to exempt income and claim of exchange losses on realized basis. EFert as well as the tax department has filed appeals against the order of CIRA before the Appellate Tribunal (ITAT). The matter was heard by the ITAT for tax year 2015 and 2016 on January 7, 2020.

During the period, ITAT passed an order for tax year 2015 and 2016 and decided all matters in favor of EFert, except for disallowance of provisions on inventories that was maintained. EFert is confident of a favourable outcome on these amendments and therefore no provision has been recognised in this respect in these consolidated condensed interim financial statements.

10.6 In the year 2017, the High Court of Islamabad in its order dated June 8, 2017 declared that the income derived by a Contractor from its contract with EFert, is subject to tax as per Clause 4 of Article 5 of Double Taxation Treaty between Pakistan and the Netherlands. Thus confirming demand order issued of Rs. 1,178,391. In respect thereof, the Contractor preferred an appeal in the Supreme Court of Pakistan (SCP) and the proceedings in relation thereto are currently pending. It is expected that on adjudication on the merits of the case, the exposure will not exceed Rs. 200,000 for the EFert.

Although certain implications arise under the terms of the Contract, the chances of any obligation crystallizing on part of EFert given the time lines of any separate proceedings under the Income Tax Ordinance, 2001 are remote. Accordingly, no provision has been made in respect of the demand order issued by the tax department.

10.7 During the period, EFert has re-assessed its tax provisions based on the finalization of its assessment of prior tax years with the department. In this regard, EFert has recognized reversal of tax provisions amounting in aggregate to Rs. 2,116,622 in these consolidated condensed interim financial statements.

10.8 In the year 2019, EFert received recovery notice from income tax department for payment of Super Tax in respect of tax year 2018 against which EFERT filed a constitutional petition before High Court of Sindh (HCS) and obtained stay therefrom.

On July 21, 2020, the HCS confirmed the levy of Super Tax as intra vires to the Constitution. Aggrieved by this, EFert filed a Constitutional Petition for Leave to Appeal (CPLA) before the Honorable Supreme Court of Pakistan. Subsequent to the HCS decision, the tax department passed an order against EFert for the tax years 2015 and 2016 having demand in aggregate of Rs. 1,202,000 and raised show cause notices for all relevant tax years (TY 2015-2019). EFert is in the process of filing appeal against the said orders.

Adequate provision for Super Tax for the respective tax years is being maintained in these consolidated condensed interim financial statements.

Engro Polymer and Chemicals Limited

10.9 Through the notice dated January 20, 2020 the Additional Commissioner Inland Revenue (ACIR) raised issues inter alia with respect to the adjustment of carried forward minimum taxes from the tax liability of Tax Year 2019 and required Engro Polymer and Chemicals Limited (EPCL) to pay Rs. 552,331 being the amount short paid with the return. EPCL filed a Constitutional Petition in the High Court of Sindh (SHC) challenging the notice, which through order dated February 4, 2020, dismissed the case based on the decision of the SHC in respect of another company. However, the SHC directed the department to refrain from passing the order on the bases of the aforesaid notice for a period of thirty days which was then extended for further 30 days to enable the Company to approach the Supreme Court (SC). EPCL has filed Civil Petition for Leave to Appeal I against SHC order in Supreme Court, which was heard on March 18, 2020 and an interim stay has been granted to EPCL subject to the submission of Bank Guarantee equivalent to the order amount, which has been duly submitted by EPCL. EPCL based on legal advisor view continues to recognize a deferred tax asset on recoupable minimum turnover tax in respect of current period amounting to Rs. 343,918 (December 31, 2019: Rs. 21,486) based on its financial projections, expects to recoup it in the ensuing years.

Engro Elengy Terminal (Private) Limited

10.10 On March 28, 2020, Engro Elengy Terminal (Private) Limited's tax exemption period expired. The charge for the post exemption period is computed based on the applicable provisions of the ITO, 2001.

(Amounts in thousand)

11. EARNINGS PER SHARE - BASIC AND DILUTED

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

	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Profit / (loss) for the period, attributable to the owners of the Holding Company from:				
- continuing operations	9,288,595	6,146,428	18,613,905	12,984,450
- discontinued operations	(2,342)	(33,154)	(268,487)	(62,288)
	<u>9,286,253</u>	<u>6,113,274</u>	<u>18,345,418</u>	<u>12,922,162</u>
Weighted average number of ordinary shares (in thousand)	576,163	576,163	576,163	576,163

12. CASH GENERATED FROM OPERATIONS

	(Unaudited) Nine months ended	
	September 30, 2020	September 30, 2019
Profit for the period before taxation	37,437,856	33,122,300
Adjustment for non-cash charges and other items:		
Depreciation and amortization	10,559,928	8,190,223
Loss on disposal of property, plant and equipment	(14,754)	(14,747)
Rent concession on lease liability	(44,704)	-
Gain on termination of lease	(19,463)	-
Impairment loss	132,732	-
Provision for retirement and other service benefits	117,931	371,588
Provisions, net	1,451,942	-
Income on deposits / other financial assets	(8,291,403)	(8,279,573)
Finance income on net investment in lease	(4,108,616)	(3,961,126)
Finance cost on lease liability	2,981,217	2,887,945
Exchange loss on lease liability	3,725,055	5,408,132
Exchange gain on net investment in lease	(3,374,197)	(5,417,058)
Share of income from joint venture and associates	(1,947,034)	(1,162,624)
Finance cost	12,970,899	7,832,495
Loss on foreign currency translations	1,148,914	1,614,942
Working capital changes (note 12.1)	(1,828,809)	15,318,627
	<u>50,897,494</u>	<u>55,911,124</u>

12.1 Working capital changes

(Increase) / Decrease in current assets		
- Stores, spares and loose tools	(2,219,419)	(169,219)
- Stock-in-trade	2,513,916	1,513,212
- Trade debts	(6,490,631)	(21,142,729)
- Loans, advances, deposits and prepayments	(1,063,290)	(6,335,713)
- Other receivables - net	3,857,404	(1,974,354)
	<u>(3,402,020)</u>	<u>(28,108,803)</u>
Decrease in current liabilities		
- Trade and other payables, including other service benefits - net	1,573,211	43,427,430
	<u>(1,828,809)</u>	<u>15,318,627</u>

(Amounts in thousand)

13. CASH AND CASH EQUIVALENTS

Cash and bank balances
Short term investments
Short term borrowings

	(Unaudited) Nine months ended	
	September 30, 2020	September 30, 2019
	23,857,788	15,258,324
	47,922,806	46,481,651
	(9,541,612)	(7,037,709)
	<u>62,238,982</u>	<u>54,702,266</u>

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

14.1 Financial risk factors

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

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

14.2 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
	Rupees		
Assets			
Financial assets at fair value through profit and loss			
- Units of mutual funds	-	14,086,857	-
	<u>-</u>	<u>14,086,857</u>	<u>-</u>
Financial assets at fair value other comprehensive income			
- Treasury Bills	-	30,068,860	-
- Pakistan Investment Bonds	-	12,577,012	-
- Units of mutual funds	-	7,449,545	-
	<u>-</u>	<u>42,645,872</u>	<u>-</u>

- There were no transfers between Levels during the period. Further, there were no changes in valuation techniques during the period.

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

14.3 Fair value of financial assets and liabilities

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

(Amounts in thousand)

15. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of parent company, 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 consolidated condensed interim financial statements, are as follows:

	(Unaudited)	
	Nine months ended	
	September 30, 2020	September 30, 2019
	------(Rupees)-----	
Parent Company		
Dividend paid	3,217,047	3,606,992
Reimbursements to Parent Company	58,765	130,629
Associated companies and joint ventures		
Purchases and services	36,580,754	17,304,752
Dividend received	270,000	810,000
Dividends paid	600,645	1,479,196
Contribution for Corporate Social Responsibility	170,676	74,500
Payment against EPC contract	778,702	18,925,494
Reimbursements from	154,478	196,542
Reimbursements to	72,730	157,257
Loan received	206,221	384,304
Loan repaid	2,566,038	-
Mark-up on borrowings	1,652,467	182,428
Share capital issued	-	4,560,488
Key Management Personnel		
Remuneration paid to key management personnel / Directors	1,499,367	1,020,521
Reimbursement of expenses	2,040	40,302
Directors' fees	93,214	52,036
Dividend paid	183,187	175,618
Profit on Engro Islamic Rupiya Certificates	-	19,504
Contribution for retirement benefits	484,806	594,416

16. SEGMENT REPORTING

16.1 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	This part of the business manufactures, purchases and markets fertilizers. The operations of this segment includes a wide range of fertilizer brands, besides urea, which primarily comprises of Engro Zarkhez, Zingro, Engro DAP and Envy etc. optimized for local cultivation needs and demand. Further, the segment is a leading importer and seller of phosphate products which are marketed extensively across Pakistan as phosphatic fertilizers.
Polymer	This part of the business manufactures, markets and sells Poly Vinyl Chloride (PVC), PVC compounds, Caustic soda and related chemicals all over Pakistan and few Central Asian countries.
Food	This part of the business includes manufacture, process and trade all kinds of raw and processed agricultural products.

(Amounts in thousand)

Type of segments	Nature of business
Terminal	This part of the business includes operating and maintaining integrated liquid chemical terminal and storage farm, and LNG terminal for receipt, storage and regasification of LNG.
Power and mining	This part of the business includes power generation, distribution, transmission and sale of electricity in Pakistan and operations and management services in Pakistan and Nigeria.
Other operations	It includes management of investments in associates and joint ventures by the Holding Company. It also includes investments made in the foods, telecommunication infrastructure and digital and technology services and products.

16.2 Liabilities are reported segment-wise to the Board of Directors on an annual basis. Hence, segment-wise details of liabilities have not been presented in these consolidated condensed interim financial statements.

16.3 Information regarding the Group's operating segments is as follows:

	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	------(Rupees)-----			
Revenue				
Fertilizer	37,435,226	27,106,188	78,138,036	77,749,136
Polymer	10,057,226	9,233,901	22,931,520	27,834,222
Food	1,281,380	1,300,771	3,807,750	3,047,840
Terminal	3,373,842	3,236,620	10,284,050	9,557,405
Power and mining	22,872,887	21,738,987	66,718,752	29,160,824
Other operations	4,098,887	4,438,080	8,495,323	8,691,130
Elimination - net	(3,785,968)	(4,339,713)	(7,869,897)	(8,547,661)
Consolidated	<u>75,333,480</u>	<u>62,714,834</u>	<u>182,505,534</u>	<u>147,492,896</u>
Profit for the period				
Fertilizer	7,033,842	3,372,970	11,490,682	10,557,145
Polymer	1,880,688	1,270,089	2,103,309	2,814,483
Food	128	(212,100)	46,011	(296,584)
Terminal	492,644	1,189,675	2,065,333	2,243,289
Power and mining	5,055,821	4,867,794	12,953,903	5,447,761
Other operations	4,148,685	3,685,486	8,018,434	8,539,364
Elimination - net	(3,068,075)	(3,835,128)	(5,605,138)	(7,603,346)
Consolidated	<u>15,543,733</u>	<u>10,338,786</u>	<u>31,072,534</u>	<u>21,702,112</u>

	(Unaudited)	(Audited)
	September 30, 2020	December 31, 2019
	------(Rupees)-----	
Assets		
Fertilizer	127,649,675	127,046,811
Polymer	63,908,272	57,519,217
Terminal	64,741,138	64,652,163
Power and mining	228,969,349	210,798,860
Other operations	113,007,883	107,359,280
Elimination - net	(17,645,855)	(17,131,257)
Consolidated	<u>580,630,462</u>	<u>550,245,074</u>

(Amounts in thousand)

17. NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors of the Holding Company in its meeting held on October 22, 2020 has approved an interim cash dividend of Rs. 10 per share for the year ending December 31, 2020. These consolidated condensed interim financial statements do not include the effect of the said interim dividend.

18. SEASONALITY

- 18.1 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.
- 18.2 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.

19. DATE OF AUTHORIZATION

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



Abdul Samad Dawood
Vice Chairman



Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

اینگروکار پوریشن لمیٹڈ

برائے شیئر ہولڈرز

30 ستمبر، 2020 کو ختم ہونے والی 9 ماہ کی مدت کے لیے غیر تفتیش شدہ مستحکم عبوری مالیاتی گوشواروں پر ڈائریکٹرز کا جائزہ

رابطے کے لیے آن لائن پلیٹ فارمز کی فراہمی شامل ہے۔

ان مشکل وقتوں میں ہم اپنے مرکزی خیال پر قائم ہیں جو تمام پاکستانیوں کی زندگیوں کو بہتر بنانے کے لیے ہماری رہنمائی کرتا ہے اور جس معاشرے میں ہم رہتے ہیں اس پر اس کے مثبت اثرات پڑتے ہیں۔ COVID-19 اور پاکستان پر اس کے منفی اثرات سے نمٹنے کے لیے چیئر مین حسین داؤد نے داؤد ہر کیولس کارپوریشن، اینگروکار پوریشن اور ان کے اہل خانہ کی جانب سے قلیل مدت، درمیانی مدت اور طویل مدت کے لیے 11 ارب پاکستانی روپے کا نذرانہ دینے کا عہد کیا۔ اس کنٹری بیوشن کا مقصد بیماریوں کی روک تھام، صحت کی دیکھ بھال کرنے والے ماہرین اور صف اول کے کارکنوں کی حفاظت کرنا، مریضوں کی نگہداشت اور سہولیات کو میسر بنانا اور معاشی استحکام اور معاشرے کے انتہائی مستحق افراد کے لیے خوراک فراہم کرنا ہے۔ ہمارا ماننا ہے کہ زندگیوں بچانے کے کام میں ہمیشہ پوری طرح شفاف طریقے سے کام کرنا چاہئے۔ اس عہد کے بارے میں کہ ہم یہ فیصلہ کیسے اور کہاں استعمال کرتے ہیں، عوام اس کی تفصیلات ویب سائٹ <https://www.hussaindawardpledge.com> پر ملاحظہ کر سکتے ہیں۔

کاروباری جائزہ

30 ستمبر، 2020 کو ختم ہونے والی مدت کے لیے ہمارا مستحکم ریونیو 182,506 ملین روپے رہا جبکہ پچھلے سال اسی مدت کے لیے 147,493 ملین روپے تھا، جس سے 24% کا اضافہ ظاہر ہوتا ہے۔ یہ اضافہ بنیادی طور پر تھرمنسویوں سے زیادہ آمدنی کی بدولت حاصل ہوا۔ 2020 کے 9 ماہ کے لیے بعد از ٹیکس مستحکم منافع 31,073 ملین روپے پر قائم ہوا جو پچھلے سال اسی مدت کے منافع سے 43% زیادہ ہے، جبکہ شیئر ہولڈرز کے لیے بعد از ٹیکس منافع 18,345 ملین روپے تک بڑھا جو پچھلے سال اسی مدت کے لیے 12,922 ملین روپے تھا۔ خود مختار بنیاد پر کمپنی نے 9,283 ملین روپے کے بعد از ٹیکس منافع کا اعلان کیا جو کہ پچھلے سال اسی مدت کے لیے 9,424 ملین روپے تھا۔ جو کہ 16.11 روپے فی شیئر کے ای پی ایس کو ظاہر کرتا ہے۔ 31 دسمبر، 2020 کو ختم ہونے والے سال کے لیے بورڈ 10.00 روپے فی شیئر کے عبوری کیش ڈیویڈنڈ کا اعلان کرنے میں خوشی محسوس کرتا ہے۔ یہ سال کے

نصف حصے کے دوران اعلان کردہ 14 روپے فی شیئر کے علاوہ ہے جس سے مجموعی ادائیگی 24.00 روپے فی شیئر بنتی ہے۔

اہم کاروباری شعبوں کا مختصر جائزہ مندرجہ ذیل ہے:

کھادیں

کاروبار نے پچھلے سال 1,451 KT کے مقابلے میں 1,694 KT کی پوریا پروڈکشن حاصل کی جو اب تک کی سب سے زیادہ پیداوار ہے۔ یہ پلانٹ کی کارکردگی اور انجینئرنگ کی مہارت کے ساتھ ساتھ اضافی گیس مختص کرنے پر ہماری توجہ کا نتیجہ ہے۔ موجودہ مدت کے دوران فروخت 1,451 KT تھی جبکہ پچھلے سال اسی مدت کے لیے 1,331 KT رہی تھی، جو کہ 9% کا اضافہ ہے جس کی بنیادی وجہ اعلیٰ پیداوار اور ایگریکیو پروڈکٹ پلمنٹ کرنے کی حکمت عملی ہے۔ کاروبار نے اپنے یوریا مارکیٹ شیئر کو 35% تک بڑھایا جو کہ پچھلے سال 31% رہا تھا۔ اس مدت میں ریونیو 78,138 ملین روپے رہے جبکہ 77,749 ملین روپے تھے۔ PAT اس مدت کے لیے 11,491 ملین روپے رہے جبکہ پچھلے سال اسی مدت کے لیے 10,512 ملین روپے تھے۔

پیٹرولیم پمپنگ

ڈومیسٹک پی وی سی مارکیٹ نے 2020 کی تیسری سہ ماہی میں 30% کا زبردست اضافہ حاصل کیا جس کی وجہ مختلف شعبوں میں لاک ڈاؤن میں نرمی اور کاروباری سرگرمیاں بحال ہونے کے باعث بڑھتی ہوئی طلب اور ساتھ ہی حکومت کی طرف سے اعلان کردہ تعمیراتی بیکنج ہے۔ آپریشن کے شعبے میں، 2020 کی تیسری سہ ماہی میں پی وی سی کی پیداوار بھرپور رہی کیونکہ 2020 کے پہلے نصف حصے میں کاروبار کی بندش اور COVID-19 لاک ڈاؤن میں نرمی کے بعد کاروباری دن معمول پر آئے۔

2020 کی پہلی سہ ماہی کے دوران، ای پالیمر پلانٹ سائٹ پر گیس کے اخراج کا ایک واقعہ پیش آیا۔ کاروبار نے تمام عملے کے لیے وقت پر طبی دیکھ بھال فراہم کی جس میں سے زیادہ تر

افراد کو معمولی طبی امداد کی ضرورت تھی۔ اس مدت کے دوران واقعے کی مکمل تفتیش کی گئی، اہم تجاویز پر عمل درآمد کیا گیا اور اپنے عملے کے لیے محفوظ ماحول کی فراہمی کو یقینی بنانے کے لیے اہم اقدامات اٹھائے گئے۔

2020 کی تیسری سہ ماہی کے دوران، کاروبار نے ترجیحی شیئرز کے لیے 2,600 ملین روپے کی پری آئی پی او ڈسپنس اور 1,950 ملین روپے کی ایل ٹی ایف ایف ڈسپنس کا فیصلہ کیا۔ توقع ہے کہ دونوں ٹرانزیکشنز کی انتظامی کارروائیاں 2020 کی چوتھی سہ ماہی میں مکمل ہو جائیں گی۔

کاروبار نے 22,932 ملین روپے کا ریونیو حاصل کیا جو کہ پچھلے سال اسی مدت کے لیے 27,834 ملین روپے تھا۔ مزید یہ کہ، کاروبار نے 2,103 ملین روپے کے بعد از ٹیکس منافع کا اعلان کیا جو پچھلے سال اسی مدت کے لیے 2,814 ملین روپے تھا۔ COVID-19 کی وجہ سے لاک ڈاؤن کی پابندیوں اور پلانٹ آپریشنز کی معطلی کے باعث طلب میں کمی ہوئی جس سے طویل وقت لگا اور 2020 کی پہلی سہ ماہی میں گیس کے اخراج کا حادثہ، ریونیو میں کمی کی ایک بڑی وجہ بنی جس سے کاروبار کو پچھلے سال اسی مدت کے مقابلے میں ریونیو اور منافع کا حصول کم ہوا۔

توانائی اور پاور

کوئلے کی کان

کان گنی کا عمل جاری رہا اور اس مدت کے دوران اینگرو پاور جن تھر کوکان سے تقریباً 3 ملین ٹن کوئلہ فراہم کیا گیا۔ کان کی توسیع کا تعمیراتی کام جاری ہے جس سے اس کی گنجائش دوگنا بڑھ جائے گی۔ سائٹ پر کوئلہ میکر نے کام شروع کر دیا ہے۔ تاہم، چین اور پاکستان میں COVID-19 کے نتیجے میں ہونے والے لاک ڈاؤنز کے باعث سامان کی فراہمی میں تاخیر ہوئی جس کی وجہ سے زیادہ بوجھ ہٹانے کا عمل کم سے کم ہوا۔ توقع ہے کہ آنے والی سہ ماہی میں تعمیراتی کام تیزی سے شروع ہو جائے گا کیونکہ کان کے تمام آلات سائٹ پر پہنچا دیئے گئے ہیں۔

پاور پلانٹ

یہ پلانٹ 9 ماہ کے دوران مکمل طور پر چلتا رہا، COVID-19 کے بحران سے پیدا ہونے والے چیلنجز کے باوجود نظام کی کارکردگی کو برقرار رکھا گیا۔ اس پلانٹ نے 83% کے لوڈ فیکٹر کے ساتھ 86% دستیابی حاصل کی، اس مدت کے دوران نیشنل گریڈ کو 3,303 GWh ترسیل کیے گئے اور بغیر کسی قابل ذکر چوٹ کے دو دنوں پائس پر پہلی شیڈولڈ بندش بحفاظت مکمل کر لی گئی۔

قادر پور پاور پلانٹ

پاور پلانٹ، گیس کی سرائیت سے چلتا ہے اور قادر پور گیس فیلڈ کے ختم ہونے کے باعث اسے گیس کی قلت کا سامنا ہے۔ اس کی کو پورا کرنے کے لیے اسے مخلوط طرز پر دستیاب کر دیا گیا ہے۔ اس مدت کے دوران، پلانٹ نے 446 GWh کا نیٹ الیکٹرک پراڈکٹ آؤٹ پٹ، نیشنل گریڈ کو ترسیل کیا، 32% کے لوڈ فیکٹر کے ساتھ جو کہ پچھلے سال اسی مدت کے لیے 70% تھا۔ لوڈ فیکٹر میں کمی کی بنیادی وجہ کم خریدگی۔ کاروبار نے موجودہ مدت کے لیے 2,031 ملین روپے کا بعد از گیس منافع کا اعلان کیا جو پچھلے سال اسی مدت کے لیے 2,610 ملین روپے تھا۔

ٹرمینل آپریشنز

موجودہ مدت میں ایل این جی اور کیمیکلز ٹرمینلز دونوں میں زبردست منافع رہا۔ ایل این جی ٹرمینل نے 54 کارگو کو ہینڈل کیا جبکہ پچھلے سال اسی مدت کے لیے کارگو کی تعداد 55 تھی۔ اس مدت کے دوران، کاروبار نے طلب میں کمی کا سامنا کیا، تاہم، صارفین کی طرف سے وصولیوں میں کوئی تاخیر نہیں آئی۔

ٹیلی کمیونیکیشن انفراسٹرکچر

اینگرو انفراسٹرکچر مشنر کے ٹیلی کوم ناؤرز کے حصول اور تعمیر، کئی ٹیلی کمیونیکیشن کے انفراسٹرکچر اور متعلقہ سروسز کی فراہمی، بشمول جدید نیٹ ورک کی نگرانی کے عمل نکالنے میں مصروف ہے۔

2019 میں 1,500 ناؤرز کے حصول کے بعد انفراسٹرکچر نے 627 نئی سائٹس تعینات کی ہیں، جو پاکستان کے تمام ایم این اوز کو فراہم کی جاتی ہیں۔ پورٹفولیو میں توسیع کی وجہ سے

مارکیٹ شیئر میں نمایاں اضافہ ہوا ہے جو 2019 میں 18% تھا اور اب اس مدت میں 41% ہے۔

آنے والی مدت پر نظر نظر

COVID-19 وائرس کی نگرانی اور روک تھام میں ہم مسلسل اقدامات اٹھا رہے ہیں، جیسے ہمارے لوگوں کے لیے حفاظت اور صحت سے متعلق اقدامات، ایسے مادوں کی فراہمی کو محفوظ بنانا جو ہمارے پیداواری عمل کے لیے ضروری ہیں اور ہمارے اسٹیک ہولڈرز کے ساتھ رابطہ۔ اس مرحلے پر ہمیں توقع ہے کہ ہمارے کاروباروں اور نتائج پر COVID-19 کا اثر بڑی حد تک قابو میں آجائے گا لیکن دوسری لہر کی صورت میں یہ تبدیل ہو سکتا ہے۔

چونکہ اب پاکستان سمیت دنیا بھر میں لاک ڈاؤنز میں نرمی کی جارہی ہے اور کیمیز میں کمی آ رہی ہے تو ہم معاشی سرگرمی اور کاروبار کے نتائج اور ان کی لیکویڈیٹی پوزیشن میں بہتری دیکھتے ہیں۔ تاہم، COVID-19 سے متعلق حکومتی مداخلت صنعتی کارکردگی کو آگے بڑھانے میں اہم کردار ادا کرے گی۔ جی آئی ڈی سی کے دیرینہ کیس کو حل کرنے کے لیے سپریم کورٹ کے حالیہ فیصلے نے ہماری کھادوں اور پیٹرو کیمیکلز کے کاروباروں کو کیش فلو کے چیلنجز کا سامنا ہے۔ گروپ اس سلسلے میں تمام دستیاب آپشنز پر غور کر رہا ہے۔

کھادیں

COVID-19 کی پہلی لہر سے نمٹنے کے بعد معیشت آہستہ آہستہ بحال ہو رہی ہے جس سے یوریا کی مقامی طلب میں استحکام آ رہا ہے۔ مزید یہ کہ، این ڈی ایم اے نے نڈی کے حملے کے مسئلے کو حل کرنے کے لیے فعال طور پر اقدامات اٹھائے ہیں اور اس پر قابو پانے میں کامیاب رہے ہیں۔ اس طرح، ہم توقع کرتے ہیں کہ پورے سال کی صنعت کی طلب معمول پر آجائے گی۔

پیٹرو کیمیکلز

توقع کی جاتی ہے کہ مختلف پبلک اور پرائیویٹ تعمیراتی منصوبوں اور مومن سون کے بعد کی طلب

کے باعث پی وی سی کے لیے مقامی مارکیٹ مستحکم رہے گی۔ کاسٹک مارکیٹ کے شعبوں کے آپریٹنگ رئیس میں مزید اضافے کی توقع ہے کیونکہ امریکہ اور چین کے درمیان تجارتی جنگ اور انڈیا اور بنگلہ دیش میں لاک ڈاؤن کی پابندیوں کی وجہ سے ٹیکسٹائل کے زیادہ تر آرڈرز پاکستان کو دیئے جائیں گے۔

توانائی اور پاور

اینگرو، ملک میں توانائی کے بحران کو کم کرنے کے لیے پُر عزم ہے اور ہمارے توانائی کے کاروبار میں قابل تجدید توانائی کے شعبے میں مواقع کی تلاش جاری ہے۔ حکومت، توانائی کے شعبے میں سرکلر ڈیٹ کو ختم کرنے میں ناکام رہی ہے۔ ہم سمجھتے ہیں کہ اس کی بنیادی وجوہات کو حل کرنے کے لیے ٹھوس اقدامات کی عدم موجودگی اور ساتھ ہی موجودہ وبائی صورتحال کے باعث سرکلر ڈیٹ صنعتی ترقی میں ایک چیلنج ہے۔ سرکلر ڈیٹ کے بحران سے نمٹنے کے لیے بطور اقدامات، ای پی کیو ایل دیگر آزاد پرائیویٹ پاور پروڈیوسرز کے ساتھ مل کر 2002 کے پاور پالیسی پر ڈیجیٹل ٹرانسمیشن کی نگرانی کر رہے ہیں، اس سلسلے میں آئی پی بی کے ساتھ کاروباری بات چیت کرنے کے لیے کمیٹی کے ساتھ کئی بار مباحثے کیے، حکومت پاکستان (کمیٹی) نے اطلاع دی کہ ان مباحثوں میں کمیٹی نے آئی پی بی سے درخواست کی کہ حکومت پاکستان کو رعایت فراہم کی جائے جو کہ صارفین کو فراہم کی جائے گی۔ آئی پی بی نے کمیٹی کے ساتھ اتفاق کا اظہار کیا اور اس سلسلے میں 13 اگست 2020 کو مفاہمت کی یادداشت پر دستخط کیے گئے۔ مفاہمت کی یادداشت کی شرائط نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی، فیڈرل کمیٹی، آئی پی بی، بورڈ آف ڈائریکٹرز کی طرف سے منظوری، دیگر ضروری کارپوریٹ سے منظوری اور متعلقہ فریقین کے درمیان حتمی معاہدے پر عمل درآمد سے مشروط ہیں۔

ٹرمینل آپریشنز

کیمیکلز کے شعبے میں طلب کی بحالی نے مارکیٹ کی حرکیات کو مستحکم کیا ہے اور کیمیکلز ٹرمینل کو توقع ہے کہ وہ اپنے مارکیٹ شیئر کو قائم رکھیں گے۔ ایل این جی ٹرمینل، ملک کو درپیش توانائی کی کمی کو ختم کرنے میں اپنا کردار ادا کرتا رہتا ہے۔ اگرچہ، جاری وبائی بیماری نے شدید رکاوٹیں کھڑا

کردی ہیں لیکن کمپنیوں نے چیلنجز سے نمٹنے کے لیے متحرک حکمت عملی کو برقرار رکھتے ہوئے سروس کے تسلسل کو یقینی بنایا ہے۔

ٹیلی کمیونیکیشن انفراسٹرکچر

پاکستان میں موبائل ڈیٹا کا استعمال تیزی سے بڑھ رہا ہے اور جبکہ ایم این اوز کے لیے ریونیو میں اضافے کا عمل سست ہو گیا ہے تو پیٹرن میں تبدیلی ایم این اوز کو قیمتوں میں اصلاح کی طرف لے جا رہی ہے۔

انفراسٹرکچر، پورے پاکستان میں گنجائش اور کوریج کی تمام ضروریات کے لیے ناؤر شیئرنگ آپسیس میں قیمت کے زیادہ سے زیادہ صل کی فراہمی جاری رکھے گا۔ اس کے علاوہ، اینگرو کارپوریشن، ڈیجیٹل ڈیوائسز کو جوڑنے کے لیے پوری کیکلیوٹیٹی ویلیو چین میں ہمیشہ نئے مواقع کی تلاش کو جاری رکھتا ہے۔

اعتراف

ڈائریکٹرز اپنے شیئر ہولڈرز کا تہ دل سے شکریہ ادا کرنا چاہتے ہیں جنہوں نے ہمیشہ کمپنی میں اپنے اعتماد کا اظہار کیا ہے۔ ہم اینگرو ٹیلی کے ہر ممبر کا خلوص کے ساتھ شکریہ ادا کرنا چاہتے ہیں جنہوں نے ان مشکل حالات میں بھی بھرپور عزم، لگن اور نئی سوچ کے ساتھ اپنے فرائض سرانجام دیئے۔ ہمیں یقین ہے کہ وہ مستقبل میں بھی یہ کارکردگی جاری رکھیں گے۔

حسین داؤد
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