



# more than ever

first quarter accounts 2021

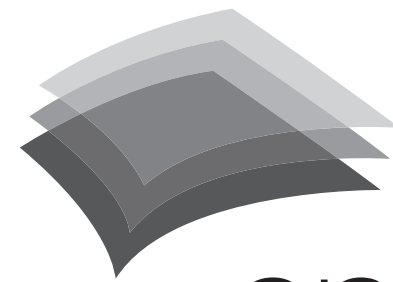


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Engro's investments in food & agri, petrochemicals, telecommunication infrastructure, and energy & related infrastructure are designed to enable nutrition, prosperity, connectivity, and progress for Pakistan.

## 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 - Excelerate Energy. Engro Elengy Terminal Limited, a wholly

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

## Engro Vopak Terminal Limited

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

## FrieslandCampina Engro Pakistan

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

## Engro Enfrashare (Private) Limited

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

## Engro Eximp Agri Products (Private) Limited

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

# directors' report

The Directors of Engro Corporation Limited are pleased to submit their report along with the condensed interim financial statements of the Company for the first quarter ended March 31, 2021.

The COVID-19 pandemic continues to be an unprecedented global challenge that is, to date, having devastating effects on public health, economies, and societies around the world. As vaccination programs roll-out globally, Pakistan too is procuring COVID-19 vaccines from various manufacturers and has launched its vaccination drive in Q1 2021. With the subsidence of the COVID-19 pandemic and roll-out of structural reforms under the Extended Fund Facility (EFF) program by the International Monetary Fund (IMF), Pakistan is expected to experience a steady economic recovery with improving consumer sentiment in Fiscal Year (FY) 2021.

Engro Corporation Limited's diverse portfolio is well-positioned to persevere through these challenging times. The management has responded proactively during this time of crisis and taken necessary steps to minimize any impact on long-term sustainability of cash flows. To facilitate employees, Engro companies continue to operate a 24-hour medical helpdesk and on-site quarantine facilities. Additionally, several initiatives have been organized to manage employee morale, including special recognition for frontline staff, emotional wellbeing counseling sessions and provision of online platforms for social interaction.

Despite 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 society. To tackle the pandemic's 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 short-, medium-, and long-term recovery. The pledge focuses on disease prevention, protecting and enabling healthcare practitioners and frontline workers, enabling patient care 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 following website:

<https://www.hussaindawoodpledge.com>.

## Business Review

The Company's consolidated revenue grew by 58%, from PKR 44,977 million during Q1 2020 to PKR 70,866 million. The consolidated Profit-After-Tax (PAT) for the quarter was PKR 14,779 million – up by 149%, while PAT attributable to the shareholders increased to PKR 8,337 million from PKR 3,317 million in the comparative period, resulting in an Earnings per Share (EPS) of PKR 14.47 compared to PKR 5.76. This increase is primarily attributable to higher reported profitability by the Fertilizers and Petrochemicals businesses.

On a standalone basis, the Company posted a PAT of PKR 3,586 million against PKR 780 million for the comparative period, translating into an EPS of PKR 6.22 per share. Increase in standalone profitability is primarily on account of higher dividends from subsidiaries.

## Fertilizers

Domestic market witnessed strong agricultural sector performance in Q1 2021. Following the momentum built over last year, farm economics continued to improve driven by better farm output prices and enhancing support pricing. These factors were further supported by Urea dealer transfer pricing at levels similar to 2012 (currently at PKR 1,679/bag).

International Urea prices have increased to USD 377/T (landed equivalent PKR 3,417/bag) by the end of Q1 2021 from USD 289/T (landed equivalent of PKR 2,775/bag) prevailing at the end of 2020. DAP international prices have witnessed rapid increase during the period with prices being quoted as high as USD 570/T by end of the quarter amidst product supply challenges and resurging demand especially from Latin and North America.

The Company's urea production during the quarter stood at 523 KT vs. 572 KT for the comparative period because of a turnaround in one of our plants. The Company delivered quarterly Urea sales of 582 KT vs. 169 KT and phosphates sales of 74 KT vs. 36 KT during the same period last year.

Gross Profit for the Company was recorded at PKR 11,557 million for Q1 2021 as compared to PKR 3,635 million in the same period last year, an increase of 3.2x mainly on the back of higher offtake.

## Energy

**Coal Mine:** Mining operations continued smoothly, and the mine supplied one million tons of coal to Engro Powergen Thar during the quarter. The expansion of the mine to 7.6 million tons per annum is underway.

**Thar Power Plant:** The plant remained fully operational during the quarter, maintaining system reliability despite challenges posed by the COVID-19 crisis. The plant achieved 81% availability with a load factor of 76%, dispatching 987 GwH to the national grid during the period. The Company also completed its scheduled outage on unit 2 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 190 GwH to the national grid with a load factor of 41% compared to 37% last year due to higher offtake from the Power Purchaser. The business posted a PAT of PKR 399 million for the current period as compared to PKR 895 million for Q1 2020 attributable to retirement of debt component.

## Petrochemicals

During the quarter, international PVC prices rose to an unprecedented level of USD 1670/T due to multiple unplanned shutdowns during a winter storm in the US which forced offline the majority of its PVC capacity. The prices were also supported by freight costs which continued to remain high in the quarter.

On the domestic market front, the PVC market demonstrated a growth of ~14% over the same period last year. The Chlor Alkali market, on the other hand, declined due to the slowdown in textile exports amid rising COVID cases in the US and Europe, which resulted in lower operating rates among major exporters.

The Company announced commercial operations of the new PVC plant on 1st March 2021, increasing the capacity to 295,000 MT per annum.

During Q1 2021, the Company recorded a revenue of PKR 15,671 million as compared to PKR 7,058 million in the same period last year. The Company posted a Profit After Tax of PKR 4,143 million compared to a Profit After Tax of PKR 193 million for the same period last year. The highest ever quarterly profit has been achieved on the back of increased volumetric sales, efficient operations and higher international prices.

## Terminal Operations

Profitability of both the LNG and chemicals terminal remained healthy for the current quarter. The LNG terminal handled 18 cargoes, delivering 52.8 bcf re-gasified LNG in to the SSGC network. The chemicals terminal had an actual throughput of 286 kT vs. 246 kT during the similar quarter last year. The increase was primarily observed in chemical volumes offset by lower LPG handling.

## Telecommunication Infrastructure

Engro Enfrashare engages in the acquisition and construction of shared telecom towers, provision of various telecommunication infrastructure and related services, including state of the art network monitoring solutions. The Company expanded its footprint further in the tower business and achieved a milestone of delivering a total of 1,577 sites by the end of the quarter, catering to all Mobile Network Operators (MNOs) in Pakistan. This portfolio expansion has led to a significant increase in the market share from 41% in 2020 to 44% during the period.

## Near-Term Outlook

We continue to take steps in monitoring and prevention of COVID-19, such as safety and health related measures for our people, securing the supply of materials that are essential to our production processes and communication with our key stakeholders. We foresee an improvement in economic activity in the current year and improvement in results of our businesses and their liquidity position. With the third wave on the horizon, Government interventions related to COVID-19 are expected to play a key role in industry performance going forward.

## Project Update - Polypropylene Facility

Despite the challenges faced in the past year, Engro continued to build on its experience in the Petrochemicals Vertical and completed the feasibility study of a polypropylene facility based on propane dehydrogenation technology (PDH-PP).

The Board has approved a budget of USD 31.4 million for conducting engineering, design and technical studies including a Front-End Engineering Design (FEED) study in relation to the PDH-PP Project. The results of these studies, when completed, are expected to inform the final investment decision in relation to this project, which will also be based on a conducive policy environment and arranging the right mix of debt and equity partners at such time.

## Fertilizer

In the fertilizer industry, the decision of the government to operate RLNG based urea plants for a 9-month period may result in an oversupplied market in view of opening inventory of 270 KT and expected indigenous gas-based Urea production of approximately 5.8 million tons in 2021.

## Energy

The Energy business continues to seek new opportunities in partnership with international players to utilize Engro's unique engineering and project management skillset. The business continues to work extensively to gain foothold in the renewables market and initial studies on wind and solar power projects as well as waste-to-energy power project are in progress. The business continues to explore more opportunities including hybrid solutions for third parties in the renewable energy sector across the country.

The Government has not been able to eliminate circular debt and 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. The Government along with certain IPPs have reached an understanding to change certain terms in agreements of IPPs for greater national interest and to devise a mechanism for payment of overdue receivables to tackle the circular debt crisis. In February 2021, EPQL and CPPA-G entered into a binding agreement based primarily on the terms of the MoU, agreed with the Committee for negotiation with Independent Power Producers, notified by Government of Pakistan.

## Petrochemicals

In the short-term, we expect PVC prices to remain bullish as a result of tight supply and increased global demand in the construction sector as multiple countries focus on using this sector as an economic revival tool.

Additionally, with regard to the multiple projects announced over the last few years, work is underway to deliver on timelines revised due to delays during the pandemic.



#### Terminal Operations

The LNG terminal is positively playing its role in partially alleviating the energy shortage faced by the country. Furthermore, market dynamics in the chemicals sector have been stable and Engro Vopak continues to retain its status as the market leader. However, LPG marine imports have declined due to increased movement through the land route at Taftan and the newly inaugurated entry point at border post-250.

#### Telecommunication Infrastructure

Enfrashare intends to secure market leadership as an independent TowerCo business through aggressive built-to-suit roll-out over the next 5 years.

The business outlook for Engro Enfrashare remains strong on the back of:

- Continued growth in mobile data usage, driving MNOs to enhance quality of services through aggressive Built-to-Suit roll outs in growing demand centers; and
- Stagnant revenue growth for MNOs will provide the impetus for their cost optimization initiatives encouraging further tower sharing and colocation opportunities.



Hussain Dawood  
Chairman

#### Acknowledgment

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



Ghias Khan  
President and Chief Executive



## condensed interim statement of financial position (unaudited) for the three months ended march 31, 2021

condensed interim statement of financial position (unaudited)  
as at march 31, 2021

| (Amounts in thousand)                            | Note | (Unaudited)<br>March 31,<br>2021 | (Audited)<br>December 31,<br>2020 |
|--|------|----------------------------------|-----------------------------------|
|  |      | ------(Rupees)-----              |                                   |
| <b>ASSETS</b>                                    |      |                                  |                                   |
| <b>Non-current assets</b>                        |      |                                  |                                   |
| Property, plant and equipment                    | 4    | 661,599                          | 571,384                           |
| Right-of-use assets                              |      | 452,111                          | 515,010                           |
| Intangible assets                                |      | 89,609                           | 96,810                            |
| Long term investments                            |      | 26,179,044                       | 26,179,044                        |
| Long term loans and advances                     |      | 414,426                          | 437,552                           |
| Deferred taxation                                |      | 34,929                           | 19,518                            |
|  |      | <u>27,831,718</u>                | <u>27,819,318</u>                 |
| <b>Current assets</b>                            |      |                                  |                                   |
| Loans, advances and prepayments                  | 5    | 18,377,589                       | 16,561,022                        |
| Receivables                                      | 6    | 3,936,673                        | 4,068,276                         |
| Short term investments                           | 7    | 50,020,115                       | 47,840,010                        |
| Cash and bank balances                           |      | 147,503                          | 697,064                           |
|  |      | <u>72,481,880</u>                | <u>69,166,372</u>                 |
|  |      | <u>100,313,598</u>               | <u>96,985,690</u>                 |
| <b>TOTAL ASSETS</b>                              |      |                                  |                                   |
| <b>EQUITY &amp; LIABILITIES</b>                  |      |                                  |                                   |
| <b>Equity</b>                                    |      |                                  |                                   |
| Share capital                                    |      | 5,761,633                        | 5,761,633                         |
| Share premium                                    |      | 13,068,232                       | 13,068,232                        |
| General reserve                                  |      | 4,429,240                        | 4,429,240                         |
| Remeasurement of post employment benefits        |      | (16,375)                         | (16,375)                          |
| Unappropriated profit                            |      | 67,344,497                       | 63,758,171                        |
| <b>Total equity</b>                              |      | <u>90,587,227</u>                | <u>87,000,901</u>                 |
| <b>Liabilities</b>                               |      |                                  |                                   |
| <b>Non-current liabilities</b>                   |      |                                  |                                   |
| Retirement and other service benefit obligations |      | 10,071                           | 31,133                            |
| Lease liabilities                                |      | 363,979                          | 357,700                           |
|  |      | <u>374,050</u>                   | <u>388,833</u>                    |
| <b>Current liabilities</b>                       |      |                                  |                                   |
| Trade and other payables                         |      | 3,557,158                        | 4,285,669                         |
| Current portion of lease liabilities             |      | 207,758                          | 272,291                           |
| Taxes payable                                    |      | 5,320,447                        | 4,769,343                         |
| Unclaimed dividends                              |      | 266,958                          | 268,653                           |
|  |      | <u>9,352,321</u>                 | <u>9,595,956</u>                  |
| <b>Total liabilities</b>                         |      | <u>9,726,371</u>                 | <u>9,984,789</u>                  |
| <b>Contingencies and Commitments</b>             |      |                                  |                                   |
|  | 8    |                                  |                                   |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>            |      | <u>100,313,598</u>               | <u>96,985,690</u>                 |

The annexed notes from 1 to 16 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

condensed interim statement of  
profit or loss and other comprehensive income (unaudited)  
for the three months ended march 31, 2021

(Amounts in thousand except for earnings per share)

|  | Note | Three months ended  |                   |
|--|------|---------------------|-------------------|
|  |      | March 31,<br>2021   | March 31,<br>2020 |
|  |      | ------(Rupees)----- |                   |
| Dividend income                                  |      | 3,432,992           | 270,000           |
| Royalty income                                   |      | 328,419             | 112,064           |
|  |      | <u>3,761,411</u>    | <u>382,064</u>    |
| Administrative expenses                          |      | (191,615)           | (379,745)         |
|  |      | <u>3,569,796</u>    | <u>2,319</u>      |
| Other income                                     |      | 1,139,717           | 2,019,748         |
| Other operating expenses                         |      | (347,749)           | (952,155)         |
| <b>Operating profit</b>                          |      | <u>4,361,764</u>    | <u>1,069,912</u>  |
| Finance cost                                     |      | (20,948)            | (36,078)          |
| <b>Profit before taxation</b>                    |      | <u>4,340,816</u>    | <u>1,033,834</u>  |
| Taxation   |      | (754,490)           | (254,299)         |
| <b>Profit for the period</b>                     |      | <u>3,586,326</u>    | <u>779,535</u>    |
| Other comprehensive income for the period        |      | -                   | -                 |
| <b>Total comprehensive income for the period</b> |      | <u>3,586,326</u>    | <u>779,535</u>    |
| <b>Earnings per share - basic and diluted</b>    | 9    | <u>6.22</u>         | <u>1.35</u>       |

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Abdul Samad Dawood  
Vice Chairman



Mazhar Abbas Hasnani  
Chief Financial Officer



Ghias Khan  
President and Chief Executive




condensed interim statement of  
changes in equity (unaudited)  
for the three months ended march 31, 2021

(Amounts in thousand)

|  | Capital Reserve     |               | Revenue Reserves |  |                       | Total        |
|--|---------------------|---------------|------------------|--|-----------------------|--------------|
|  | Share capital       | Share premium | General reserve  | Remeasurement of post employment benefits - Actuarial loss | Unappropriated profit |              |
|  | ------(Rupees)----- |               |                  |  |                       |              |
| Balance as at January 01, 2020 (Audited)   | 5,761,633           | 13,068,232    | 4,429,240        | (23,137)   | 61,860,773            | 85,096,741   |
| Total comprehensive income for the three months ended March 31, 2020                   | -                   | -             | -                | -  | 779,535               | 779,535      |
| Balance as at March 31, 2020 (unaudited)   | 5,761,633           | 13,068,232    | 4,429,240        | (23,137)   | 62,640,308            | 85,876,276   |
| Profit for the nine months ended December 31, 2020                                     | -                   | -             | -                | -  | 15,521,943            | 15,521,943   |
| Other comprehensive loss for the nine months ended December 31, 2020                   | -                   | -             | -                | 6,762  | -                     | 6,762        |
| <b>Transactions with owners</b>  |                     |               |                  |  |                       |              |
| 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 ended December 31, 2020 @ Rs. 6.00 per share  | -                   | -             | -                | -  | (3,456,979)           | (3,456,979)  |
| Second interim cash dividend for the year ended December 31, 2020 @ Rs. 8.00 per share | -                   | -             | -                | -  | (4,609,306)           | (4,609,306)  |
| Third interim cash dividend for the year ended December 31, 2020 @ Rs. 10.00 per share | -                   | -             | -                | -  | (5,761,632)           | (5,761,632)  |
|  | -                   | -             | -                | -  | (14,404,080)          | (14,404,080) |
| Balance as at December 31, 2020 (audited)  | 5,761,633           | 13,068,232    | 4,429,240        | (16,375)   | 63,758,171            | 87,000,901   |
| Total comprehensive income for the three months ended March 31, 2021                   | -                   | -             | -                | -  | 3,586,326             | 3,586,326    |
| Balance as at March 31, 2021 (unaudited)   | 5,761,633           | 13,068,232    | 4,429,240        | (16,375)   | 67,344,497            | 90,587,227   |

The annexed notes from 1 to 16 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

condensed interim statement of cash flows (unaudited)  
for the three months ended march 31, 2021

(Amounts in thousand)

| Note   | Three months ended  |                |             |
|--|---------------------|----------------|-------------|
|  | March 31, 2021      | March 31, 2020 |             |
|  | ------(Rupees)----- |                |             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                     |                |             |
|  |                     |                |             |
| Cash utilized in operations  | 10                  | (1,647,395)    | (1,286,161) |
| Royalty received   |                     | 265,738        | 282,952     |
| Taxes paid   |                     | (218,797)      | (454,521)   |
| Retirement and other service benefits paid   |                     | (108,088)      | (66,454)    |
| Long term loans and advances - net   |                     | 29,067         | 31,247      |
| Net cash utilized in operating activities  |                     | (1,679,475)    | (1,492,937) |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                     |                |             |
|  |                     |                |             |
| Dividends received   |                     | 4,184,060      | -           |
| Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries |                     | 692,119        | 1,037,453   |
| Loan disbursed to subsidiary companies   |                     | (1,500,000)    | (1,149,053) |
| Purchase of treasury bills, units of mutual funds and fixed income placements                            |                     | (9,586,403)    | (950,000)   |
| Proceeds from treasury bills, units of mutual funds and fixed income placements                          |                     | 14,389,059     | 10,547,856  |
| Purchases of property, plant and equipment (PPE)   |                     | (126,265)      | (91,468)    |
| Sale proceeds on disposal of PPE   |                     | 4,000          | -           |
| Net cash generated from investing activities   |                     | 8,056,570      | 9,394,788   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                     |                |             |
|  |                     |                |             |
| Payment of financial charges   |                     | (5,700)        | (10,606)    |
| Lease rentals paid   |                     | (75,499)       | (90,618)    |
| Dividends paid   |                     | (1,695)        | (5,687)     |
| Net cash utilized in financing activities  |                     | (82,894)       | (106,911)   |
| Net increase in cash and cash equivalents  |                     | 6,294,201      | 7,794,940   |
| Cash and cash equivalents at beginning of the period   |                     | 19,970,314     | 6,050,273   |
| Cash and cash equivalents at end of the period   | 11                  | 26,264,515     | 13,845,213  |

The annexed notes from 1 to 16 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 condensed interim financial statements (unaudited) for the three months ended march 31, 2021

(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, 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, 2020.

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, 2020.

(Amounts in thousand)

## 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 was imposed in multiple parts of the country.

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, 2020.

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

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

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

| (Unaudited)         | (Audited)            |
|---------------------|----------------------|
| March 31,<br>2021   | December 31,<br>2020 |
| ------(Rupees)----- |                      |

## 4. PROPERTY, PLANT AND EQUIPMENT

|                                     |         |         |
|-------------------------------------|---------|---------|
| Operating assets (note 4.1)         | 436,437 | 467,078 |
| Capital work-in-progress (note 4.2) | 225,162 | 104,306 |
|                                     | 661,599 | 571,384 |



(Amounts in thousand)

4.1 Additions to operating assets during the period / year amounted to Rs. 5,642 (December 31, 2020: Rs. 213,116) for owned assets. Operating assets costing Rs. 4,550 (December 31, 2020: Rs. 3,240) having a net book value of Rs. 1,991 (December 31, 2020: Rs. 3,102), were disposed off during the period / year for Rs. 4,000 (December 31, 2020: Rs. 3,148).

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

## 5. LOANS, ADVANCES AND PREPAYMENTS

During the period, a further amount of Rs. 1,500,000 (December 31, 2020: 9,230,000) 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. The loan is repayable on December 31, 2021.

## 6. RECEIVABLES

6.1 These include an amount of Rs. 3,005,492 (December 31, 2020: Rs. 3,756,560) on account of dividend receivable from Engro Fertilizers Limited (EFert), a subsidiary, on account of final dividend for the year ended December 31, 2020. The said dividend was approved by the shareholders of EFert in the Annual General Meeting held on March 30, 2021.

## 7. 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

|  | (Unaudited)<br>March 31,<br>2021 | (Audited)<br>December 31,<br>2020 |
|--|----------------------------------|-----------------------------------|
|  | ------(Rupees)-----              |                                   |

|  |                   |                   |
|--|-------------------|-------------------|
|  | 18,732,640        | 14,092,722        |
|  | 12,648,873        | 12,429,684        |
|  | 31,381,513        | 26,522,406        |
|  | 4,606,717         | 13,807,537        |
|  | 14,031,885        | 7,510,067         |
|  | <u>50,020,115</u> | <u>47,840,010</u> |

(Amounts in thousand)

## 8. 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, 2020 are as follows:

During the period:

- Standby Letters of Credit (Equity SBLs), provided by Engro Energy Limited, a subsidiary company, through National Bank of Pakistan, as explained in note 18.1.2 of the audited annual financial statements of the Company for the year ended December 31, 2020, have reduced to US Dollars 8,635 (December 31, 2020: US Dollars 9,155) against which the Company has pledged Treasury Bills amounting to Rs. 1,519,836 (December 31, 2020: Rs. 1,622,000). 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.

- Corporate guarantees issued by Engro Elengy Terminal Pakistan Limited, as explained in note 18.1.3 of the audited financial statements of the Company for the year ended December 31, 2020, have reduced to US Dollars 20,700 (2019: US Dollars 22,500). These guarantees have been secured by the Company by pledging Treasury Bills amounting to Rs. 3,643,200 (December 31, 2020: 3,666,000).

### 8.1 Contingencies

There are no significant changes in the status of contingencies as disclosed in note 18 of the audited annual financial statements of the Company for the year ended December 31, 2020.

|  | (Unaudited)<br>March 31,<br>2021 | (Audited)<br>December 31,<br>2020 |
|--|----------------------------------|-----------------------------------|
|  | ------(Rupees)-----              |                                   |

### 8.2 Commitments

Commitments in respect of capital expenditure

|  |         |         |
|--|---------|---------|
|  | 565,206 | 416,187 |
|--|---------|---------|

## 9. EARNINGS PER SHARE

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

|  | Three months ended               |                                  |
|--|----------------------------------|----------------------------------|
|  | (Unaudited)<br>March 31,<br>2021 | (Unaudited)<br>March 31,<br>2020 |
|  | ------(Rupees)-----              |                                  |
| Profit for the period                                    | 3,586,326                        | 779,535                          |
|  | -----Number of shares-----       |                                  |
| Weighted average number of ordinary shares (in thousand) | 576,163                          | 576,163                          |

(Amounts in thousand)

## 10. CASH UTILIZED IN OPERATIONS

|   | Three months ended               |                                  |
|---|----------------------------------|----------------------------------|
|   | (Unaudited)<br>March 31,<br>2021 | (Unaudited)<br>March 31,<br>2020 |
| Profit before taxation  | 4,340,816                        | 1,033,834                        |
| Adjustment for non-cash charges and other items:                  |                                  |                                  |
| Depreciation  | 34,058                           | 26,092                           |
| Amortization  | 7,202                            | 6,345                            |
| Depreciation on right-of-use assets                               | 56,991                           | 69,762                           |
| Gain on disposal of property, plant and equipment                 | (2,009)                          | -                                |
| Provision for retirement and other service benefits               | 86,261                           | 65,832                           |
| Income on deposits / other financial assets                       | (1,139,717)                      | (2,008,640)                      |
| Dividend income   | (3,432,992)                      | (270,000)                        |
| Royalty income  | (328,419)                        | (112,064)                        |
| Financial charges   | 20,948                           | 36,078                           |
| Working capital changes (note 10.1)                               | (1,290,534)                      | (133,400)                        |
|   | <u>(1,647,395)</u>               | <u>(1,286,161)</u>               |
| <b>10.1 Working capital changes</b>                               |                                  |                                  |
| (Increase) in current assets                                      |                                  |                                  |
| - Loans, advances, deposits and prepayments                       | (6,004)                          | (167,936)                        |
| - Other receivables (net)   | (556,784)                        | (128,715)                        |
|   | <u>(562,788)</u>                 | <u>(296,651)</u>                 |
| (Decrease) / Increase in current liabilities                      |                                  |                                  |
| - Trade and other payables including other service benefits (net) | (727,746)                        | 163,251                          |
|   | <u>(1,290,534)</u>               | <u>(133,400)</u>                 |
| <b>11. CASH AND CASH EQUIVALENTS</b>                              |                                  |                                  |
| Short term investments  | 26,117,012                       | 13,843,307                       |
| Short term borrowings   | -                                | (305,947)                        |
| Cash and bank balances  | 147,503                          | 307,853                          |
|   | <u>26,264,515</u>                | <u>13,845,213</u>                |

(Amounts in thousand)

## 12. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 12.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, 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.

### 12.2 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 ----- |                   |          |                   |
| <b>As at March 31, 2021</b>                                       |                    |                   |          |                   |
| Financial assets at fair value through other comprehensive income |                    |                   |          |                   |
| - Treasury Bills  | -                  | 18,732,640        | -        | 18,732,640        |
| - Pakistan Investment Bonds                                       | -                  | 12,648,873        | -        | 12,648,873        |
|   | <u>-</u>           | <u>31,381,513</u> | <u>-</u> | <u>31,381,513</u> |
| Financial assets at fair value through profit or loss             |                    |                   |          |                   |
| - Units of mutual funds   | -                  | 4,606,717         | -        | 4,606,717         |
|   | <u>-</u>           | <u>4,606,717</u>  | <u>-</u> | <u>4,606,717</u>  |
| <b>As at December 31, 2020</b>                                    |                    |                   |          |                   |
| Financial assets at fair value through other comprehensive income |                    |                   |          |                   |
| - Treasury Bills  | -                  | 14,092,722        | -        | 14,092,722        |
| - Pakistan Investment Bonds                                       | -                  | 12,429,684        | -        | 12,429,684        |
|   | <u>-</u>           | <u>26,522,406</u> | <u>-</u> | <u>26,522,406</u> |
| Financial assets at fair value through profit or loss             |                    |                   |          |                   |
| - Units of mutual funds   | -                  | 13,807,537        | -        | 13,807,537        |
|   | <u>-</u>           | <u>13,807,537</u> | <u>-</u> | <u>13,807,537</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)

### 13. 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:

|  | Three months ended               |                                  |
|--|----------------------------------|----------------------------------|
|  | (Unaudited)<br>March 31,<br>2021 | (Unaudited)<br>March 31,<br>2020 |
|  | ------(Rupees)-----              |                                  |
| <b>Subsidiary companies</b>                        |                                  |                                  |
| Mark-up from subsidiaries                          | 312,759                          | 155,237                          |
| Disbursement of loan to subsidiary                 | 1,500,000                        | 1,149,053                        |
| Unwinding of discount on term finance certificates | -                                | 97,317                           |
| Dividend income                                    | 3,005,492                        | -                                |
| Royalty income                                     | 328,419                          | 112,064                          |
| Reimbursements                                     | 688,519                          | 501,351                          |
| Service fees against Corporate Guarantees          | -                                | 3,963                            |
| <b>Associated companies</b>                        |                                  |                                  |
| Purchases and services                             | 26,835                           | 241                              |
| Contribution for Corporate Social Responsibility   | 7,200                            | -                                |
| Reimbursements                                     | 52,173                           | 45,330                           |
| <b>Joint venture</b>                               |                                  |                                  |
| Mark-up from joint venture                         | -                                | 6,946                            |
| Dividend income                                    | 427,500                          | 270,000                          |
| Reimbursements                                     | 51,636                           | 22,822                           |
| <b>Others</b>                                      |                                  |                                  |
| Remuneration of key management personnel           | 141,213                          | 111,141                          |
| Reimbursements to key management personnel         | 185                              | 2,019                            |
| Contribution to staff retirement benefit funds     | 47,291                           | 39,164                           |
| Directors' Fee                                     | 23,503                           | 20,474                           |

(Amounts in thousand)

### 14. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

- 14.1 The Board of Directors of Engro Fertilizers Limited, a subsidiary company, in its meeting held on April 19, 2021 has declared an interim cash dividend of Rs. 4.00 per share for the year ending December 31, 2021, amounting to Rs. 5,341,198 of which the proportionate share of the Company amounts to Rs. 3,005,492.
- 14.2 The Board of Directors of Engro Polymer and Chemicals Limited, a subsidiary company, in its meeting held on April 16, 2021 has declared an interim cash dividend of Rs. 0.8 per share for the year ending December 31, 2021, amounting to Rs. 727,139 of which the proportionate share of the Company amounts to Rs. 408, 579.
- 14.3 The Board of Directors of Engro Vopak Terminal Limited, a joint venture, in its meeting held on April 15, 2021 has declared an interim cash dividend of Rs. 4.00 per share for the year ending December 31, 2021, amounting to Rs. 360,000 of which the proportionate share of the Company amounts to Rs. 180,000.

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


- 14.4 The Board of Directors of the Company in its meeting held on April 21, 2021 has approved an interim cash dividend of Rs. 12.00 per share for the year ending December 31, 2021. These unconsolidated condensed interim financial statements do not reflect the effect of dividend payable.

### 15. CORRESPONDING FIGURES

- 15.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.
- 15.2 In order to comply with the requirements of International Accounting Standards 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows has been compared with the balances of comparable period of immediately preceding financial year.

### 16. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 21, 2021 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




engro corp

consolidated condensed  
interim financial statements (unaudited)  
for the three months ended march 31, 2021

consolidated condensed interim statement of  
financial position (unaudited)  
as at march 31, 2021

| (Amounts in thousand)                           | Note | (Unaudited)<br>March 31,<br>2021 | (Audited)<br>December 31,<br>2020 |
|---|------|----------------------------------|-----------------------------------|
| ------(Rupees)-----                             |      |                                  |                                   |
| <b>ASSETS</b>                                   |      |                                  |                                   |
| <b>Non-current assets</b>                       |      |                                  |                                   |
| Property, plant and equipment                   | 5    | 258,519,557                      | 261,957,144                       |
| Right-of-use assets                             |      | 7,810,164                        | 6,991,760                         |
| Intangible assets                               |      | 1,054,935                        | 1,087,281                         |
| Long term investments                           | 6    | 32,755,755                       | 32,045,438                        |
| Deferred taxation                               |      | 100,912                          | 80,434                            |
| Financial asset at amortized cost               |      | 4,064,167                        | 5,160,833                         |
| Net investment in lease                         |      | 38,774,616                       | 44,557,411                        |
| Long term loans, advances and other receivables |      | 2,046,366                        | 2,109,917                         |
|   |      | <b>345,126,472</b>               | <b>353,990,218</b>                |
| <b>Current assets</b>                           |      |                                  |                                   |
| Stores, spares and loose tools                  |      | 9,446,217                        | 9,069,394                         |
| Stock-in-trade                                  |      | 17,424,301                       | 17,938,391                        |
| Trade debts                                     |      | 57,087,504                       | 50,616,507                        |
| Loans, advances, deposits and prepayments       |      | 4,264,141                        | 3,861,287                         |
| Other receivables                               |      | 18,931,486                       | 18,529,010                        |
| Accrued income                                  |      | 228,198                          | 598,940                           |
| Contract asset                                  |      | 5,232,258                        | 5,714,977                         |
| Current portion of net investment in lease      |      | 6,313,934                        | 3,255,211                         |
| Short term investments                          |      | 103,260,895                      | 93,492,881                        |
| Cash and bank balances                          |      | 20,560,384                       | 23,353,283                        |
|   |      | <b>242,749,318</b>               | <b>226,429,881</b>                |
| Assets classified as held for sale              |      | 67,054                           | 67,054                            |
| <b>TOTAL ASSETS</b>                             |      | <b>587,942,844</b>               | <b>580,487,153</b>                |

  
Abdul Samad Dawood  
Vice Chairman


  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President and Chief Executive

consolidated condensed interim statement of  
financial position (unaudited)  
as at march 31, 2021

| (Amounts in thousand)                       | Note | (Unaudited)<br>March 31,<br>2021 | (Audited)<br>December 31,<br>2020 |
|---|------|----------------------------------|-----------------------------------|
| ------(Rupees)-----                         |      |                                  |                                   |
| <b>EQUITY &amp; LIABILITIES</b>             |      |                                  |                                   |
| <b>Equity</b>                               |      |                                  |                                   |
| Share capital                               |      | 5,761,632                        | 5,761,632                         |
| Share premium                               |      | 13,068,232                       | 13,068,232                        |
| Revaluation reserve on business combination |      | 127                              | 2,678                             |
| Maintenance reserve                         |      | 156,301                          | 156,301                           |
| Exchange revaluation reserve                |      | 578,668                          | 682,940                           |
| Hedging reserve                             |      | (26,321)                         | (26,173)                          |
| General reserve                             |      | 4,429,240                        | 4,429,240                         |
| Unappropriated profit                       |      | 132,761,448                      | 124,424,783                       |
| Remeasurement of post-employment benefits   |      | (83,754)                         | (83,754)                          |
|   |      | <b>150,883,941</b>               | <b>142,654,247</b>                |
| <b>Non-controlling interest</b>             |      | <b>156,645,573</b>               | <b>148,415,879</b>                |
|   |      | <b>75,284,314</b>                | <b>71,178,776</b>                 |
| <b>Total Equity</b>                         |      | <b>231,929,887</b>               | <b>219,594,655</b>                |
| <b>Liabilities</b>                          |      |                                  |                                   |
| <b>Non-Current liabilities</b>              |      |                                  |                                   |
| Borrowings                                  |      | 129,731,029                      | 135,230,145                       |
| Deferred taxation                           |      | 14,634,465                       | 14,568,338                        |
| Deferred liabilities                        |      | 2,545,196                        | 2,713,632                         |
| Lease liabilities                           |      | 44,958,799                       | 50,624,880                        |
| Long term provisions                        |      | 12,872,534                       | 14,488,376                        |
|   |      | <b>204,742,023</b>               | <b>217,625,371</b>                |
| <b>Current Liabilities</b>                  |      |                                  |                                   |
| Trade and other payables                    |      | 80,760,239                       | 86,502,884                        |
| Accrued interest / mark-up                  |      | 2,913,167                        | 1,372,323                         |
| Current portion of:                         |      |                                  |                                   |
| - borrowings                                |      | 22,300,677                       | 22,688,492                        |
| - lease liabilities                         |      | 8,258,798                        | 4,905,787                         |
| - deferred liabilities                      |      | 736,226                          | 730,648                           |
| - long term provisions                      |      | 13,642,698                       | 11,691,978                        |
| Taxes payable                               |      | 7,465,108                        | 2,493,198                         |
| Short term borrowings                       |      | 11,164,150                       | 12,505,120                        |
| Dividend payable                            |      | 3,685,962                        | -                                 |
| Unclaimed dividends                         |      | 343,909                          | 376,697                           |
|   |      | <b>151,270,934</b>               | <b>143,267,127</b>                |
| <b>Total Liabilities</b>                    |      | <b>356,012,957</b>               | <b>360,892,498</b>                |
| <b>Contingencies and Commitments</b>        | 8    |                                  |                                   |
| <b>TOTAL EQUITY AND LIABILITIES</b>         |      | <b>587,942,844</b>               | <b>580,487,153</b>                |

The annexed notes from 1 to 17 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 three months ended march 31, 2021

(Amounts in thousand except for earnings per share)

|  | Note | Three months ended |                   |
|--|------|--------------------|-------------------|
|  |      | March 31,<br>2021  | March 31,<br>2020 |
| ------(Rupees)-----                                |      |                    |                   |
| Net revenue  |      | 70,866,193         | 44,977,167        |
| Cost of revenue                                    |      | (46,050,048)       | (31,257,355)      |
| <b>Gross profit</b>                                |      | <b>24,816,145</b>  | <b>13,719,812</b> |
| Selling and distribution expenses                  |      | (1,656,524)        | (1,056,718)       |
| Administrative expenses                            |      | (1,261,150)        | (1,508,526)       |
|  |      | <b>21,898,471</b>  | <b>11,154,568</b> |
| Other income                                       |      | 2,440,258          | 3,443,075         |
| Other operating expenses                           |      | (1,131,788)        | (1,747,111)       |
| Finance cost                                       |      | (3,591,000)        | (6,066,385)       |
| Share of income from joint ventures and associates |      | 1,018,656          | 270,316           |
| <b>Profit for the period before taxation</b>       |      | <b>20,634,597</b>  | <b>7,054,463</b>  |
| Taxation   |      | (5,855,604)        | (1,113,623)       |
| <b>Profit for the period</b>                       |      | <b>14,778,993</b>  | <b>5,940,840</b>  |
| Profit for the period attributable to:             |      |                    |                   |
| - Owners of the Holding Company                    |      | 8,336,665          | 3,316,908         |
| - Non-controlling interest                         |      | 6,442,328          | 2,623,932         |
|  |      | <b>14,778,993</b>  | <b>5,940,840</b>  |
| Profit / (loss) attributable to:                   |      |                    |                   |
| - continuing operations                            |      | 14,778,691         | 6,007,828         |
| - discontinued operations                          |      | 302                | (66,988)          |
|  |      | <b>14,778,993</b>  | <b>5,940,840</b>  |
| Earnings / (loss) per share - basic and diluted    |      |                    |                   |
| - continuing operations                            | 9    | 14.47              | 5.88              |
| - discontinued operations                          |      | -                  | (0.12)            |
|  |      | <b>14.47</b>       | <b>5.76</b>       |

The annexed notes from 1 to 17 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 three months ended march 31, 2021

(Amounts in thousand)

|  | Three months ended |                   |
|--|--------------------|-------------------|
|  | March 31,<br>2021  | March 31,<br>2020 |
| ------(Rupees)-----  |                    |                   |
| <b>Profit for the period</b>   | <b>14,778,993</b>  | <b>5,940,840</b>  |
| <b>Other comprehensive income:</b>                                   |                    |                   |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                    |                   |
| <b>Hedging reserve - cash flow hedges</b>                            |                    |                   |
| Profit / (loss) arising during the period                            | -                  | -                 |
| Reclassification adjustments for profit included in profit or loss   | (215)              | (752)             |
|  | (215)              | (752)             |
| Revaluation reserve on business combination                          | (5,251)            | 10,202            |
| Exchange differences on translation of foreign operations            | (104,272)          | 520,673           |
|  | (109,738)          | 530,123           |
| Income tax relating to:  |                    |                   |
| - Hedging reserve - cash flow hedges                                 | -                  | -                 |
| - Revaluation reserve on business combination                        | 1,680              | -                 |
|  | 1,680              | -                 |
| Other comprehensive income / (loss) for the period, net of tax       | (108,058)          | 530,123           |
| <b>Total comprehensive income for the period</b>                     | <b>14,670,935</b>  | <b>6,470,963</b>  |
| <b>Total comprehensive income attributable to:</b>                   |                    |                   |
| - Owners of the Holding Company                                      | 8,229,694          | 3,847,098         |
| - Non-controlling interest   | 6,441,241          | 2,623,865         |
|  | <b>14,670,935</b>  | <b>6,470,963</b>  |
| <b>Total comprehensive income / (loss) attributable to:</b>          |                    |                   |
| - continuing operations  | 14,670,633         | 6,537,951         |
| - discontinued operations  | 302                | (66,988)          |
|  | <b>14,670,935</b>  | <b>6,470,963</b>  |

The annexed notes from 1 to 17 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 three months ended march 31, 2021

(Amounts in thousand)

|  | -----Attributable to owners of the Holding Company----- |               |   |                     |                              |                  |                 |                        |   |             |                          |             |
|--|---|---------------|---|---------------------|------------------------------|------------------|-----------------|------------------------|---|-------------|--------------------------|-------------|
|  | Capital reserves  |               |   |                     |                              | Revenue reserves |                 |                        |   |             |                          |             |
|  | Share capital   | Share premium | Revaluation reserve on business combination | Maintenance reserve | Exchange revaluation reserve | Hedging reserve  | General reserve | Un-appropriated profit | Remeasurement of post employment benefits - Actuarial gain / (loss) | Sub total   | Non-controlling interest | Total       |
|  | -----Rupees-----  |               |   |                     |                              |                  |                 |                        |   |             |                          |             |
| Balance as at January 1, 2020 (audited)  | 5,761,632   | 3,068,232     | 12,880                                      | 156,301             | 608,100                      | (24,969)         | 4,429,240       | 113,728,540            | (94,020)  | 137,645,936 | 57,603,440               | 195,249,376 |
| Total comprehensive income for the three months ended March 31, 2020 (unaudited)       |   |               |   |                     |                              |                  |                 |                        |   |             |                          |             |
| Profit for the period  | -   | -             | -   | -                   | -                            | -                | -               | 3,316,908              | -   | 3,316,908   | 2,623,932                | 5,940,840   |
| Other comprehensive income   | -   | -             | 10,202                                      | -                   | 520,741                      | (752)            | -               | -                      | -   | 530,191     | (68)                     | 530,123     |
| Balance as at March 31, 2020 (unaudited)   | 5,761,632   | 3,068,232     | 23,082                                      | 156,301             | 1,128,841                    | (25,721)         | 4,429,240       | 117,045,448            | (94,020)  | 141,493,035 | 60,227,304               | 201,720,339 |
| Total comprehensive income for the nine months ended December 31, 2020                 |   |               |   |                     |                              |                  |                 |                        |   |             |                          |             |
| Profit for the period  | -   | -             | -   | -                   | -                            | -                | -               | 21,783,415             | -   | 21,783,415  | 16,387,339               | 38,170,754  |
| Other comprehensive income   | -   | -             | (20,404)                                    | -                   | (445,901)                    | (452)            | -               | -                      | 10,266  | (456,491)   | (1,835)                  | (458,326)   |
| Transactions with owners   |   |               |   |                     |                              |                  |                 |                        |   |             |                          |             |
| Preference shares issued during the period - net of transaction cost                   | -   | -             | -   | -                   | -                            | -                | -               | -                      | -   | 2,801,524   | -                        | 2,801,524   |
| Dividend by subsidiaries allocable to Non-Controlling interest                         | -   | -             | -   | -                   | -                            | -                | -               | -                      | -   | -           | (8,235,556)              | (8,235,556) |
| 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 ended December 31, 2020 @ Rs. 6.00 per share  | -   | -             | -   | -                   | -                            | -                | -               | (3,456,979)            | -   | (3,456,979) | -                        | (3,456,979) |
| Second Interim cash dividend for the year ended December 31, 2020 @ Rs. 8.00 per share | -   | -             | -   | -                   | -                            | -                | -               | (4,609,306)            | -   | (4,609,306) | -                        | (4,609,306) |
| Third Interim cash dividend for the year ended December 31, 2020 @ Rs. 10.00 per share | -   | -             | -   | -                   | -                            | -                | -               | (5,761,632)            | -   | (5,761,632) | -                        | (5,761,632) |
| Balance as at December 31, 2020 (audited)  | 5,761,632   | 3,068,232     | 2,678                                       | 156,301             | 682,940                      | (26,173)         | 4,429,240       | 124,424,783            | (83,754)  | 148,415,879 | 71,178,776               | 219,594,655 |
| Total comprehensive income for the three months ended March 31, 2021 (unaudited)       |   |               |   |                     |                              |                  |                 |                        |   |             |                          |             |
| Profit for the period  | -   | -             | -   | -                   | -                            | -                | -               | 8,336,665              | -   | 8,336,665   | 6,442,328                | 14,778,993  |
| Other comprehensive income   | -   | -             | (2,551)                                     | -                   | (104,272)                    | (148)            | -               | -                      | -   | (106,971)   | (1,067)                  | (108,058)   |
| Transactions with owners   |   |               |   |                     |                              |                  |                 |                        |   |             |                          |             |
| Dividend by subsidiary allocable to Non-Controlling interest                           | -   | -             | -   | -                   | -                            | -                | -               | -                      | -   | -           | (2,335,703)              | (2,335,703) |
| Balance as at March 31, 2021 (unaudited)   | 5,761,632   | 3,068,232     | 127   | 156,301             | 578,668                      | (26,321)         | 4,429,240       | 132,761,448            | (83,754)  | 156,645,573 | 75,284,314               | 231,929,887 |

The annexed notes from 1 to 17 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 three months ended march 31, 2021

(Amounts in thousand)

| Note   | Three months ended  |                |
|--|---------------------|----------------|
|  | March 31, 2021      | March 31, 2020 |
|  | ------(Rupees)----- |                |
| <b>Cash flows from operating activities</b>                  |                     |                |
| Cash generated from operations                               | 17,633,788          | 10,225,668     |
| Retirement and other service benefits paid                   | (147,229)           | (199,472)      |
| Finance cost paid  | (1,807,574)         | (1,682,445)    |
| Taxes paid   | (836,711)           | (1,519,909)    |
| Proceeds from net investment in lease                        | 701,614             | 473,568        |
| Repayment of lease liability                                 | (809,065)           | (617,314)      |
| Finance income received on net investment in lease           | 1,250,778           | 1,342,722      |
| Finance cost paid on lease liability                         | (895,559)           | (976,779)      |
| Long term loans and advances - net                           | 148,510             | 116,857        |
| Net cash generated from operating activities                 | 15,238,552          | 7,162,896      |
| <b>Cash flows from investing activities</b>                  |                     |                |
| Purchase of property, plant and equipment and intangibles    | (3,761,233)         | (3,901,011)    |
| Proceeds from disposal of:                                   |                     |                |
| - property, plant and equipment                              | 11,982              | -              |
| - short term investments - net                               | 25,115,070          | 7,358,402      |
| Income on deposits / other financial assets                  | 1,606,288           | 1,927,443      |
| Investment in associate company                              | -                   | (49,053)       |
| Dividends received   | 427,500             | -              |
| Net cash utilized in investing activities                    | 23,399,607          | 5,335,781      |
| <b>Cash flows from financing activities</b>                  |                     |                |
| Proceeds from borrowings - net                               | (2,167,741)         | (1,712,793)    |
| Payments of finance lease liabilities                        | -                   | (432,769)      |
| Lease rentals paid   | (557,736)           | -              |
| Dividends paid   | (4,890)             | (163,455)      |
| Net cash (utilized in) / generated from financing activities | (2,730,367)         | (2,309,017)    |
| Net increase / (decrease) in cash and cash equivalents       | 35,907,792          | 10,189,660     |
| Cash and cash equivalents at beginning of the period         | 51,425,511          | 24,243,891     |
| Cash and cash equivalents at end of the period               | 87,333,303          | 34,433,551     |

The annexed notes from 1 to 17 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 three months ended march 31, 2021

(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 |                   |
|--|------------------------------|-------------------|
|  | March 31, 2021               | December 31, 2020 |
| - Engro Energy Limited                       | 100                          | 100               |
| - Engro Eximp Agriproducts (Private) Limited | 100                          | 100               |
| - Engro Infiniti (Private) Limited           | 100                          | 100               |
| - Engro Eximp FZE                            | 100                          | 100               |
| - Engro Connect (Private) Limited            | 100                          | -                 |
| - Engro Fertilizers Limited                  | 56.27                        | 56.27             |
| - Engro Polymer and Chemicals Limited        | 56.19                        | 56.19             |
| - Elengy Terminal Pakistan Limited           | 56                           | 56                |
| <b>Joint Venture Company:</b>                |                              |                   |
| - Engro Vopak Terminal Limited               | 50                           | 50                |
| <b>Associated Company:</b>                   |                              |                   |
| - FrieslandCampina Engro Pakistan Limited    | 39.9                         | 39.9              |

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS FOR PREPARATION

2.1.1 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

(Amounts in thousand)

- 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.

2.1.2 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, 2020.

2.1.3 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, 2020.

### 2.2 IMPACT OF COVID 19

On 11 March 2020, the World Health Organization declared Coronavirus disease (COVID-19) a pandemic, as its spread has gained momentum. During the year, COVID-19 has spread throughout the country and lockdown was imposed in multiple parts of the country along with other measures to contain the spread of virus. 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 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.

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, SiddiqueSons Energy Limited and Pakistan Energy Gateway Limited have been accounted for using the equity method.

### 4. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

4.1 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, 2020.

4.2 During the preparation of these consolidated condensed interim financial statements, the significant judgements and estimates made by the management are the same as those that were applied to audited financial statements of the Group for the year ended December 31, 2020.



|  | (Unaudited)<br>March 31,<br>2021 | (Audited)<br>December 31,<br>2020 |
|--|----------------------------------|-----------------------------------|
|  | ------(Rupees)-----              |                                   |
| <b>5. PROPERTY, PLANT AND EQUIPMENT</b>  |                                  |                                   |
| Operating assets, at net book value (notes 5.1 and 5.2)  | 237,158,246                      | 232,640,693                       |
| Capital work in progress (CWIP) - Expansion and other projects   | 18,386,588                       | 26,568,260                        |
| Capital spares and standby equipment   | 2,974,723                        | 2,748,191                         |
|  | <u>258,519,557</u>               | <u>261,957,144</u>                |
| <b>5.1</b> Following additions including transfers from CWIP to operating assets during the period:  |                                  |                                   |
| Land   | -                                | 18,524                            |
| Plant and machinery  | 5,509,827                        | 2,546,425                         |
| Building and civil works including pipelines   | 1,467,010                        | 2,543,699                         |
| Furniture, fixture and equipment   | 1,091,807                        | 3,181,278                         |
| Pipelines  | -                                | 1,999                             |
| Vehicles   | 76,661                           | 1,254,309                         |
| Aircraft   | -                                | 624,228                           |
|  | <u>8,145,305</u>                 | <u>10,170,462</u>                 |
| <b>5.2</b> During the period, operating assets costing Rs. 20,992 (December 31, 2020: Rs. 460,366), having net book value of Rs. 15,381 (December 31, 2020: Rs. 145,130) were disposed / written-off for Rs. 11,982 (December 31, 2020: Rs.198,552). |                                  |                                   |
|  | (Unaudited)<br>March 31,<br>2021 | (Audited)<br>December 31,<br>2020 |
|  | ------(Rupees)-----              |                                   |
| <b>6. LONG TERM INVESTMENTS</b>  |                                  |                                   |
| Balance at beginning of the period   | 32,045,438                       | 29,963,000                        |
| Add:   |                                  |                                   |
| - Investment made during the period  |                                  |                                   |
| - associates   | -                                | 49,053                            |
| - others   | -                                | 99,996                            |
| - Asset reclassified from held-for-sale  | -                                | 1,325,595                         |
| - Share of profit for the period   | 1,018,656                        | 2,796,374                         |
| Less:  |                                  |                                   |
| - Dividend received during the period  | (427,500)                        | (1,395,000)                       |
| - Provision against tax contingency  | 119,161                          | (4,385)                           |
| - Impairment recognised  | -                                | (789,195)                         |
| Balance at end of the period   | <u>32,755,755</u>                | <u>32,045,438</u>                 |

(Amounts in thousand)

## 7. BORROWINGS

### 7.1 Engro Fertilizers Limited (EFert)

During the period, principal repayments of long-term finances were made to MCB Bank Limited, United Bank Limited and Allied Bank Limited amounting to Rs. 1,375,000, Rs. 1,000,000 and Rs. 500,000 respectively.

### 7.2 Engro Polymer and Chemicals Limited (EPCL)

During the period, EPCL obtained Islamic Temporary Economic Refinance Facility (ITERF) of the State Bank of Pakistan through Musharaka agreement entered with financial institutions to finance its capital expenditure. The amount is repayable over 10 years including 2 years grace period, in 32 quarterly installments of Rs. 9,264 each with the first payment commencing from December 2022.

## 8. CONTINGENCIES AND COMMITMENTS

### 8.1 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, 2020.

### 8.2 Commitments

Commitments in respect of capital and revenue expenditure contracted but not incurred amount to Rs. 10,057,304 (December 31, 2020: Rs 11,939,640).

## 9. 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:

|   | Three months ended               |                                  |
|---|----------------------------------|----------------------------------|
|   | (Unaudited)<br>March 31,<br>2021 | (Unaudited)<br>March 31,<br>2020 |
|   | ------(Rupees)-----              |                                  |
| Profit / (loss) for the period, attributable to the owners of the Holding Company from: |                                  |                                  |
| - continuing operations   | 8,336,363                        | 3,383,896                        |
| - discontinued operations   | 302                              | (66,988)                         |
|   | <u>8,336,665</u>                 | <u>3,316,908</u>                 |
|   | -----Number of shares-----       |                                  |
| Weighted average number of ordinary shares (in thousand)                                | <u>576,163</u>                   | <u>576,163</u>                   |

(Amounts in thousand)

## 10. CASH GENERATED FROM OPERATIONS

|   | Three months ended               |                                  |
|---|----------------------------------|----------------------------------|
|   | (Unaudited)<br>March 31,<br>2021 | (Unaudited)<br>March 31,<br>2020 |
|   | ------(Rupees)-----              |                                  |
| Profit for the period before taxation               | 20,634,597                       | 7,054,463                        |
| Adjustment for non-cash charges and other items:    |                                  |                                  |
| Depreciation and amortization                       | 3,668,986                        | 3,185,675                        |
| Loss on disposal of property, plant and equipment   | 3,399                            | 5,624                            |
| Provision for retirement and other service benefits | 125,905                          | 151,397                          |
| Provisions, net                                     | 427,320                          | -                                |
| Income on deposits / other financial assets         | (1,995,857)                      | 3,002,574                        |
| Finance income on net investment in lease           | (1,250,778)                      | (1,342,722)                      |
| Finance cost on lease liability                     | 895,559                          | 976,779                          |
| Exchange (gain) / loss on lease liability           | (1,938,496)                      | 3,924,213                        |
| Exchange loss/ gain on net investment in lease      | 1,987,482                        | (3,560,622)                      |
| Share of income from joint venture and associates   | (1,018,656)                      | (270,316)                        |
| Finance cost  | 3,793,283                        | 5,483,187                        |
| Foreign currency translations                       | 239,966                          | 479,203                          |
| Working capital changes (note 10.1)                 | (7,938,922)                      | (2,858,639)                      |
|   | <u>17,633,788</u>                | <u>10,225,668</u>                |
| <b>10.1 Working capital changes</b>                 |                                  |                                  |
| (Increase) / decrease in current assets             |                                  |                                  |
| - Stores spares and loose tools                     | (376,823)                        | (379,578)                        |
| - Stock-in-trade                                    | 453,888                          | (5,698,424)                      |
| - Trade debts                                       | (6,230,363)                      | (8,006,360)                      |
| - Loans, advances, deposits and prepayments         | (501,762)                        | (583,385)                        |
| - Other receivables - net                           | (323,747)                        | 4,365,217                        |
|   | <u>(6,978,807)</u>               | <u>(10,302,530)</u>              |
| Decrease in current liabilities                     |                                  |                                  |
| - Trade and other payables                          | (960,115)                        | 7,443,891                        |
|   | <u>(7,938,922)</u>               | <u>(2,858,639)</u>               |
|   |                                  |                                  |
|   | Three months ended               |                                  |
|   | (Unaudited)<br>March 31,<br>2021 | (Unaudited)<br>March 31,<br>2020 |
|   | ------(Rupees)-----              |                                  |
| Cash and bank balances                              | 20,458,255                       | 22,743,695                       |
| Short term investments                              | 75,039,198                       | 33,175,608                       |
| Short term borrowings                               | (8,164,150)                      | (21,485,752)                     |
|   | <u>87,333,303</u>                | <u>34,433,551</u>                |

## 11. CASH AND CASH EQUIVALENTS

(Amounts in thousand)

## 12. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 12.1 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.

### 12.2 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2)

- Inputs for the asset or liability that are not based on observable market data (Level 3)

|                                       | Level 1             | Level 2           | Level 3  | Total             |
|---------------------------------------|---------------------|-------------------|----------|-------------------|
|                                       | ------(Rupees)----- |                   |          |                   |
| <b>As at March 31, 2021</b>           |                     |                   |          |                   |
| Fair value through profit and loss    |                     |                   |          |                   |
| - Units of mutual funds               | -                   | 4,606,717         | -        | 4,606,717         |
| - Treasury bills                      | -                   | 38,386            | -        | 38,386            |
| - Pakistan Investment Bonds (PIBs)    | -                   | 17,883,884        | -        | 17,883,884        |
| - Fixed income placements             | -                   | 6,000             | -        | 6,000             |
|                                       | <u>-</u>            | <u>22,534,987</u> | <u>-</u> | <u>22,534,987</u> |
| Fair value other comprehensive income |                     |                   |          |                   |
| - Treasury Bills                      | -                   | 41,440,239        | -        | 41,440,239        |
| - Pakistan Investment Bonds           | -                   | 18,766,198        | -        | 18,766,198        |
|                                       | <u>-</u>            | <u>60,206,437</u> | <u>-</u> | <u>60,206,437</u> |
| <b>As at December 31, 2020</b>        |                     |                   |          |                   |
| Fair value through profit and loss    |                     |                   |          |                   |
| - Units of mutual funds               | -                   | 13,807,537        | -        | 13,807,537        |
| - Treasury bills                      | -                   | 2,024,761         | -        | 2,024,761         |
| - Pakistan Investment Bonds (PIBs)    | -                   | 11,400,762        | -        | 11,400,762        |
| - Fixed income placements             | -                   | 6,000             | -        | 6,000             |
|                                       | <u>-</u>            | <u>27,239,060</u> | <u>-</u> | <u>27,239,060</u> |
| Fair value other comprehensive income |                     |                   |          |                   |
| - Treasury Bills                      | -                   | 17,706,851        | -        | 17,706,851        |
| - Pakistan Investment Bonds           | -                   | 36,345,991        | -        | 36,345,991        |
|                                       | <u>-</u>            | <u>54,052,842</u> | <u>-</u> | <u>54,052,842</u> |

(Amounts in thousand)

-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.

### 12.3 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.

### 13. 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:

|   | Three months ended               |                                  |
|---|----------------------------------|----------------------------------|
|   | (Unaudited)<br>March 31,<br>2021 | (Unaudited)<br>March 31,<br>2020 |
|   | ------(Rupees)-----              |                                  |
| <b>Associated companies and joint ventures</b>            |                                  |                                  |
| Purchases and services                                    | 11,472,474                       | 10,947,888                       |
| Dividend income   | 427,500                          | 270,000                          |
| Dividends paid  | 991                              | -                                |
| Contribution for Corporate Social Responsibility          | 41,194                           | 4,173                            |
| Reimbursements from                                       | 268,529                          | 29,251                           |
| Reimbursements to   | 640,660                          | 6,699                            |
| Loan repaid   | 500,000                          | -                                |
| Mark-up on borrowings                                     | 521,686                          | 704,646                          |
| <b>Key Management Personnel</b>                           |                                  |                                  |
| Remuneration paid to key management personnel / Directors | 323,290                          | 361,354                          |
| Reimbursement of expenses                                 | 185                              | 2,040                            |
| Directors' fees   | 23,503                           | 20,474                           |
| <b>Contribution for retirement benefits</b>               | 196,686                          | 192,031                          |

(Amounts in thousand)

### 14. SEGMENT REPORTING

14.1 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 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.   |

#### 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. |

14.2 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.



(Amounts in thousand)

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

|                              | Three months ended               |                                   |
|------------------------------|----------------------------------|-----------------------------------|
|                              | (Unaudited)<br>March 31,<br>2021 | (Unaudited)<br>March 31,<br>2020  |
|                              | ------(Rupees)-----              |                                   |
| <b>Revenue</b>               |                                  |                                   |
| Fertilizer                   | 29,443,723                       | 10,791,539                        |
| Polymer                      | 15,671,459                       | 7,057,942                         |
| Terminal                     | 3,163,887                        | 3,684,555                         |
| Power and mining             | 21,322,583                       | 22,295,119                        |
| Other operations             | 5,979,824                        | 1,556,979                         |
| Elimination - net            | (4,715,283)                      | (408,967)                         |
| Consolidated                 | <u>70,866,193</u>                | <u>44,977,167</u>                 |
| <b>Profit for the period</b> |                                  |                                   |
| Fertilizer                   | 5,741,427                        | 570,764                           |
| Polymer                      | 4,142,970                        | 192,840                           |
| Terminal                     | 1,021,745                        | 1,082,942                         |
| Power and mining             | 4,018,685                        | 3,872,421                         |
| Other operations             | 3,383,422                        | 259,610                           |
| Elimination - net            | (3,529,256)                      | (37,737)                          |
| Consolidated                 | <u>14,778,993</u>                | <u>5,940,840</u>                  |
|                              | (Unaudited)<br>March 31,<br>2021 | (Audited)<br>December 31,<br>2020 |
| <b>Assets</b>                |                                  |                                   |
| Fertilizer                   | 125,909,829                      | 131,713,375                       |
| Polymer                      | 73,824,724                       | 69,093,661                        |
| Terminal                     | 60,658,826                       | 62,338,352                        |
| Power and mining             | 224,265,585                      | 219,665,455                       |
| Other operations             | 130,242,104                      | 145,998,367                       |
| Elimination - net            | (26,958,224)                     | (48,322,057)                      |
| Consolidated                 | <u>587,942,844</u>               | <u>580,487,153</u>                |

(Amounts in thousand)

#### 15. NON-ADJUSTING EVENT AFTER REPORTING DATE

- 15.1 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on April 15, 2021 has declared an interim cash dividend of Rs. 4.00 per share for the year ending December 31, 2021. These consolidated condensed interim financial statements does not include the effect of the said interim dividend.
- 15.2 The Board of Directors of the Holding Company in its meeting held on April 21, 2021 has approved an interim cash dividend of Rs. 12.00 per share for the year ending December 31, 2021. These consolidated condensed interim financial statements do not include the effect of the said interim dividend.

#### 16. SEASONALITY


- 16.1 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.
- 16.2 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.

#### 17. CORRESPONDING FIGURES

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

#### 17. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements were authorized for issue on April 21, 2021 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

# اینٹروکارپوریشن لمیٹڈ

## ڈائریکٹرز رپورٹ

اینٹروکارپوریشن لمیٹڈ کے ڈائریکٹرز اپنی رپورٹ اور محمد عبوری مالی گوشوارے برائے اختتامِ سہ ماہی 31 مارچ 2021 پیش کرنے پر مسرت محسوس کر رہے ہیں۔

COVID-19 کی وبا غیر معمولی عالمی چیلنج بنی ہوئی ہے جس نے دنیا بھر کے انسانوں کی صحت، معیشتوں اور معاشروں کو تباہ کن اثرات سے دوچار کیا ہوا ہے۔ جیسا کہ دنیا بھر میں ویکسین پروگرام شروع کئے گئے ہیں اسی طرح پاکستان بھی مختلف مینوفیکچررز سے کرونا کی ویکسین خرید رہا ہے اور حکومت نے 2021 کی پہلی سہ ماہی میں اپنی ویکسینیشن مہم شروع کر دی ہے۔ COVID-19 میں کمی اور انٹرنیشنل مانیٹری فنڈ (IMF) کی جانب سے فنڈ کی توسیع سے متعلق سہولت (EFF) کے تحت انتظامی ریفارمز شروع ہونے سے، پاکستان میں بتدریج معاشی بحالی کے امکانات ہے جبکہ مالی سال 2021 میں کمزور مگر رجحان میں بہتری کی امید ہے۔

اینٹروکارپوریشن کا پورٹ فولیو ان مشکل حالات سے نکلنے کی صلاحیت کا حامل ہے۔ اس بحرانِ صورتحال میں انتظامیہ کی جانب سے موثر حکمت عملی اپنائی گئی اور ہم نے کیش فلوز کے طویل مدتی استحکام پر آنے والے منفی اثرات کم کرنے کے لیے ضروری اقدامات پر عمل کیا۔ ملازمین کی سہولت کے لیے، ایک 24 گھنٹے فعال میڈیکل ہیلپ ڈیسک اور سائٹ پر ہی قرنطینہ سہولیات مہم پہنچائی جارہی ہیں۔ اس کے ساتھ ملازمین کے حوصلے کو بلند رکھنے کے لیے مختلف قسم کے اقدامات اٹھائے گئے ہیں جن میں فرسٹ لائن اسٹاف کے لیے خصوصی طور پر تعریفی اناداکا اجراء، صحت اور حفاظت سے متعلق حوصلہ افزائی پر مبنی سیشن اور باہمی رابطہ کو یقینی بنانے کے لیے آن لائن پلیٹ فارمز کی فراہمی شامل ہے۔

ان مشکل حالات کے باوجود، ہم اپنے اصل مقصد اور نظریہ پر قائم رہنے کے لیے پرعزم ہیں جو ہمیں پاکستانی قوم کی زندگیوں میں بہتری لانے اور معاشرے پر بہتر اثرات مرتب کرنے کے لیے رہنما فراہم کرتا ہے۔ پاکستان کو اس وبا کے منفی اثرات سے بچانے کے لیے چیئر مین حسین داؤد نے داؤد واکرس کارپوریشن، اینٹروکارپوریشن اور اپنے خاندان کی طرف سے سروسز، فلاح و بہبود اور ایک بلین روپے نقد رقم پر مشتمل زبردست تعاون کیا، یہ تعاون قلب مدتی، درمیانی مدت اور طویل مدتی بحالی کی خدمات میں کیا جا رہا ہے۔ اس فنڈ سے بیماری سے بچاؤ، تحفظ، طبی عملہ، فرسٹ لائن ورکرز، علاج معالجہ اور معاشرے کے مستحق افراد کی معاشی مدد کے کام انجام دیئے جائیں گے۔ ہمارا یہ ماننا ہے کہ زندگیوں کو بچانے اور ماحول پر مثبت اثرات قائم کرنے کے لیے ہمیں لازمی طور پر بدانتداری اور شفافیت کا مظاہرہ کرنا ہوگا۔ اس پلچ سے فراہم کی جانے والی خدمات کا طریقہ کار اور فنڈز کا استعمال عوام کے لیے اوپن ہے اور درج ذیل ویب سائٹ پر ملاحظہ کیا جاسکتا ہے: <https://www.hussaindawoodpledge.com>

کاروباری جائزہ  
2020 کی پہلی سہ ماہی میں کمپنی کی مشترکہ آمدنی 58 فیصد اضافے کے ساتھ 44,977 ملین روپے سے بڑھ کر 70,866 ملین روپے ہو گئی۔ اسی طرح سہ ماہی کے لیے مشترکہ بعد از ٹیکس منافع 14,779 ملین روپے رہا جو گزشتہ مساوی مدت سے 149 فیصد زائد ہے، جبکہ شیئر ہولڈرز کو منسوب ہونے والا بعد از ٹیکس منافع بھی گزشتہ سال کی اسی مدت کے 3,317 ملین روپے کے مقابلے میں بڑھ کر 3,378 ملین روپے رہا۔ نتیجے میں ہر ایک شیئر پر منافع 5.76 روپے کے مقابلے میں 14.47 روپے بنتا ہے۔ بعد از ٹیکس منافع میں اضافہ فریٹلائزرز اور پیٹرو کیمیکل بزنسز کے منافع میں بہتری کی بدولت ہے۔

انفرادی طور پر، کمپنی نے گزشتہ سال کی اسی مدت کے 780 ملین روپے کے مقابلے میں 3,586 ملین روپے کا بعد از ٹیکس منافع کمایا، نتیجے میں ہر ایک شیئر پر منافع 6.22 روپے بنتا ہے۔ انفرادی منافع میں اضافہ کی بنیادی وجہ ذیلی اداروں کی جانب سے ڈیویڈنڈز کی کمائی میں اضافہ واقع ہونا ہے۔

فریٹلائزرز

2021 کی پہلی سہ ماہی کے دوران مقامی مارکیٹ میں زرعی شعبے کی زبردست کارکردگی دیکھی گئی۔ گزشتہ سال کی کارکردگی کے تسلسل میں، اجناس کی بہتر قیمت اور متعلقہ قیمتوں میں اضافے سے زرعی معیشت نے ترقی کی۔ ان عوامل میں یوریا کی ڈیلر کوٹنگ کی قیمت 2012 کی قیمت کے مساوی ہونے کی صورت حال نے بھی معاونت کی (اس وقت 1,679 روپے فی بوری قیمت ہے)۔

یوریا کی عالمی قیمتوں میں 2021 کی پہلی سہ ماہی امریکی ڈالر 377/T (3,417 روپے فی بوری پیچھ کے مساوی) تک اضافہ واقع ہوا جو کہ 2020 کی اسی مدت میں امریکی ڈالر 289/T (2,775 روپے فی بوری پیچھ کے مساوی) تھیں۔ ڈی اے پی کی عالمی قیمتوں میں سہ ماہی کے دوران تیزی سے اضافہ دیکھنے میں آیا جس کے تحت سہ ماہی کے اختتام پر قیمتیں امریکی ڈالر 570/T تک پہنچ گئیں کیونکہ لاٹینی اور ناتھ امریکہ سے خصوصی طور پر پروڈکٹ کی سپلائی میں مسائل اور طلب میں بحالی دیکھی گئی۔

سہ ماہی کے دوران کمپنی کی یوریا کی پیداوار گزشتہ سال کی اسی مدت کے 572 KT کے مقابلے میں 523 KT رہی کیونکہ ہمارے پلانٹس میں سے ایک میں بندش رہی۔ کمپنی نے سہ ماہی میں گزشتہ سال کی اسی مدت میں 169 KT کے مقابلے میں 582 KT یوریا کی سیلز کی اور فاسفیٹ کی سیلز 36 KT کے مقابلے میں 74 KT رہی۔

2021 کی پہلی سہ ماہی میں کمپنی کا مجموعی منافع گزشتہ سال کی اسی مدت کے 3,635 ملین کے مقابلے میں 11,557 ملین روپے رہا، 3.2 گنا زائد منافع کی اہم وجہ زائد فروخت ہے۔

توانائی

کوئلے کی کان: کان کنی کا کام جاری ہے اور اس سہ ماہی کے دوران کان سے اینٹرو کارپوریشن تھرکو ایک ملین ٹن سے زائد کوئلہ فراہم کیا گیا۔ کان کی سالانہ صلاحیت 7.6 ملین ٹن تک پہنچانے کا توسیعی کام جاری ہے۔

تھرپاور پلانٹ: سہ ماہی کے دوران پلانٹ مکمل طور پر فعال رہا اور کرونا کی وجہ سے مسائل کے باوجود سسٹم جاری رکھنے سے متعلق اعتماد کو بحال رکھا گیا۔ پاور پلانٹ سے 76 فیصد لوڈ فیکٹر کے ساتھ 81 فیصد دستیابی کا ہدف حاصل کیا گیا اور نیشنل گرڈ کو 987 GWh بجلی فراہم کی گئی۔ کمپنی نے یونٹ 2 پر کسی قابل ذکر حادثہ کے بغیر پہلے سے متعین آؤٹ پٹ کو مکمل کیا۔

قادر پور پاور پلانٹ: یہ پاور پلانٹ پری میٹ گیس سے چلایا جاتا ہے اور اسے قادر پور گیس فیلڈ سے گیس کی کمی کا سامنا ہے کیونکہ یہ ختم ہوتی جا رہی ہے، اس لئے پلانٹ کو دیگر ذرائع سے چلایا جا رہا ہے۔ زیر جائزہ مدت کے دوران، پلانٹ نے نیشنل گرڈ کو 190 GWh نیٹ الیکٹریکل آؤٹ پٹ فراہم کیا اور بجلی خریداری کی جانب سے زائد طلب کی بدولت گزشتہ سال کی اسی مدت کے 37 فیصد کے مقابلے میں 41 فیصد لوڈ فیکٹر حاصل کیا گیا۔ بزنس نے قرض کے خاتمے کے حوالے سے 2020 کی پہلی سہ ماہی کے 895 ملین روپے کے مقابلے میں 399 ملین روپے کا بعد از ٹیکس منافع ریکارڈ کرایا۔

پیٹرو کیمیکلز

سہ ماہی کے دوران، PVC کی عالمی قیمتیں زبردست اضافے سے امریکی ڈالر 1670/T کی سطح پر پہنچ گئیں، کیونکہ امریکہ میں موسم سرما کے دوران اچانک طوفان کے سبب شٹ ڈاؤن سے وہاں کے اکثر پیداواری یونٹ بند رہے۔ اس کے ساتھ فریٹ کے اخراجات بڑھنے سے قیمتوں میں اضافہ دیکھا گیا۔

مقامی مارکیٹ کے حوالے سے، پی وی سی مارکیٹ میں گزشتہ سال کی اسی مدت کے مقابلے میں 14 فیصد اضافہ ہوا۔ دوسری جانب Chlor Alkali مارکیٹ میں کرونا کے سبب یورپ اور امریکہ میں ٹیکسٹائل ایکسپورٹس بند رہنے سے مندری کا ماحول رہا نتیجتاً بڑے ایکسپورٹرز کے درمیان کم آپریٹنگ رشیں رہے۔

کمپنی نے یکم مارچ 2021 کو نئے PVC پلانٹ کے کمرشل آپریشنز کا اعلان کیا اس طرح کمپنی کی صلاحیت میں سالانہ 295,000 میٹرک ٹن تک کا اضافہ ہوجائے گا۔

سہ ماہی کے دوران کمپنی نے 15,671 ملین روپے آمدنی کمائی جو گزشتہ سال کی اسی مدت میں

7,058 ملین روپے تھی اور گزشتہ سال کی اسی مدت کے 193 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں اس سہ ماہی کے دوران 4,143 ملین روپے کا بعد از ٹیکس منافع کمایا۔ سہ ماہی بنیادوں پر سب سے زیادہ منافع کا حصول سیلز کی مقدار میں زبردست اضافہ، موثر آپریشنز اور عالمی قیمتوں میں تیزی کی بدولت ہے۔

ٹریٹمنٹ آپریشنز

موجودہ سہ ماہی کے دوران ایل این جی اور کیمیکل ٹریٹمنٹ کا منافع بہتر رہا۔ LNG ٹریٹمنٹ پر 18 کارگوز پنڈل کرتے ہوئے 52.8 bcf ری گیسفا ئنڈ ایل این جی کو ایس ایس جی سی کے نیٹ میں شامل کیا گیا۔ کیمیکلز ٹریٹمنٹ نے گزشتہ سال کی اسی سہ ماہی 246 kt کے مقابلے میں 286 kt کا اصل تھرو پٹ حاصل کیا۔ اضافے کی وجہ ایل پی جی بینڈنگ میں کمی سے کیمیکل کی مقدار پر اثرات ہیں۔

ٹیلی کیمونیکیشن انفراسٹرکچر

اینٹرو کارپوریشن منقسم ٹیلی کام ٹاورز کے حصول اور تعمیر، مختلف ٹیلی کیمونیکیشن انفراسٹرکچر اور متعلقہ سروسز کی فراہمی کے ساتھ نیٹ ورک مانیٹرنگ کے جدید سولوشنز فراہم کرنے میں مصروف عمل ہے۔ کمپنی نے ٹاور بزنس میں اپنی رسائی بڑھاتے ہوئے سہ ماہی کے اختتام پر 1,577 سائٹس کی خدمات فراہم کرنے کا سگٹ میل عبور کیا، اس طرح پاکستان میں تمام موبائل نیٹ ورک آپریٹرز کو خدمات انجام دیں۔ اس پورٹ فولیو میں توسیع سے واضح اضافے کی بدولت 2020 میں 41 فیصد سے اس سہ ماہی میں 44 فیصد تک پہنچ گئے۔

مستقبل قریب کا جائزہ

ہم نے COVID-19 وائرس کے اثرات سے حفاظت اور نگرانی سے متعلق مختلف اقدامات اٹھائے ہیں جس میں اپنے ملازمین کی صحت اور تحفظ کے اقدامات، اپنی پروڈکشن پریسیس میں مطلوب ضروری میٹریلز کی فراہمی کو یقینی بنانے کے ساتھ اپنے اسٹیک ہولڈرز کے ساتھ رابطے میں رہنا شامل ہے۔ ہمیں جاری سال میں معیشت کی بہتری اور اپنے بزنسز اور ان کی کیوبڈٹی پوزیشن بہتر ہونے کی امید ہے۔ کرونا کی تیسری لہر کے پیش نظر، حکومت کی جانب سے اٹھائے جانے والے اقدامات سے ہی مستقبل میں انڈسٹری کی کارکردگی کا دارومدار ہوگا۔

پروجیکٹ اپ ڈیٹ: پولی پروپائلین سہولت

گزشتہ سال میں مشکلات کے باوجود، اینٹرو نے پیٹرو کیمیکل کے شعبے میں اپنے تجربات جاری رکھے اور پروپین ڈی ہائیڈرو جینیشن یونٹ (PDH-PP) کی بنیاد پر پولی پروپائلین فیسلٹی کی فرہیلٹی اسٹڈی مکمل کرنے میں کامیاب رہے۔

بورڈ نے PDH-PP پر ڈیجیٹل کے حوالے سے انجینئرنگ، ڈیزائن اور ٹیکنیکل اسٹڈیز کے ساتھ فرنٹ اینڈ انجینئرنگ ڈیزائن (FEED) اسٹڈی کے لیے 31.4 ملین امریکی ڈالرز کے بجٹ کی منظوری دیدی ہے۔ ان اسٹڈیز کے نتائج مکمل ہونے پر، پروجیکٹ کی حتمی سرمایہ کاری کے فیصلے سے متعلق معلومات دینے کی توقع ہے جس کی بنیاد مجموعی پالیسی کے ماحول اور قرض کے صحیح انتظام اور اس وقت کی کوئی کے شرائط داروں پر ہوگی۔

فریلائزرز

فریلائزرز کی صنعت کے لیے حکومت کی جانب سے 9 ماہ کے لیے RLNG پر چلنے والے پائس کو کسی کی فراہمی سے مارکیٹ میں ضرورت سے زائد سپلائی کی صورتحال پیدا ہو سکتی ہے جس میں 270 KT کی اوپننگ انوینٹری شامل ہو اور اسی طرح 2021 میں خالصتاً گیس پر حاصل ہونے والی تقریباً 5.8 بلین ٹن کی پوریا پیداوار بھی متوقع ہے۔

توانائی

انرجی برنس نے انٹرنیشنل اداروں کے ساتھ شراکت داری کے مواقع کی تلاش جاری رکھی تاکہ اینگرو کی منفرد انجینئرنگ اور پروجیکٹ مینجمنٹ صلاحیتوں سے فائدہ اٹھایا جاسکے۔ برنس نے رینیو ایبل مارکیٹ میں اپنی رسائی حاصل کرنے کے لیے کوشاں ہے اور ونڈ اور سولر پاور پروجیکٹس کے ساتھ ویسٹ ٹو انرجی پاور پروجیکٹ پر بنیادی اسٹڈی جاری ہے۔ برنس نے مزید نئے مواقع کی تلاش جاری رکھی ہوئی ہے اور ملک بھر میں رینیو ایبل انرجی سیکٹر میں تھرڈ پارٹی کے لیے باہر ڈ سلوشن فراہم کرنے پر بھی کام جاری ہے۔

حکومت سرکلر ڈیٹ کو ختم کرنے میں ناکام رہی ہے اور ہمارا یہ ماننا ہے کہ بنیادی اسباب کے سد باب کے لیے ٹھوس اقدامات کی غیر موجودگی اور جاری رہنے والی عالمی وباء کی صورتحال میں، سرکلر ڈیٹ انڈسٹری کے لیے آنے والے وقت میں بھی ایک مسئلہ رہے گا۔ حکومت نے مخصوص آئی پی پی چیز کو وسیع تر قومی مفاد کے پیش نظر معاہدوں کی کچھ شرائط میں تبدیلی پر آمادہ کر لیا ہے اور سرکلر ڈیٹ کے مسئلے کو حل کرنے کے لیے بقایہ جات کی ادائیگی کے لیے ایک طریقہ کار وضع کیا ہے۔ فروری 2021 میں ICPPA-Gro اور EPQL ایک معاہدے پر متفق ہوئے جس میں بنیادی طور پر MoU کی شرائط پر اتفاق ہوا جس کے تحت آئی پی پی چیز کے ساتھ بات چیت کے لیے کمیٹی کی تشکیل دینے کے لیے حکومت نے منظوری دی ہے۔



غیاث خان  
صدر اور چیف ایگزیکٹو

پیٹرولیم

تقلیل مدتی اعتبار سے، ہم توقع رکھتے ہیں کہ سپلائی میں مشکلات کے سبب PVC کی قیمتوں میں تیزی رہے گی اور تیسرا ترقیاتی شعبے میں عالمی طور پر طلب بڑھنے سے، کئی ممالک اس شعبے سے اپنی معیشت میں بہتری کی کوششیں کر رہے ہیں۔

اس کے علاوہ، گزشتہ کچھ سالوں کے دوران اعلان کردہ مختلف پروجیکٹس کے حوالے سے تاخیر اور جاری عالمی وباء کے سبب مینیل کے لیے نئے اوقات دینے جارہے ہیں۔

ٹریڈنگ آپریشنز

LNG ٹریڈنگ ملک کو درپیش توانائی کے بحران کو ختم کرنے میں اپنا مثبت کردار ادا کر رہا ہے، مزید برآں، کیمیکل سیکٹر مارکیٹ کے حالات مستحکم رہے ہیں اور اینگرو ووپاک نے مارکیٹ لیڈر کی اپنی پوزیشن مستحکم رکھی ہوئی ہے۔ تاہم تاقان بارڈر والے راستے اور بارڈر پوسٹ نمبر 250 سے نئی انٹری پوائنٹ کھلنے کے سبب اضافے کے باعث LPG مہرین کی درآمدات میں کمی واقع ہوئی ہے۔

ٹیلی کمیونیکیشن انفراسٹرکچر

انفراسٹرکچر آئندہ پانچ سالوں میں باقتصادی سروسز کے پیش نظر مستعدی کے ساتھ آزادانہ طور کی شراکت داری کے برنس میں رہنما کی حیثیت کے لیے سرگرمیاں ہیں۔

اینگرو انفراسٹرکچر کاروباری جائزہ درج ذیل کی بنیاد پر بہت مضبوط دکھائی دے رہا ہے:

- موبائل ڈیٹا کے استعمال میں مسلسل اضافہ، موبائل نیٹ ورک آپریٹرز کو معیاری سروس کے لیے ضروری خدمات کی فراہم سے متعلق ڈیمانڈ سینٹر میں اضافے سے دباؤ بڑھا رہا ہے۔
- موبائل نیٹ ورک آپریٹرز کی زبردست ترقی ان کے اخراجات میں کمی لانے کے اقدامات میں ناورز کی شراکت داری اور اجتماعی لوکیشن کے مواقع فراہم کر رہی ہے۔

اظہار تشکر

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



حمید داؤد  
چیئرمین