



engro polymer & chemicals

**FINANCIAL STATEMENTS FOR THE
PERIOD ENDED MARCH 31, 2021**

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COMPANY INFORMATION

Chairman	Mr. Ghias Khan
Chief Executive Officer	Mr. Jahangir Piracha
Directors	Mr. Eram Hasan Mr. Feroz Rizvi Mr. Rizwan Masood Raja Mr. Nadir Salar Quershi Mr. Nazoor Ali Baig Mr. Hideki Adachi Ms. Ayesha Aziz
Chief Financial Officer	Ms. Rabia Wafah Khan
Company Secretary	Mr. Khawaja Haider Abbas
Corporate Audit Manager	Mr. Kalimuddin A. Khan
Bankers / Lenders	Allied Bank Ltd Askari Bank Ltd Al Baraka Bank (Pakistan) Ltd Bank Alfalah Ltd Bank Al Habib Ltd Bank Islami Pakistan Ltd Dubai Islamic Bank Pakistan Ltd Faysal Bank Ltd Habib Bank Ltd Habib Metropolitan Bank Ltd Industrial & Commercial Bank of China Ltd JS Bank Ltd MCB Bank Ltd MCB Islamic Bank Ltd Meezan Bank Ltd National Bank of Pakistan Standard Chartered Bank Pakistan Ltd Samba Bank Ltd The Bank of Punjab United Bank Ltd
Auditors	A. F. Ferguson & Company Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road, Karachi-74000, Pakistan. Tel: +92(21) 32426682-6 / 32426711-5 Fax: +92(21) 32415007 / 32427938
Registered Office	12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal. Karach
Plant	EZ/1/P-11-1, Eastern Zone, Bin Qasim, Karachi
Regional Sales Office	Office No. 601, 6th Floor, Haly Tower, Lalik Chowk, DHA, Lahore UAN: 111 211 211
Share Registrar	FAMCO Associates (Private) Limited 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S. Shahra-e-Faisal, Karachi-74000 Tel: +92(21) 34380101-5 lines
Website	www.engropolymer.com

ENGRO POLYMER & CHEMICALS LIMITED
DIRECTORS' REVIEW TO THE SHAREHOLDERS
ON UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

On behalf of the Board of Directors of Engro Polymer & Chemicals Limited, we would like to present the unaudited Financial Information of the Company for the three months ended March 31, 2021.

Business Review

During the quarter, like most other commodities, the international PVC prices rose to an unprecedented level of \$ 1670 / MT, maintaining the upward trajectory for 11th consecutive month. Major reason being multiple unplanned shutdowns during a winter storm in US which knocked off ~ 87% of US PVC capacity. The prices were also supported by freight costs which continued to remain high in the quarter as two US terminals declared force majeure after the storm and a container ship ran aground in the Suez Canal, one of the world's busiest waterways and the shortest shipping route between Europe and Asia for 6 days. Ethylene prices, on the other hand, declined until mid-February as major plants in Korea resumed operations. However, prices reversed trajectory due to extreme supply tightness resulting from US storm which knocked ~60% of US Ethylene capacity and a 7.3 magnitude earthquake in Japan.

On the domestic front, the PVC market showed growth of ~14% over the same period last year. The growth can be attributed to one-off events in 1Q 2020 which resulted in lower sales, including a nationwide lockdown in the wake of COVID-19 outbreak. In 1Q 2021, buyers continued to show resistance on the high prices and procured only on need basis. In order to support the domestic market, the Company maintained competitive prices and introduced various schemes. The Chlor Alkali market, on the other hand, declined due to the slowdown in textile exports amid rising COVID cases in US and Europe, which resulted in lower operating rates among the major exporters.

On the operational front, the Company announced commercial operations of the new PVC plant on 1st March 2021, increasing the capacity to 295,000 MT per annum. With regards to the multiple projects announced over the last few years, work is underway to deliver on revised timelines in the most uncertain circumstances due to pandemic.

During 1Q 2021, the Company recorded a revenue of Rs. 15,671 million as compared to Rs. 7,058 million in the same period last year. The Company posted a Profit After Tax of Rs. 4,143 million translating into Earnings Per Share of Rs 4.56 compared to a Profit After Tax of Rs.193 million translating into Earnings Per Share of Rs 0.21 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.

Future Outlook

Going forward, 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.

Ensuring safe operations at plant amid the third COVID wave by following Government mandated SOPs, completion of on-going projects safely and within communicated timelines and utilization of the SBP TERF facility would be the key focus area for the next quarter.



Jahangir Piracha
Chief Executive Officer



Feroz Rizvi
Director

**ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2021**

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

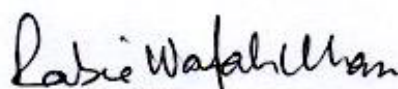
(Amounts in thousand)

	Note	Unaudited March 31, 2021	Audited December 31, 2020
Rupees			
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	37,976,830	37,614,314
Right-of-use asset		2,257,892	2,305,604
Intangible assets		109,505	101,971
Financial assets at amortised cost	6	3,564,167	4,660,833
Long-term loans and advances		1,792	29,286
		<u>43,910,186</u>	<u>44,712,008</u>
Current Assets			
Stores, spares and loose tools		1,906,147	1,784,734
Stock-in-trade	7	6,321,808	6,194,509
Trade debts - considered good	8	784,313	586,212
Loans, advances, deposits, prepayments and other receivables	9	479,015	250,160
Income tax payments less provision		-	159,583
Financial assets at fair value through profit and loss		17,928,270	13,431,523
Current maturity of financial assets at amortised cost		1,797,954	964,120
Cash and bank balances		697,031	945,728
		<u>29,914,538</u>	<u>24,316,569</u>
TOTAL ASSETS		<u><u>73,824,724</u></u>	<u><u>69,028,577</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		9,089,233	9,089,233
Preference shares	10	3,000,000	3,000,000
Share premium		3,874,953	3,874,953
Unappropriated profits		13,158,868	10,161,945
		<u>29,123,054</u>	<u>26,126,131</u>
Non-Current Liabilities			
Long-term borrowings	11	18,158,686	19,790,152
Lease liabilities	12	3,192,685	3,614,312
Provisions	13	2,748,814	2,991,392
Deferred tax liability	14	1,252,241	1,183,219
		<u>25,352,426</u>	<u>27,579,075</u>
Current Liabilities			
Current portion of long term borrowings	11	3,590,417	1,836,333
Current portion of lease liabilities	12	1,041,702	1,080,561
Provisions	13	2,817,834	2,456,263
Service benefit obligations		54,026	79,539
Short-term borrowings - Export Refinance Facility		66,000	-
Dividend payable - preference shareholders		12,485	-
Trade and other payables	15	9,084,253	9,417,414
Accrued interest / mark-up		287,868	425,112
Income tax provision less payments		1,233,199	-
Dividend payable - ordinary shareholders		1,133,562	-
Unclaimed dividend		27,898	28,149
		<u>19,349,244</u>	<u>15,323,371</u>
Contingencies and Commitments	16	<u>44,701,670</u>	<u>42,902,446</u>
TOTAL EQUITY AND LIABILITIES		<u><u>73,824,724</u></u>	<u><u>69,028,577</u></u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

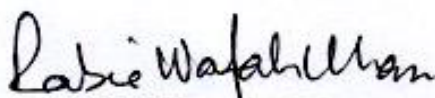
(Amounts in thousand except for earnings per share)

	Quarter ended	
	March 31, 2021	March 31, 2020
	Rupees	
Net revenue	15,671,459	7,057,942
Cost of sales	(9,435,754)	(5,776,915)
Gross profit	6,235,705	1,281,027
Distribution and marketing expenses	(91,945)	(72,325)
Administrative expenses	(166,504)	(113,924)
Other expenses	(122,908)	(538,283)
Other income	291,211	415,744
Operating profit	6,145,559	972,239
Finance costs	(402,507)	(767,660)
Profit for the period before taxation	5,743,052	204,579
Taxation	(1,600,082)	(11,739)
Profit for the period after taxation	4,142,970	192,840
Earnings per share - basic	4.56	0.21
Earnings per share - diluted	3.42	0.21

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

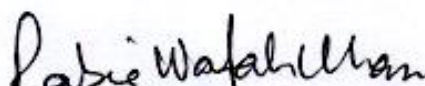
(Amounts in thousand)

	Quarter ended	
	March 31, 2021	March 31, 2020
	Rupees	
Profit for the period after taxation	4,142,970	192,840
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,142,970</u>	<u>192,840</u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

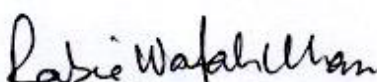
(Amounts in thousand)

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		RESERVES		Total
	Share capital	Preference shares	CAPITAL Share premium	REVENUE Unappropriated profits	
	Rupees				
Balance as at January 1, 2020 (Audited)	9,089,233	-	3,874,953	4,811,970	17,776,156
Total comprehensive income for the period					
Profit for the period ended March 31, 2020	-	-	-	192,840	192,840
Other comprehensive income for the period ended March 31, 2020	-	-	-	-	-
	-	-	-	192,840	192,840
Balance as at March 31, 2020 (Unaudited)	9,089,233	-	3,874,953	5,004,810	17,968,996
Total comprehensive income for the nine months ended December 31, 2020					
Profit for the nine months ended December 31, 2020	-	-	-	5,537,396	5,537,396
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	-
	-	-	-	5,537,396	5,537,396
Transactions with owners					
Final dividend for the year ended December 31, 2019 - Re. 0.20 per share	-	-	-	(181,785)	(181,785)
Preference shares issuance - note 17	-	3,000,000	-	-	3,000,000
Shares issuance cost	-	-	-	(198,476)	(198,476)
	-	3,000,000	-	(380,261)	2,619,739
Balance as at December 31, 2020 (Audited)	9,089,233	3,000,000	3,874,953	10,161,945	26,126,131
Effect of initial application - note 3.2	-	-	-	-	-
Total comprehensive income for the period					
Profit for the period ended March 31, 2021	-	-	-	4,142,970	4,142,970
Other comprehensive income for the period ended March 31, 2021	-	-	-	-	-
	-	-	-	4,142,970	4,142,970
Transactions with owners					
Final ordinary dividend for the year ended December 31, 2020 - Re. 1.247 per share	-	-	-	(1,133,562)	(1,133,562)
Final preference dividend for the year ended December 31, 2020 - Re. 0.042 per share	-	-	-	(12,485)	(12,485)
	-	-	-	(1,146,047)	1,146,047
Balance as at March 31, 2021 (Unaudited)	9,089,233	3,000,000	3,874,953	13,158,868	29,123,054

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

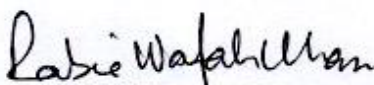
(Amounts in thousand)

	Note	Quarter ended	
		March 31, 2021	March 31, 2020
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	5,292,100	3,313,748
Long-term loans and advances - net		27,495	31,141
Retirement benefits paid		(39,141)	(74,209)
Income tax paid		(138,278)	(372,739)
Net cash generated from operating activities		5,142,176	2,897,941
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible asset		(765,178)	(2,498,407)
Income on short-term investments and bank deposits		294,188	403,311
Net cash used in investing activities		(470,990)	(2,095,096)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings - net of transaction costs		311,601	-
Finance cost paid		(474,285)	(481,670)
Rentals paid during the period		(326,201)	(326,150)
Dividend payment		(251)	(3,823)
Net cash generated from financing activities		(489,136)	(811,643)
Net (decrease) / increase in cash and cash equivalents		4,182,050	(8,798)
Cash and cash equivalents at beginning of the year		14,371,251	7,951,181
Cash and cash equivalents at end of the year	18	18,553,301	7,942,383

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER & CHEMICALS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

- 1.1 The "Group" consists of Engro Polymer and Chemicals Limited and its wholly owned subsidiary companies, Think PVC (Private) Limited, Engro Peroxide (Private) Limited and Engro Plasticizer (Private) Limited.

Engro Polymer and Chemicals Limited (the Company) was incorporated in Pakistan in 1997 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed on the Pakistan Stock Exchange.

- 1.2 The Company is a subsidiary of Engro Corporation Limited (the Holding Company) which is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Company's principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals. The Company is also engaged in the supply of surplus power generated from its power plants to Engro Fertilizers Limited (a related party).

- 1.3 The registered office of the Company is situated at 12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal, Karachi. The plant is located at EZ/II-P-II-I Eastern Zone, Bin Qasim, Karachi, Pakistan, whereas, the Chlor-Vinyl facility is at Port Bin Qasim Industrial Area. The regional sales office of the Company is on the 6th Floor, Haly Tower Office, Lalik Chowk, Phase II, DHA, Lahore.

- 1.4 Details of investments held by the Company in its subsidiaries are as follows:

	Percentage of shareholding of the Company	
	Unaudited March 31, 2021	Audited December 31, 2020
- Think PVC (Private) Limited - note 1.4.1	100%	100%
- Engro Peroxide (Private) Limited - note 1.4.2	100%	100%
- Engro Plasticizer (Private) Limited - note 1.4.3	100%	100%

- 1.4.1 Think PVC (Private) Limited was incorporated in Pakistan in November 6, 1999, under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a wholly owned subsidiary of the Company. The principal activity of Think PVC (Private) Limited is to purchase, market and sell Poly Vinyl Chloride (PVC), PVC compounds, Caustic soda and other related chemicals and to develop market for PVC downstream products.

- 1.4.2 Engro Peroxide (Private) Limited was incorporated in Pakistan on July 22, 2019 under the Act as a wholly owned subsidiary of the Company. The main objective of Engro Peroxide (Private) Limited is to manufacture and market Hydrogen Peroxide and related chemicals.

- 1.4.3 Engro Plasticizer (Private) Limited was incorporated in Pakistan on July 22, 2019 under the Act as a wholly owned subsidiary of the Company. The main objective of Engro Plasticizer (Private) Limited is to manufacture and market Chlorinated Paraffin Wax and other related chemicals.

- 1.5 These condensed interim financial statements denote the consolidated financial statements of the Group. The unconsolidated condensed interim financial statements of the Company and its subsidiary have been presented separately.

2. BASIS OF PREPARATION

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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 consolidated condensed interim financial statements do not include all the information required to be contained in the annual audited consolidated financial statements and, therefore, should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES AND CHANGES THEREIN

- 3.1 The accounting policies applied in the preparation of these consolidated condensed interim financial statements are the same as those that were applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2020, except for the early adoption of an amendment as set out below:

- 3.2 In 2020, the International Accounting Standard Board (IASB) made an amendment - **Proceeds before the intended use** in IAS 16 - "Property, Plant and Equipment". As a result, the net proceeds received from selling the inventory produced during the testing phase, shall be recognized in the statement of profit and loss. Previously, such proceeds were deducted from the cost of the asset. This amendment shall be applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 2022 with an option of early adoption.

The Company has assessed its implication and decided to adopt the amendment early as permitted under the amendment and aligned with the accounting and reporting standards as applicable in Pakistan. The net of tax proceeds recognized in the consolidated statement of profit or loss amounted to Rs. 278,700.

- 3.3 The financial risk management objectives and policies of the Company are also consistent with those disclosed in the annual audited consolidated financial statements of the Group for the year ended December 31, 2020.

4. ACCOUNTING ESTIMATES

- 4.1 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 the management to exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgement 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.

The significant estimates, judgments and assumptions made by the management in the preparation of the consolidated condensed interim financial statements are the same as those that were applied in the annual audited consolidated financial statements of the Group as at and for the year ended December 31, 2020.

(Amounts in thousand)

	Unaudited March 31, 2021	Audited December 31, 2020
	-----Rupees-----	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value - notes 5.1	28,823,447	19,286,318
Capital work-in-progress - note 5.2	9,089,591	18,264,204
Capital spares	63,792	63,792
	<u>37,976,830</u>	<u>37,614,314</u>
5.1 Additions to operating assets during the period were as follows:		
Leasehold land - note 5.1.1	-	18,524
Building on leasehold land	644,030	56,538
Plant and machinery	9,237,434	2,050,956
Pipeline - EDC	-	1,999
Furniture, fixtures and equipment	21,838	145,885
Vehicles	14,287	4,989
	<u>9,917,589</u>	<u>2,278,891</u>
5.1.1 Includes the costs of PVC-III expansion project, which has completed during the period and as a result the PVC production capacity has enhanced to 295,000 MT.		
5.2 Movement in capital-work-progress during the period / year is as follows:		
	Unaudited March 31, 2021	Audited December 31, 2020
	-----Rupees-----	
Balance as the beginning of the period / year	18,264,204	13,064,300
Add: Additions during the period / year	765,178	7,318,314
Add: Borrowing costs capitalized during the period / year	54,485	214,679
Less: Write-off of plant and machinery items	-	(6,000)
Less Transferred to operating assets during the period / year	(9,917,589)	(2,278,891)
Less Transferred to intangible assets during the period / year	(14,476)	(48,198)
Less Transferred to right of use assets during the period / year	(62,211)	-
Balance as the end of the period / year	<u>9,089,591</u>	<u>18,264,204</u>
6. FINANCIAL ASSETS AT AMORTIZED COST		
Investment in Term Deposit Receipts - note 6.1	5,624,953	5,624,953
Less: current maturity shown under current assets	<u>(964,120)</u>	<u>(964,120)</u>
	<u>4,660,833</u>	<u>4,660,833</u>
6.1 These denote term deposits receipts aggregating to USD 35 million maintained with Dubai Islamic Bank Pakistan Limited. These carry profit at the rate of six months Libor + 0.89% per annum and are due to mature in six equal semi-annual installments of USD 5.833 million starting from July 15, 2021 and ending on January 15, 2024.		
7. STOCK-IN-TRADE		
This includes stock held at Engro Vopak Terminal Limited as at March 31, 2021 Rs. 1,254,460 (as at December 31, 2020: 659,703).		
8. TRADE DEBTS - considered good		
	Unaudited March 31, 2021	Audited December 31, 2020
	-----Rupees-----	
Includes amounts due from the following related parties:		
- Engro Energy Services Limited	603	-
- Engro Fertilizer Limited	19,351	14,018
	<u>19,351</u>	<u>14,018</u>
9. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
These include advances and receivables from the following related parties		
	Unaudited March 31, 2021	Audited December 31, 2020
	-----Rupees-----	
Engro Energy Limited	-	505
	<u>-</u>	<u>505</u>
10. PREFERENCE SHARES		
In 2020, the Company issued perpetual, cumulative, callable and convertible listed preference shares of Rs. 3,000,000 by way of pre-IPO placements and public offering at a price of Rs. 10 per share in cash, carrying markup of 6 months KIBOR + 3.5% and the payment of the same shall be at the discretion of Board of Directors. The objective of the preference share issuance is to finance PVC-III expansion and VCM debottlenecking projects. The Company will have an option to call and redeem in full or in part after the expiry of twelve months from the issue date. The preference shares may be convertible into ordinary shares of the Company at the option of the preference shares holder after the expiry of eighty months from December 31, 2020 based on 1:1 ratio. These shares were listed in the year 2020.		

(Amounts in thousand)

11. LONG-TERM BORROWINGS

	Unaudited March 31, 2021	Audited December 31, 2020
-----Rupees-----		
- Loan from International Finance Corporation (IFC) - note 11.1	5,297,533	5,539,605
- Bilateral Loan - note 11.2	5,421,500	5,421,500
- Sukuk certificates - note 11.3	8,651,125	8,645,597
- Islamic Long term financing facility (ILTF) - note 11.4	1,925,984	1,925,517
- Loan under diminishing musharka agreement - note 11.5	147,980	94,266
- Islamic Temporary Economic Refinance Facility (ITERF) - note 11.6	304,981	-
	<u>21,749,103</u>	<u>21,626,485</u>
Less: Current portion shown under current liabilities		
- Loan from International Finance Corporation	(1,783,250)	(932,750)
- Bilateral Loan	(1,807,167)	(903,583)
	<u>(3,590,417)</u>	<u>(1,836,333)</u>
	<u>18,158,686</u>	<u>19,790,152</u>

11.1 In 2018, the Company had entered into a financing agreement with IFC for a total of US Dollars 35,000 the draw down of which was been made in December 2019. The principal is repayable in six equal semi-annual installments commencing from July 2021 and carries markup at the rate of six months LIBOR plus 3.25% payable semi annually.

The borrowing is by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building) which shall rank pari passu with the charges created in favour of the existing creditors. Further, prior to Project Physical Completion Date and Financial Completion Date, dividends shall not exceed 20% and 80% respectively of annual net income of the year to which the annual dividend relates.

11.2 In 2019, the Company entered into a musharaka agreement with Dubai Islamic Bank Pakistan Limited (DIBPL). The principal is repayable in six equal semi-annual installments commencing from July 2021 and carries a markup at a rate of six months KIBOR plus 0%, payable semi annually.

The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company (except land and building), ranking subordinate and subservient to the charges created in favour of the existing creditors, and a lien and a right of set-off over the Term Deposit Receipt maintained with DIBPL as referred to in note 6.

11.3 In 2019, the Company issued sukuk bonds of Rs. 8,750,000 to eligible institutional and other investors by way of private placement. These are repayable over a period of 7.5 years in five equal annual installments of Rs. 1,750,000 each with the first repayment commencing in July 2024. These are secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building) which shall rank pari passu with the charges created in favour of the existing creditors.

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

11.5 In 2020, the Company entered into a Diminishing Musharaka Agreement for procurement of locally assembled private / imported vehicles under car monetisation policy. The facility amounted to Rs. 200,000 (2019: Nil). The rental payments are to be made in monthly installments for five year and are calculated at the rate of six months KIBOR plus 0.8% per annum.

11.6 During the period, the Company 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.

12. LEASE LIABILITIES

These include lease liability outstanding under the storage arrangements with Engro Vopak Terminal Limited, a related party amounted to Rs. 4,191,921 (December 31, 2020: Rs. 4,644,821).

13. PROVISIONS

	Unaudited March 31, 2021	Audited December 31, 2020
-----Rupees-----		
Provision for gas development infrastructure cess	5,049,256	4,930,263
Provision for gas price revision	517,392	517,392
	<u>5,566,648</u>	<u>5,447,655</u>
Less: current portion of provision of GIDC and gas price revision	<u>(2,817,834)</u>	<u>(2,456,263)</u>
	<u>2,748,814</u>	<u>2,991,392</u>

(Amounts in thousand)

14. DEFERRED TAXATION - NET

	Unaudited March 31, 2021	Audited December 31, 2020
	-----Rupees-----	
Credit balances arising due to:		
- accumulated depreciation	3,525,077	3,508,219
Debit balances arising due to:		
- recoupable carried forward tax losses	21,474	16,408
- recoupable alternative corporate tax	45	45
- unpaid liabilities	151,030	145,728
- leases recognised	586,240	685,820
- provision for Gas Infrastructure Development Cess and Special Excise Duty	1,456,216	1,419,169
- shares issuance cost, net to equity	57,830	57,830
	2,272,835	2,325,000
	<u>1,252,242</u>	<u>1,183,219</u>

15. TRADE & OTHER PAYABLES

	Unaudited March 31, 2021	Audited December 31, 2020
	-----Rupees-----	
Includes amounts due to the following related parties:		
- Engro Corporation Limited	233,077	43,866
- Engro Fertilizers Limited	30,924	32,151
- Engro Energy Limited	65	-
- Engro Powergen Thar (Private) Limited	613	613
- Engro Vopak Terminal Limited	142,132	139,179
	<u>406,811</u>	<u>215,809</u>

16. CONTINGENCIES AND COMMITMENTS

- 16.1 There is no change in the status of contingencies as disclosed in the annual unconsolidated financial statements for the year ended December 31, 2020.
- 16.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Company as at March 31, 2021 amounts to Rs. 3,548,000 (December 31, 2020: Rs. 3,248,000). The amount utilized there against as at March 31, 2021 is Rs. 3,025,679 (December 31, 2020: Rs. 3,017,021).
- 16.3 The facility for opening letters of credit as at March 31, 2021 aggregates to Rs. 20,899,220 (December 31, 2020: Rs. 28,463,787). The amount utilized thereagainst as at March 31, 2021 Rs. 2,933,871 (December 31, 2020: Rs. 3,547,197).
- 16.4 In 2019, Engro Peroxide (Private) Limited entered into a contract with Chematur Engineering AB to establish a plant of Hydrogen Peroxide at a consideration of EUR 6.993. As at March 31, 2021 commitment for civil works and equipment procurement amounts to EUR 1,08(December 31, 2020: EUR 1,082).
- 16.5 Engro Peroxide (Private) Limited has issued bank guarantee in favor of Excise and Taxation, amounts to Rs. 3,500 (December 31, 2020: Rs. 3,500). The aggregate facilities amounting to Rs. 50,000 (December 31, 2020: Rs. 50,000) has been issued collectively in favor of the Company and Engro Plasticizer (Private) Limited (its wholly owned subsidiary).
- 16.6 The Company has entered into operating lease arrangements with Al-Rahim Trading Company (Private) Limited for the storage and handling of Ethylene Di Chloride (EDC) in respect of which future lease commitments aggregate to Rs. 2,545 (December 31, 2020 : Rs 3,805).
- 16.7 Commitments in respect of rentals of storage tanks at EVTL for the handling of Ethylene aggregate to USD 28,512 valid till 31 March 2026 and Ethylene Di Chloride (EDC) aggregate to USD 5,235 and are valid till 31 December 2028.

	Unaudited March 31, 2021	Audited December 31, 2020
	-----Rupees-----	
16.8 Commitments in respect of capital commitments and other operational items	<u>1,560,008</u>	<u>888,048</u>

(Amounts in thousand)

	Unaudited	
	Quarter ended	
	March 31, 2021	March 31, 2020
	----- Rupees -----	
17. CASH GENERATED FROM OPERATIONS		
Profit before taxation	5,743,052	204,579
Adjustments for non cash charges and other items:		
Provision for staff retirement and other service benefits	13,628	48,715
Provision for GIDC	-	172,440
Provision for net realizable value of stock-in-trade	-	-
Depreciation on property, plant and equipment	380,459	280,541
Depreciation on right of use asset	109,924	103,991
Amortization	6,942	6,301
Income on short term investments and bank deposits	(285,498)	(403,311)
Finance costs on lease liability	64,200	79,153
Finance costs	337,041	667,249
Amortization of transaction cost	10,673	11,109
Foreign exchange (gain) / loss of financial liabilities and asset - net	(198,485)	415,742
Unwinding of GIDC	96,170	-
Default surcharge on GIDC	22,823	-
Working capital changes - note 17.1	<u>(1,008,829)</u>	<u>1,727,239</u>
	<u>5,292,100</u>	<u>3,313,748</u>
17.1 WORKING CAPITAL CHANGES		
(Increase) in current assets		
Stores, spares and loose tools	(121,413)	97,188
Stock-in-trade	(127,299)	654,390
Trade debts - considered good	(198,101)	134,747
Loans, advances, deposits, prepayments and other receivables	(228,855)	(611,658)
	<u>(675,668)</u>	<u>274,667</u>
(Decrease) / Increase in current liabilities		
Trade and other payables	(333,161)	1,452,572
	<u>(1,008,829)</u>	<u>1,727,239</u>
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	697,031	371,629
Financial assets at fair value through profit and loss	17,922,270	10,809,965
Short-term borrowings - Export Refinance Facility	(66,000)	(3,239,211)
	<u>18,553,301</u>	<u>7,942,383</u>

(Amounts in thousand)

19. SEGMENT INFORMATION

19.1 The basis of segmentation and reportable segments presented in these consolidated condensed interim financial statements are same as disclosed in the annual audited consolidated financial statements of the Company for the year ended December 31, 2020.

	March 31, 2021				March 31, 2020			
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power Supply	Total	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Total
Rupees								
Revenue								
- At a point	14,214,761	1,397,042	-	15,611,803	5,854,980	1,138,968	-	6,993,948
- Over time	-	-	19,576	19,576	-	-	16,583	16,583
	<u>14,214,761</u>	<u>1,397,042</u>	<u>19,576</u>	<u>15,631,379</u>	<u>5,854,980</u>	<u>1,138,968</u>	<u>16,583</u>	<u>7,010,531</u>
Less:								
Cost of sales	(8,507,210)	(1,106,643)	(10,677)	(9,624,530)	(5,011,706)	(932,498)	(12,851)	(5,957,055)
Distribution and marketing expenses	(68,008)	(23,540)	-	(91,548)	(56,736)	(15,103)	-	(71,839)
Administrative expenses	(151,124)	(14,954)	-	(166,078)	(104,278)	(11,697)	-	(115,975)
Other expenses	(267,146)	(28,663)	(561)	(296,370)	(128,744)	(20,945)	(277)	(149,966)
Other income	142,869	147,997	345	291,211	195,137	220,377	230	415,744
Finance costs	(326,772)	(11,079)	(456)	(338,307)	(685,279)	(3,182)	(46)	(688,507)
Taxation	(1,421,643)	(81,218)	(2,250)	(1,505,111)	(20,104)	(59,905)	(710)	(80,719)
Profit after tax	<u>3,615,727</u>	<u>278,942</u>	<u>5,977</u>	<u>3,900,646</u>	<u>43,270</u>	<u>316,015</u>	<u>2,929</u>	<u>362,214</u>
Others, net of tax				10,793				4,532
Impact of IFRS 16 (post tax)				231,531				(173,906)
Profit for the period	<u>3,615,727</u>	<u>278,942</u>	<u>5,977</u>	<u>4,142,970</u>	<u>43,270</u>	<u>316,015</u>	<u>2,929</u>	<u>192,840</u>
		212,163				155,543		

	March 31, 2021				December 31, 2020			
	Poly Vinyl Chloride and Allied Chemicals	Caustic soda and Allied Chemicals	Power supply	Total	Poly Vinyl Chloride and Allied Chemicals	Caustic soda and Allied Chemicals	Power supply	Total
Total segment assets - note 19.2	38,953,605	10,014,413	25,013	48,993,031	38,320,683	9,059,981	26,766	47,407,430
Total segment assets - note 19.2	-	-	-	24,831,693	-	-	-	21,621,147
Total assets				<u>73,824,724</u>				<u>69,028,577</u>
Total segment liabilities	18,370,860	2,487,675	7,589	20,866,124	19,939,451	3,212,463	9,209	23,161,123
Unallocated liabilities	-	-	-	23,835,546	-	-	-	19,741,323
Total liabilities				<u>44,701,670</u>				<u>42,902,446</u>

19.2 Segment assets consist primarily of property, plant and equipment, stores & spares, stock-in-trade and trade debts.

(Amounts in thousand)

20. TRANSACTIONS WITH RELATED PARTIES

20.1 Transactions with related parties other than those which have been disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

Nature of relationship	Nature of transactions	Unaudited Quarter ended	
		March 31, 2021	March 31, 2020
----- Rupees -----			
Holding company			
- Engro Corporation Limited	Reimbursement made	69	83,874
	Reimbursement received	2,862	83,874
	Advance for intangible asset	32,716	121,599
Associated companies			
- Mitsubishi Coporation	Purchase of goods	-	11,415
Members of the Group			
- Engro Fertilizers Limited	Reimbursement received	184	357
	Sale of goods	8,936	-
	Sale of steam and electricity	31,861	26,903
	Reimbursement made	433	501
	Purchase of services	7,532	25,995
- Engro Vopak Terminal Limited	Purchase of services	394,754	394,612
	Reimbursement made	3,872	2,314
	Reimbursement received	-	-
- Sindh Engro Coal Mining Company Limited	Reimbursement made	-	53
- Engro Energy Limited	Reimbursement received	571	1,596
- Engro Energy Limited	Sale of goods	516	-
- Engro Powergen Thar (Private) Limited	Sale of goods	-	1,277
Directors Fees		600	300
Key management personnel	Managerial remuneration	34,567	30,999
	Retirement benefits	4,820	4,311
	Bonus	13,215	11,574
	Other benefits	5,774	5,730
Contribution to staff retirement benefits	Managed & operated by the Holding Company		
	Provident fund	19,441	17,687
	Gratuity fund	14,158	22,898
	Pension fund	773	773

21. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The table below analyses 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 the 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).

As at March 31, 2021	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets at fair value through profit or loss				
Treasury bills	-	38,386	-	38,386
Pakistan investment bonds	-	17,883,884	-	17,883,884
Term deposit	-	6,000	-	6,000
	<u>-</u>	<u>17,928,270</u>	<u>-</u>	<u>17,928,270</u>
As at December 31, 2020	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets at fair value through profit or loss				
Treasury bills	-	2,024,761	-	2,024,761
Pakistan investment bonds	-	11,400,762	-	11,400,762
Term deposit	-	6,000	-	6,000
	<u>-</u>	<u>13,431,523</u>	<u>-</u>	<u>13,431,523</u>

(Amounts in thousand)

22. CORRESPONDING FIGURES

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 the preceding financial year, whereas, the consolidated condensed interim statement of profit or loss, the consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been compared with the balances of the comparable year-to-date period of the immediately preceding financial year.

23. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in its meeting held on April 16, 2021 has approved an interim dividend of Rs. 0.80 per share for the period ended March 31, 2020.

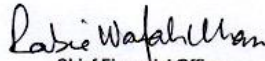
The Board of Directors in its meeting held on April 16, 2021 has approved an interim preference dividend of Rs. 0.27 per share for the period ended March 31, 2020.

24. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on April 16, 2021 by the Board of Directors of the Company.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

**ENGRO POLYMER AND CHEMICALS LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2021**

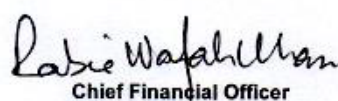
ENGRO POLYMER AND CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

(Amounts in thousand)

	Note	Unaudited March 31, 2021	Audited December 31, 2020
Rupees			
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	36,530,945	36,186,640
Right-of-use asset		2,257,892	2,305,604
Intangible assets		109,505	101,971
Long-term investments		1,625,000	1,625,000
Financial assets at amortised cost	6	3,564,167	4,660,833
Long-term loans and advances		1,792	29,286
		<u>44,089,301</u>	<u>44,909,334</u>
Current Assets			
Stores, spares and loose tools		1,906,147	1,784,734
Stock-in-trade	7	6,321,808	6,194,509
Trade debts - considered good	8	784,313	586,212
Loans, advances, deposits, prepayments and other receivables	9	478,678	250,844
Income tax payments less provision		-	159,818
Financial assets at fair value through profit and loss		17,704,778	13,180,573
Current maturity of financial assets at amortised cost	6	1,797,954	964,120
Cash and bank balances		692,332	940,920
		<u>29,686,010</u>	<u>24,061,730</u>
TOTAL ASSETS		<u><u>73,775,311</u></u>	<u><u>68,971,064</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		9,089,233	9,089,233
Preference shares	10	3,000,000	3,000,000
Share premium		3,874,953	3,874,953
Unappropriated profits		13,108,070	10,106,711
		<u>29,072,256</u>	<u>26,070,897</u>
Non-Current Liabilities			
Long-term borrowings	11	18,158,686	19,790,152
Lease liabilities	12	3,192,685	3,614,312
Provisions	13	2,748,814	2,991,392
Deferred tax liability	14	1,273,761	1,199,672
		<u>25,373,946</u>	<u>27,595,528</u>
Current Liabilities			
Current portion of long term borrowings	11	3,590,417	1,836,333
Current portion of lease liabilities	12	1,041,702	1,080,561
Provisions	13	2,817,834	2,456,263
Service benefit obligations		54,026	79,539
Short-term borrowings - Export Refinance Facility		66,000	-
Dividend payable - preference shareholders		12,485	-
Trade and other payables	15	9,065,728	9,398,682
Accrued interest / mark-up		287,868	425,112
Income tax provision less payments		1,231,589	-
Dividend payable - ordinary shareholders		1,133,562	-
Unclaimed dividend		27,898	28,149
		<u>19,329,109</u>	<u>15,304,639</u>
Contingencies and Commitments	16	<u>44,703,055</u>	<u>42,900,167</u>
TOTAL EQUITY AND LIABILITIES		<u><u>73,775,311</u></u>	<u><u>68,971,064</u></u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.


Chief Executive
 Jahangir Piracha


Chief Financial Officer
 Rabia Wafah Khan


Director
 Feroz Rizvi

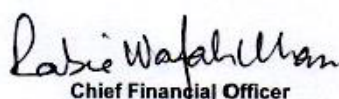
ENGRO POLYMER AND CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

(Amounts in thousand except for earnings per share)

	Quarter ended	
	March 31, 2021	March 31, 2020
	Rupees	
Net revenue	15,671,459	7,057,942
Cost of sales	(9,435,754)	(5,776,915)
Gross profit	6,235,705	1,281,027
Distribution and marketing expenses	(74,451)	(55,848)
Administrative expenses	(166,382)	(113,838)
Other expenses	(122,793)	(538,193)
Other income	281,534	372,479
Operating profit	6,153,613	945,627
Finance costs	(402,507)	(767,655)
Profit for the period before taxation	5,751,106	177,972
Taxation	(1,603,700)	(10,024)
Profit for the period after taxation	4,147,406	167,948
Earnings per share - basic	4.56	0.18
Earnings per share - diluted	3.42	0.18

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.


Chief Executive
 Jahangir Piracha


Chief Financial Officer
 Rabia Wafah Khan


Director
 Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

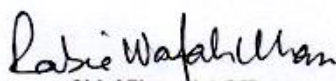
(Amounts in thousand)

	Quarter ended	
	March 31, 2021	March 31, 2020
	Rupees	
Profit for the period after taxation	4,147,406	167,948
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,147,406</u>	<u>167,948</u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

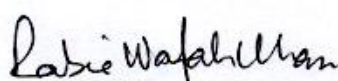
ENGRO POLYMER AND CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

(Amounts in thousand)

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		RESERVES		Total
	Share capital	Preference shares	CAPITAL Share premium	REVENUE Unappropriated profits	
	Rupees				
Balance as at January 1, 2020 (Audited)	9,089,233	-	3,874,953	4,766,837	17,731,023
Total comprehensive income for the period					
Profit for the period ended March 31, 2020	-	-	-	167,948	167,948
Other comprehensive income for the period ended March 31, 2020	-	-	-	-	-
	-	-	-	167,948	167,948
Balance as at March 31, 2020 (Unaudited)	9,089,233	-	3,874,953	4,934,785	17,898,971
Total comprehensive income for the nine months ended December 31, 2020					
Profit for the nine months ended December 31, 2020	-	-	-	5,544,297	5,544,297
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	-
	-	-	-	5,544,297	5,544,297
Transactions with owners					
Final dividend for the year ended December 31, 2019 - Re. 0.20 per share	-	-	-	(181,785)	(181,785)
Preference shares issuance - note 17	-	3,000,000	-	-	3,000,000
Shares issuance cost	-	-	-	(190,586)	(190,586)
	-	3,000,000	-	(372,371)	2,627,629
Balance as at December 31, 2020 (Audited)	9,089,233	3,000,000	3,874,953	10,106,711	26,070,897
Effect of initial application - note 3.2	-	-	-	-	-
Total comprehensive income for the period					
Profit for the period ended March 31, 2021	-	-	-	4,147,406	4,147,406
Other comprehensive income for the period ended March 31, 2021	-	-	-	-	-
	-	-	-	4,147,406	4,147,406
Transactions with owners					
Final ordinary dividend for the year ended December 31, 2020 - Re. 1.247 per share	-	-	-	(1,133,562)	(1,133,562)
Final preference dividend for the year ended December 31, 2020 - Re. 0.042 per share	-	-	-	(12,485)	(12,485)
	-	-	-	(1,146,047)	(1,146,047)
Balance as at March 31, 2021 (Unaudited)	9,089,233	3,000,000	3,874,953	13,108,070	29,072,256

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.


Chief Executive
Jahangir Piracha


Chief Financial Officer
Rabia Wafah Khan


Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

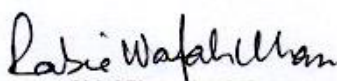
(Amounts in thousand)

	Note	Quarter ended	
		March 31, 2021	March 31, 2020
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	5,310,938	3,296,742
Long-term loans and advances - net		27,494	31,141
Retirement benefits paid		(39,141)	(74,209)
Income tax paid		(138,204)	(372,279)
Net cash generated from operating activities		5,161,087	2,881,395
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible asset		(746,846)	(2,281,676)
Proceeds from disposal of property, plant and equipment		-	-
Income on short-term investments and bank deposits		284,512	360,046
Net cash used in investing activities		(462,334)	(1,921,630)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings - net of transaction costs		311,601	-
Finance cost paid		(137,244)	(481,665)
Rentals paid during the period		(326,201)	(326,150)
Dividend payment		(251)	(3,823)
Net cash generated from financing activities		(152,095)	(811,638)
Net (decrease) / increase in cash and cash equivalents		4,546,658	148,127
Cash and cash equivalents at beginning of the year		14,115,493	6,583,407
Cash and cash equivalents at end of the year	18	18,662,151	6,731,534

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER & CHEMICALS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

- 1.1 Engro Polymer and Chemicals Limited (the Company) was incorporated in Pakistan in 1997 under the repealed Companies Ordinance, 1984. The Company is listed on Pakistan Stock Exchange Limited.
- 1.2 The Company is a subsidiary of Engro Corporation Limited (the Holding Company) which is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Company's principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals. The Company is also engaged in the supply of surplus power generated from its power plants to Engro Fertilizers Limited (a related party).
- 1.3 The registered office of the Company is situated at 12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal, Karachi. The plant is located at EZ//P-II-I Eastern Zone, Bin Qasim, Karachi, Pakistan, whereas, the Chlor-Vinyl facility is at Port Bin Qasim Industrial Area. The regional sales office of the Company is on the 6th Floor, Haly Tower Office, Lalik Chowk, Phase II, DHA, Lahore.
- 1.4 These condensed interim financial statements denote the standalone condensed interim financial statements of the Company. The condensed interim consolidated financial statements of the Company and its subsidiaries have been presented separately.

2. BASIS OF PREPARATION

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

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

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 condensed interim financial statements do not include all the information required to be contained in the annual financial statements and, therefore, should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES AND CHANGES THEREIN

- 3.1 The accounting policies applied in the preparation of these condensed interim financial statements are the same as those that were applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2020, except for the early adoption of an amendment as set out below.

- 3.2 In 2020, the International Accounting Standard Board (IASB) made an amendment - **Proceeds before the intended use** in IAS 16 - "Property, Plant and Equipment". As a result, the net proceeds received from selling the inventory produced during the testing phase, shall be recognized in the statement of profit and loss. Previously, such proceeds were deducted from the cost of the asset. This amendment shall be applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 2022 with an option of early adoption.

The Company has assessed its implication and decided to adopt the amendment early as permitted under the amendment and aligned with the accounting and reporting standards as applicable in Pakistan. The net of tax proceeds recognized in the statement of profit or loss amounted to Rs. 278,700.

- 3.3 The financial risk management objectives and policies of the Company are also consistent with those disclosed in the annual audited consolidated financial statements of the Group for the year ended December 31, 2020.

4. ACCOUNTING ESTIMATES

- 4.1 The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgement 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.

The significant estimates, judgments and assumptions made by the management in the preparation of the condensed interim financial statements are the same as those that were applied in the annual audited financial statements of the Company as at and for the year ended December 31, 2020.

(Amounts in thousand)

	Unaudited March 31, 2021	Audited December 31, 2020
-----Rupees-----		
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value - notes 5.1	28,822,507	19,285,257
Capital work-in-progress - note 5.2	7,644,646	16,837,591
Capital spares	63,792	63,792
	<u>36,530,945</u>	<u>36,186,640</u>
5.1 Additions to operating assets during the period were as follows:		
Leasehold land	-	18,524
Building on leasehold land	644,030	56,538
Plant and machinery - note 5.1.1	9,237,434	2,050,956
Pipeline - EDC	-	1,999
Furniture, fixtures and equipment	21,838	145,239
Vehicles	14,287	4,989
	<u>9,917,589</u>	<u>2,278,245</u>
5.1.1 Includes the costs of PVC-III expansion project, which has completed during the period and as a result the PVC production capacity has enhanced to 295,000 MT.		
5.2 Movement in capital-work-progress during the period / year is as follows:		
	Unaudited March 31, 2021	Audited December 31, 2020
-----Rupees-----		
Balance as the beginning of the period / year	16,837,591	12,695,993
Add: Additions during the period / year	746,846	6,259,362
Add: Borrowing costs capitalized during the period / year	54,485	214,679
Less: Write-off of plant and machinery items	-	(6,000)
Less Transferred to operating assets during the period / year	(9,917,589)	(2,278,245)
Less Transferred to intangible assets during the period / year	(14,476)	(48,198)
Less Transferred to right of use assets during the period / year	(62,211)	-
Balance as the end of the period / year	<u>7,644,646</u>	<u>16,837,591</u>
6. FINANCIAL ASSETS AT AMORTIZED COST		
Investment in Term Deposit Receipts - note 6.1	5,346,250	5,624,953
Less: current maturity shown under current assets	<u>(1,782,083)</u>	<u>(964,120)</u>
	<u>3,564,167</u>	<u>4,660,833</u>
6.1 These denote term deposits receipts aggregating to USD 35 million maintained with Dubai Islamic Bank Pakistan Limited. These carry profit at the rate of six months Libor + 0.89% per annum and are due to mature in six equal semi-annual installments of USD 5.833 million starting from July 15, 2021 and ending on January 15, 2024.		
7. STOCK-IN-TRADE		
This includes stock held at Engro Vopak Terminal Limited as at March 31, 2021 Rs. 1,254,460 (as at December 31, 2020: 659,703).		
8. TRADE DEBTS - considered good		
	Unaudited March 31, 2021	Audited December 31, 2020
-----Rupees-----		
Includes amounts due from the following related parties:		
- Engro Energy Services Limited	603	-
- Engro Fertilizer Limited	19,351	14,018
	<u>19,351</u>	<u>14,018</u>

(Amounts in thousand)

**9. LOANS, ADVANCES, DEPOSITS,
PREPAYMENTS AND OTHER RECEIVABLES**

These include advances and receivables from the following related parties

	Unaudited March 31, 2021	Audited December 31, 2020
-----Rupees-----		
Think PVC (Private) Limited	-	374
Engro Peroxide (Private) Limited	5,810	10,995
Engro Plasticizer (Private) Limited	189	65
Engro Energy Limited	-	505
	<u>5,999</u>	<u>11,939</u>

10. PREFERENCE SHARES

In 2020, the Company issued perpetual, cumulative, callable and convertible listed preference shares of Rs. 3,000,000 by way of pre-IPO placements and public offering at a price of Rs. 10 per share in cash, carrying markup of 6 months KIBOR + 3.5% and the payment of the same shall be at the discretion of Board of Directors. The objective of the preference share issuance is to finance PVC-III expansion and VCM debottlenecking projects. The Company will have an option to call and redeem in full or in part after the expiry of twelve months from the issue date. The preference shares may be convertible into ordinary shares of the Company at the option of the preference shares holder after the expiry of eighty months from December 31, 2020 based on 1:1 ratio. These shares were listed in the year 2020.

11. LONG-TERM BORROWINGS

	Unaudited March 31, 2021	Audited December 31, 2020
-----Rupees-----		
- Loan from International Finance Corporation (IFC) - note 11.1	5,297,533	5,539,605
- Bilateral Loan - note 11.2	5,421,500	5,421,500
- Sukuk certificates - note 11.3	8,651,125	8,645,597
- Islamic Long term financing facility (ILTFF) - note 11.4	1,925,984	1,925,517
- Loan under diminishing musharka agreement - note 11.5	147,980	94,266
- Islamic Temporary Economic Refinance Facility (ITERF) - note 11.6	304,981	-
	<u>21,749,103</u>	<u>21,626,485</u>
Less: Current portion shown under current liabilities		
- Loan from International Finance Corporation	(1,783,250)	(932,750)
- Bilateral Loan	(1,807,167)	(903,583)
	<u>(3,590,417)</u>	<u>(1,836,333)</u>
	<u>18,158,686</u>	<u>19,790,152</u>

11.1 In 2018, the Company had entered into a financing agreement with IFC for a total of US Dollars 35,000 the draw down of which was been made in December 2019. The principal is repayable in six equal semi-annual installments commencing from July 2021 and carries markup at the rate of six months LIBOR plus 3.25% payable semi annually.

The borrowing is by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building) which shall rank pari passu with the charges created in favor of the existing creditors. Further, prior to Project Physical Completion Date and Financial Completion Date, dividends shall not exceed 20% and 80% respectively of annual net income of the year to which the annual dividend relates.

11.2 In 2019, the Company entered into a musharaka agreement with Dubai Islamic Bank Pakistan Limited (DIBPL). The principal is repayable in six equal semi-annual installments commencing from July 2021 and carries a markup at a rate of six months KIBOR plus 0%, payable semi annually.

The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company (except land and building), ranking subordinate and subservient to the charges created in favor of the existing creditors, and a lien and a right of set-off over the Term Deposit Receipt maintained with DIBPL as referred to in note 6.

11.3 In 2019, the Company issued sukuk bonds of Rs. 8,750,000 to eligible institutional and other investors by way of private placement. These are repayable over a period of 7.5 years in five equal annual installments of Rs. 1,750,000 each with the first repayment commencing in July 2024. These are secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building) which shall rank pari passu with the charges created in favor of the existing creditors.

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

11.5 In 2020, the Company entered into a Diminishing Musharaka Agreement for procurement of locally assembled private / imported vehicles under car monetisation policy. The facility amounted to Rs. 200,000 (2019: Nil). The rental payments are to be made in monthly installments for five year and are calculated at the rate of six months KIBOR plus 0.8% per annum.

11.6 During the period, the Company 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.

(Amounts in thousand)

12. LEASE LIABILITIES

These include lease liability outstanding under the storage arrangements with Engro Vopak Terminal Limited, a related party amounted to Rs. 4,191,921 (December 31, 2020: Rs. 4,644,821).

13. PROVISIONS

	Unaudited March 31, 2021	Audited December 31, 2020
-----Rupees-----		
Provision for gas development infrastructure cess	5,049,256	4,930,263
Provision for gas price revision	517,392	517,392
	<u>5,566,648</u>	<u>5,447,655</u>
Less: current portion of provision of GIDC and gas price revision	<u>(2,817,834)</u>	<u>(2,456,263)</u>
	<u><u>2,748,814</u></u>	<u><u>2,991,392</u></u>

14. DEFERRED TAXATION - NET

	Unaudited March 31, 2021	Audited December 31, 2020
-----Rupees-----		
Credit balances arising due to:		
- accumulated depreciation	3,525,077	3,508,219
Debit balances arising due to:		
- unpaid liabilities	151,030	145,728
- leases recognised	586,240	685,820
- provision for Gas Infrastructure Development Cess and Special Excise Duty	1,456,216	1,419,169
- shares issuance cost, net to equity	57,830	57,830
	<u>2,251,316</u>	<u>2,308,547</u>
	<u><u>1,273,761</u></u>	<u><u>1,199,672</u></u>

15. TRADE & OTHER PAYABLES

	Unaudited March 31, 2021	Audited December 31, 2020
-----Rupees-----		
Includes amounts due to the following related parties:		
- Engro Corporation Limited	231,944	43,866
- Engro Fertilizers Limited	30,924	32,151
- Engro Energy Limited	65	-
- Engro Powergen Thar (Private) Limited	613	613
- Engro Vopak Terminal Limited	142,132	139,179
	<u>405,678</u>	<u>215,809</u>

16. CONTINGENCIES AND COMMITMENTS

- 16.1 There is no change in the status of contingencies as disclosed in the annual unconsolidated financial statements for the year ended December 31, 2020.
- 16.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Company as at March 31, 2021 amounts to Rs. 3,548,000 (December 31, 2020: Rs. 3,248,000). The amount utilized there against as at March 31, 2021 is Rs. 3,025,679 (December 31, 2020: Rs. 3,017,021).
- 16.3 The facility for opening letters of credit as at March 31, 2021 aggregates to Rs. 18,978,619 (December 31, 2020: Rs. 23,943,186). The amount utilized thereagainst as at March 31, 2021 Rs. 2,657,580 (December 31, 2020: Rs. 3,247,361).
- 16.4 The Company has entered into operating lease arrangements with Al-Rahim Trading Company (Private) Limited for the storage and handling of Ethylene Di Chloride (EDC) in respect of which future lease commitments aggregate to Rs. 2,545 (December 31, 2020 : Rs 3,805).
- 16.5 Commitments in respect of rentals of storage tanks at EVTL for the handling of Ethylene aggregate to USD 28,512 valid till 31 March 2026 and Ethylene Di Chloride (EDC) aggregate to USD 5,235 and are valid till 31 December 2028.

	Unaudited March 31, 2021	Audited December 31, 2020
-----Rupees-----		
16.6 Commitments in respect of capital commitments and other operational items	<u>1,560,008</u>	<u>888,048</u>

(Amounts in thousand)

	Unaudited	
	Quarter ended	
	March 31, 2021	March 31, 2020
	----- Rupees -----	
17. CASH GENERATED FROM OPERATIONS		
Profit before taxation	5,751,106	177,972
Adjustments for non cash charges and other items:		
Provision for staff retirement and other service benefits	13,628	48,715
Provision for GIDC	-	172,440
Depreciation on property, plant and equipment	380,338	280,454
Depreciation on right of use asset	109,924	103,991
Amortization	6,942	6,301
Income on short term investments and bank deposits	(275,821)	(360,046)
Finance costs on lease liability	64,200	79,153
Finance costs	337,041	667,244
Amortization of transaction cost	10,673	11,109
Foreign exchange (gain) / loss of financial liabilities and asset - net	(198,485)	415,742
Unwinding of GIDC	96,170	-
Default surcharge on GIDC	22,823	-
Working capital changes - note 17.1	(1,007,601)	1,693,667
	<u>5,310,938</u>	<u>3,296,742</u>
17.1 WORKING CAPITAL CHANGES		
(Increase) in current assets		
Stores, spares and loose tools	(121,413)	97,188
Stock-in-trade	(127,299)	654,390
Trade debts - considered good	(198,101)	134,747
Loans, advances, deposits, prepayments and other receivables	(227,834)	(639,702)
	<u>(674,647)</u>	<u>246,623</u>
(Decrease) / Increase in current liabilities		
Trade and other payables	(332,954)	1,447,044
	<u>(1,007,601)</u>	<u>1,693,667</u>
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	692,332	363,317
Financial assets at fair value through profit and loss	17,698,778	9,607,428
Short-term borrowings - Export Refinance Facility	(66,000)	(3,239,211)
	<u>18,325,110</u>	<u>6,731,534</u>

(Amounts in thousand)

19. SEGMENT INFORMATION

19.1 The basis of segmentation and reportable segments presented in these consolidated condensed interim financial statements are same as disclosed in the annual audited financial statements of the Company for the year ended December 31, 2020.

	March 31, 2021 (Unaudited)				March 31, 2020 (Unaudited)			
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power Supply	Total	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Total
	Rupees							
Revenue								
- At a point	14,214,761	1,397,042	-	15,611,803	5,854,980	1,138,968	-	6,993,948
- Over time	-	-	19,576	19,576	-	-	16,583	16,583
	<u>14,214,761</u>	<u>1,397,042</u>	<u>19,576</u>	<u>15,631,379</u>	<u>5,854,980</u>	<u>1,138,968</u>	<u>16,583</u>	<u>7,010,531</u>
Less:								
Cost of sales	(8,507,210)	(1,106,643)	(10,677)	(9,624,530)	(5,011,706)	(932,498)	(12,851)	(5,957,055)
Distribution and marketing expenses	(50,514)	(23,540)	-	(74,054)	(40,259)	(15,103)	-	(55,362)
Administrative expenses	(151,124)	(14,832)	-	(165,956)	(104,278)	(11,610)	-	(115,888)
Other expenses	(267,095)	(28,599)	(561)	(296,255)	(128,684)	(20,915)	(277)	(149,876)
Other income	142,390	138,799	345	281,534	191,923	180,326	230	372,479
Finance costs	(326,772)	(11,079)	(456)	(338,307)	(685,279)	(3,177)	(46)	(688,502)
Taxation	(1,426,641)	(79,838)	(2,250)	(1,508,729)	(24,398)	(53,897)	(710)	(79,005)
Profit after tax	<u>3,627,795</u>	<u>271,310</u>	<u>5,977</u>	<u>3,905,082</u>	<u>52,299</u>	<u>282,094</u>	<u>2,929</u>	<u>337,322</u>
Others, net of tax				10,793				4,532
Impact of IFRS 16 (post tax)				231,531				(173,906)
Profit for the period	<u>3,627,795</u>	<u>271,310</u>	<u>5,977</u>	<u>4,147,406</u>	<u>52,299</u>	<u>282,094</u>	<u>2,929</u>	<u>167,948</u>

	March 31, 2021 (Unaudited)				December 31, 2020 (Audited)			
	Poly Vinyl Chloride and Allied Chemicals	Caustic soda and Allied Chemicals	Power supply	Total	Poly Vinyl Chloride and Allied Chemicals	Caustic soda and Allied Chemicals	Power supply	Total
Total segment assets - note 19.2	39,005,894	10,144,339	25,013	49,175,246	38,375,683	9,202,307	26,766	47,604,756
Total segment assets - note 19.2	-	-	-	24,600,066	-	-	-	21,366,308
Total assets				<u>73,775,312</u>				<u>68,971,064</u>
Total segment liabilities	18,369,814	2,467,737	7,589	20,845,140	19,939,452	3,212,462	9,209	23,161,123
Unallocated liabilities	-	-	-	23,857,916	-	-	-	19,739,044
Total liabilities				<u>44,703,056</u>				<u>42,900,167</u>

19.2 Segment assets consist primarily of property, plant and equipment, stores & spares, stock-in-trade and trade debts.

(Amounts in thousand)

20. TRANSACTIONS WITH RELATED PARTIES

20.1 Transactions with related parties other than those which have been disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

<u>Nature of relationship</u>	<u>Nature of transactions</u>	<u>Unaudited</u>	
		<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2020</u>
		<u>----- Rupees -----</u>	
Holding company			
- Engro Corporation Limited	Reimbursement made	69	83,874
	Reimbursement received	2,862	-
	Advance for intangible asset	32,716	121,599
Subsidiary Company			
- Engro Plasticizer (Private) Limited	Expenses paid	189	30
	Reimbursement made	65	-
- Engro Peroxide (Private) Limited	Expenses paid	17,587	13,845
	Reimbursement made	22,708	-
- Think PVC (Private) Limited	Expenses paid	13,090	12,428
	Reimbursement made	13,465	-
Associated companies			
- Mitsubishi Coporation	Purchase of goods	-	11,415
Members of the Group			
- Engro Fertilizers Limited	Reimbursement received	184	357
	Sale of goods	8,936	-
	Sale of steam and electricity	31,861	26,903
	Reimbursement made	433	501
	Purchase of services	7,532	25,995
	Purchase of Land	-	-
- Engro Vopak Terminal Limited	Purchase of services	394,754	394,612
	Reimbursement made	3,872	2,314
	Reimbursement received	-	-
- Sindh Engro Coal Mining Company Limited	Reimbursement made	-	53
- Engro Energy Limited	Reimbursement received	571	1,596
- Engro Energy Services Limited	Sale of goods	516	-
- Engro Powergen Thar (Private) Limited	Sale of goods	-	1,277

(Amounts in thousand)

Directors Fees		600	300
Key management personnel	Managerial remuneration	34,567	30,999
	Retirement benefits	4,820	4,311
	Bonus	13,215	11,574
	Other benefits	5,774	5,730
Contribution to staff retirement benefits	Managed & operated by the Holding Company		
	Provident fund	19,441	17,687
	Gratuity fund	14,158	22,898
	Pension fund	773	773

21. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The table below analyses 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 the 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).

As at March 31, 2021	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial assets at fair value through profit or loss				
Pakistan investment bonds	-	17,698,778	-	17,698,778
Term deposit	-	6,000	-	6,000
	<u>-</u>	<u>17,704,778</u>	<u>-</u>	<u>17,704,778</u>
As at December 31, 2020	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial assets at fair value through profit or loss				
Treasury bills	-	1,972,636	-	1,972,636
Pakistan investment bonds	-	11,201,937	-	11,201,937
Term deposit	-	6,000	-	6,000
	<u>-</u>	<u>13,180,573</u>	<u>-</u>	<u>13,180,573</u>

(Amounts in thousand)

22. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 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, 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 have been compared with the balances of the comparable year-to-date period of the immediately preceding financial year.

23. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in its meeting held on April 16, 2021 has approved an interim dividend of Rs. 0.80 per share for the period ended March 31, 2020.

The Board of Directors in its meeting held on April 16, 2021 has approved an interim preference dividend of Rs. 0.27 per share for the period ended March 31, 2020.

24. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 16, 2021 by the Board of Directors of the Company.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

اینٹرو پولیمر اینڈ کیمیکلز لمیٹڈ

حصص یافتگان (شیئر ہولڈرز) کے لئے 31 مارچ، 2021 کو ختم شدہ تین ماہ کے حوالے سے غیر آڈٹ شدہ مجموعی عبوری مالیاتی گوشواروں پر ڈائریکٹرز کا جائزہ

ہم، اینٹرو پولیمر اینڈ کیمیکلز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ، 2021 کو ختم شدہ تین ماہ کے حوالے سے کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات کو پیش کرنا چاہیں گے۔

کاروباری تجزیہ

اس سہ ماہی کے دوران، بیشتر دیگر اجناس کی طرح، بین الاقوامی سطح پر PVC کی قیمتیں مسلسل 11 ماہ میں بڑھتے ہوئے رجحان کو برقرار رکھتے ہوئے، 1670 امریکی ڈالر فی میٹرک ٹن کی غیر معمولی سطح تک بڑھ گئیں۔ قیمتوں کے بڑھنے کی اہم وجہ امریکہ میں موسم سرما کا طوفان تھی، جس کے نتیجے میں امریکہ کی PVC کی 87% پیداواری صلاحیت بند رہی۔ قیمتوں کو معاونت مال برداری کے بڑھتے ہوئے نرخوں سے بھی ملی جو بلند سطح پر رہی، جس کی وجہ دو امریکی ڈیمینٹو کا Force Majeure پہ جانا اور ایک کنٹینر کاسٹس کینال (جو یورپ اور ایشیا کے درمیان کا سب سے چھوٹا راستہ ہے) میں چھ دن تک پھنس جانا تھی۔ دوسری طرف آتھلیٹس کی قیمتیں فروری کے وسط تک تنزلی کا شکار ہیں کیوں کہ کوریا کے اہم پلائسٹس نے دوبارہ کام شروع کر دیا، امریکی طوفان جس نے امریکہ کی آتھلیٹس کی تقریباً 60% پیداواری صلاحیت متاثر کی اور جاپان میں آنے والے 7.3 شدت کے زلزلے کے نتیجے میں فراہمی میں انتہائی کمی کی وجہ سے قیمتوں میں اضافہ پایا گیا۔

مقامی معیار پر، PVC مارکیٹ نے گزشتہ سال کی اسی مدت کے مقابلے میں 14% کا اضافہ ظاہر کیا۔ اس اضافے کو سال 2020 کی پہلی سہ ماہی میں یکدم رونما ہونے والے واقعات جس کے نتیجے میں سیلز میں کمی آئی، سے منسوب کیا جا سکتا ہے۔ ان میں COVID-19 کے پھیلاؤ کو روکنے کے لیے قومی سطح پر لگنے والا لاک ڈاؤن شامل ہے۔ سال 2021 کی پہلی سہ ماہی، میں خریداروں نے بلند نرخوں پر مزاحمتی عمل کو جاری رکھا اور صرف ضرورت کی بنیاد پر خریداری کی۔ مقامی منڈی (مارکیٹ) کو سہارا دینے کے لیے، کمپنی نے مسابقتی قیمتیں برقرار رکھیں اور مختلف اسکیمز متعارف کرائیں۔ دوسری طرف، کلوور الکی مارکیٹ، ٹیکسٹائل کی برآمدات میں کمی نیز امریکہ اور یورپ میں COVID کے بڑھتے ہوئے کمیوں کی وجہ سے تنزلی کا شکار رہی، جس کے نتیجے میں بڑے برآمد کنندگان میں آپریٹنگ کی شرح کم ہو گئی۔

آپریشنل محاز پر، کمپنی نے پیداواری صلاحیت کو سالانہ 295,000 میٹرک ٹن تک بڑھاتے ہوئے یکم مارچ، 2021 کو نئے PVC پلانٹ کے کمرشل آپریشنز کا اعلان کیا۔ گزشتہ چند سالوں میں اعلان شدہ متعدد منصوبوں کے حوالے سے اس وبائی مرض کے غیر یقینی حالات میں نئے طے شدہ منصوبوں کو مکمل کرنے کا کام جاری ہے۔

سال 2021 کی پہلی سہ ماہی کے دوران کمپنی نے گزشتہ سال کی اسی مدت کے 7,058 ملین روپے کے مقابلے میں 15,671 ملین روپے کی آمدن ریکارڈ کی۔ اسی مدت میں کمپنی نے 4,143 ملین روپے کے PAT کا اندراج کیا، جو 4.56 روپے فی حصص بنتی ہے۔ جبکہ پچھلے سال اسی مدت میں 193 ملین روپے کا PAT تھا جو 0.21 روپے فی حصص کی آمدن بنتی ہے۔ اب تک کا سب سے زیادہ سہ ماہی منافع فروختگی کے حجم میں اضافے، موثر آپریشنز اور بلند ترین الاقوامی نرخوں کے ذریعے حاصل کیا گیا ہے۔

مستقبل بنی:

اس پیش قدمی کے ساتھ ہم یہ توقع کرتے ہیں کہ PVC کی قیمتیں فراہمی میں کمی اور عالمی سطح پر تعمیراتی شعبے میں اس کی بڑھتی ہوئی طلب کے نتیجے میں تیزی سے بڑھیں گی، کیوں کہ متعدد دماغ لک اس شعبے کو معاشی بحالی کے لیے استعمال کرنے پر توجہ مرکوز کر رہے ہیں۔

COVID کی تیسری لہر کے دوران حکومت کی طرف سے لازمی ایس او پیز پر عمل درآمد، جاری پراجیکٹس کی باحفاظت اور مقررہ وقت میں تکمیل اور SBP TERF سہولت کے استعمال کے ساتھ پلانٹ پر باحفاظت آپریشنز کو یقینی بنانا، آئندہ سہ ماہی میں کلیدی توجہ کا مرکز ہوگا۔



فیروز رضوی
ڈائریکٹر



جہانگیر پراچہ
چیف ایگزیکٹو آفیسر