



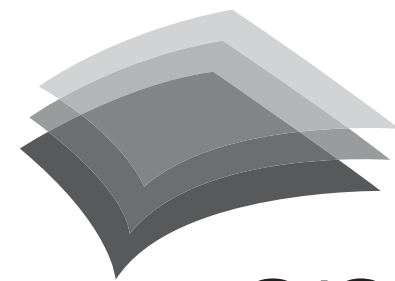
# more than ever

second quarter accounts 2021



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engro corp



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

## About Us

Engro Corporation Limited is one of Pakistan's largest conglomerates with the company's business portfolio spanning across sectors including chemical fertilizers, PVC resin, telecommunication infrastructure, bulk liquid chemical terminal, foods and power generation. At Engro, our ambition is to become the premier Pakistani enterprise with a global reach.

The management team at Engro is responsible for conceptualizing and articulating goals that bring our people together in pursuit of our objectives. It leads the company with a firm commitment to the values and spirit of Engro. In our journey to become a profitable, growth-oriented and sustainable company, our management structure has evolved to create a more transparent and accessible organization.

Our growth is driven by our people. Our culture is dynamic and energetic, with emphasis on our core values and loyalty of our employees. Our work environment promotes leadership, integrity, teamwork, diversity and excellence.

## Our History

Today, Engro is one of Pakistan's most progressive, growth oriented organizations, managed under a holding structure that works towards better managing and oversight of subsidiaries and affiliates that are part of Engro's capital investments in Pakistan.

The company is also defined by its history, which reflects a rich legacy of innovation and growth. The seeds for the company were sown following the discovery of the Mari gas field by Esso/Mobil in 1957. Esso proposed the establishment of a urea plant, and the Esso Pakistan Fertilizer Company Limited was established in 1965 and began production in 1968. At US \$43 million with an annual production capacity of 173,000 tons, this was the single largest foreign investment by a multinational corporation in Pakistan at the time. As the nation's first fertilizer brand, the company also pioneered the education of farmers in Pakistan, helping to modernize traditional farming practices to boost farm yields, directly impacting the quality of life for farmers and the nation.

In 1978, Esso was renamed Exxon globally, and the company became Exxon Chemical Pakistan Limited. The business continued to prosper as it relentlessly pursued productivity

gains and strived to attain professional excellence.

In 1991, following a decision by Exxon to divest its fertilizer business on a global basis, the employees of Exxon Chemical Pakistan Limited decided to buy out Exxon's share. This was, and perhaps still is, the most successful employee buy-out in the corporate history of Pakistan. Renamed Engro Chemical Pakistan Limited, the company continued to go from strength to strength, reflected in its consistent financial performance, growth and diversification.

In 2009, a decision was made to demerge the fertilizer business into an independent operating company to ensure undivided focus on the business's expansion and growth. In the best interests of a multi category business, expansion strategy and growth vision, the management decided that the various businesses would be better served if the company was converted to a holding company; Engro Corporation Limited.

From its inception as Esso Pakistan Fertilizer Company Limited in 1965 to Engro Corporation Limited in 2010, Engro has come a long way and will continue working towards its vision of becoming a premier Pakistani company with a global reach.

## Engro Corporation Limited

Engro Corporation Limited is a holding company, created following the conversion of Engro Chemical Pakistan Limited on January 1, 2010. Engro Corp is one of Pakistan's largest conglomerates with the company's business portfolio in four verticals, which include food & agri, petrochemicals, energy & infrastructure and connectivity.

## Engro Fertilizers Limited

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

## Engro Polymer & Chemicals Limited

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

## Engro Energy Limited

Engro Energy Limited is a wholly owned subsidiary of Engro Corporation and it owns and operates Engro Powergen Qadirpur Limited, a 224 megawatt power plant and the group's first initiative in the power sector of Pakistan. Engro Powergen Qadirpur Limited was listed on the Karachi Stock Exchange in October 2014 where 25% of the shares were offered to the public. As of now, Engro Powergen Qadirpur Limited is 69% owned by Engro Energy Limited.

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

## Elengy Terminal Pakistan Limited

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

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

## Engro Vopak Terminal Limited

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

## FrieslandCampina Engro Pakistan

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

## Engro Enfrashare (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 half year ended June 30, 2021.

The economy continued its recovery from the unprecedented challenges faced amid Covid-19 pandemic. With wider access to vaccines and increasing awareness among masses, a faster recovery is anticipated. Consumer Confidence index has also increased to 88 in Q2 vs 80 in Q1, showing improving optimism about the country's economic condition.

Engro Corporation Limited's diverse portfolio is well-positioned to persevere through these challenging times. The management has responded proactively to maintain business sustainability and continuous availability of our plants. Our in-house medical helpdesk team and on-site quarantine facilities ensured continuous well-being of our employees and their families.

The Company has contributed towards its vision of providing clean and green energy to Pakistan. It has partnered with Government of Pakistan for their Green Presidency Initiative – Solarization Project, making Aiwan-e-Sadr one of the only few presidencies in the world which are fully powered by green energy. The 1 MW state-of-the-art solar PV system installed by the Company has contributed to an annual reduction of 1,400 tons of carbon emissions and with an annual contribution of PKR 32 million to the National Exchequer.

## Business Review

The Company's consolidated revenue grew by 30% to PKR 139,319 million from PKR 107,163 million in 1H 2020. The consolidated Profit-After-Tax (PAT) for 1H was PKR 29,111 million – up by 87%, while PAT attributable to the shareholders increased to PKR 17,053 million from PKR 9,059 million in the comparative period, resulting in an Earnings per Share (EPS) of PKR 29.60 compared to PKR 15.73. 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 9,683 million against PKR 4,858 million for the comparative period, translating into an EPS of PKR 16.81 per share. Increase in standalone profitability is primarily on account of higher dividends from subsidiaries.

## Fertilizers

Domestic market witnessed strong agricultural sector performance in 1H 2021. Following the momentum built over last year, farm economics continued to improve driven by better farm output prices and enhancing support pricing.

International Urea prices have increased to USD 473/T (landed equivalent PKR 4,546/bag) by the end of 1H 2021 from USD 289/T (landed equivalent of PKR 2,895/bag) prevailing at the end of 2020. Domestic Urea priced at 62% discount vs. imported Urea cost. DAP international prices have witnessed rapid increase during the period with prices being quoted as

high as USD 600/T by end of the 1H amidst product supply challenges and resurging demand especially from Latin and North America.

Engro Fertilizers Urea production during the half stood at 1,070 KT vs. 1,136 KT for the comparative period from last year because of a planned turnaround in one of our plants during Q1. Half yearly Urea sales stood at 1,115 KT vs. 847 KT and phosphates sales stood at 105 KT vs. 119 KT during the same period last year.

Gross Profit for Engro Fertilizers was recorded at PKR 21,408 million for 1H 2021 as compared to PKR 14,025 million in the same period last year, an increase of 53% mainly on the back of higher offtakes.

## Energy

**Coal Mine:** Mining operations continued smoothly, and the mine supplied ~ 2 million tons of coal to Engro Powergen Thar during initial half of the year. Despite challenges posed by Covid-19 crisis, 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 78%, dispatching 2,052 GwH to the national grid during the period. Scheduled outage on both units completed 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 394 GwH to the national grid with a load factor of 43% compared to 28.4% last year due to higher offtake from the Power Purchaser. EPQL posted a PAT of PKR 905 million for the current period as compared to PKR 1,310 million for 1H 2020 attributable to retirement of debt component.

## Petrochemicals

During 1H, international PVC prices reduced in Q2 to USD 1,345/T after an unprecedented level of USD 1670/T due to global supply limitations. The prices were also supported by freight costs which continued to remain high in 1H.

On the domestic market front, EPolymer gained PVC market share of 93% vs 64% in 1H 2020 enabled by the completion of the expansion projects. The Chlor Alkali market, on the other hand, declined due to the aggressive competition and slowdown in textile exports amid rising COVID cases in the US and Europe, which resulted in lower operating rates among major exporters.

Engro Polymer announced commercial operations of the new PVC plant on 1st March 2021, increasing the capacity to 295,000 MT per annum and commercial operations of 50 KT new VCM DBN capacity on 25th June 2021 increasing capacity to 245,000 MT per annum.

During 1H 2021, Engro Polymer recorded a revenue of PKR 30,496 million as compared to PKR 12,874 million in the same period last year. The Business posted a Profit After Tax of PKR 7,265 million compared to a Profit After Tax of PKR 223 million for the same period last year. The highest ever 6-month profit has been achieved backed by increased volumetric sales, efficient operations and higher international prices.

## Terminal Operations

Profitability of both the LNG and chemicals terminal remained healthy for the first half of the year. The LNG terminal handled 35 cargoes, delivering 106 bcf re-gasified LNG in to the SSGC network.

With around two years of planning and efforts amidst COVID-19 volatility, Engro Elengy Terminal Limited (EETL) has successfully completed the berthing and startup of FSRU Sequoia to manage Pakistan's first-ever Dry Docking activity. The arrival of FSRU Sequoia has mitigated up to 3 months of gas shutdown during the Dry Docking period. The dry dock of FSRU Exquisite at Qatar dockyard is going as per plan. The Company stands committed to continued close working with all stakeholders to ensure the energy security and prosperity of Pakistan.

The chemicals terminal had an actual throughput of 638 kT vs. 583 kT during the similar half last year. The increase was primarily observed in chemical volumes offset by lower LPG handling.

## Telecommunication Infrastructure

Telecom infrastructure business continued to expand its footprint further and achieved a milestone of delivering a total of 1,817 tower sites by the end of 1H with a tenancy ratio of 1.08x, 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 46% during the period.

The telecom sector in Pakistan with the 3G / 4G subscriber base expanding beyond 100 million and registering an annual growth of 28%. This has led Engro to further enhance its total investment in the Telecom Infrastructure vertical to PKR 21.5 billion. Engro has also formed a dedicated platform for connectivity and telecom infrastructure related initiatives by the name of Engro Connect (Pvt.) Limited (EConnect). EConnect is a wholly owned subsidiary of Engro and will hold complete ownership of Engro Enfrashare (Pvt.) Limited (Enfrashare), which is now Pakistan's largest independent telecom tower company.

The current aggregate investment in EConnect will be mainly utilized to expand the Build-to-Suite (BTS) tower business under Enfrashare including but not limited to provision of efficient energy solutions, modernization of operations, installation of state-of-the-art network monitoring solutions and exploration of other investment avenues within the connectivity value chain.

Engro remains committed to the connectivity vertical to be at the forefront of the development of telecom infrastructure across Pakistan.

## Distribution to Shareholders

The Board endeavors to maximize dividends on a quarterly basis and is pleased to propose an interim cash dividend of PKR 7.00 per share for the year ending December 31, 2021. The total dividend attributable to 1H 2021 is PKR 19.00 per share.

## 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. However, Government interventions related to COVID-19 are expected to play a key role in industry performance going forward.

## Fertilizer

The recent budget announcement of FY22 has allocated PKR 12 Bn for agriculture development which includes amounts for locust emergency and food security projects, improving productivity of basic crops, enhancing olive cultivation on commercial scale and improvement of water courses. This will result in improved farm economics which would positively impact the fertilizer sector.

Engro Fertilizers continues to bear the financial burden of unpaid subsidy and sales tax refunds that now accumulates to ~ PKR 12.9 Bn. International oil prices are on a rising trend as witnessed in 1H 2021 and this will increase gas cost based on Petroleum Policy 2012.

## Energy

Energy business is working 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. Engro Energy 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 IPPs has 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. Engro Qadirpur awaits clearance of overdue receivable balance as per the agreement reached with the government.

## 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, regarding the multiple projects announced over the last few years including energy efficiency and Hydrogen Peroxide, work is underway to deliver on timelines revised due to unusual circumstances 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. As a result, we expect that the LPG handling business segment would remain under pressure in the short to medium term.

#### 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



Hussain Dawood  
Chairman

- Stagnant revenue growth for MNOs will provide the impetus for their cost optimization initiatives encouraging further tower sharing and colocation opportunities.

Enfrashare envisages to become a 5,000-tower company by the year 2025, which drives the business to continue its expansion with the support of Engro Corporation.

#### Project Update - Polypropylene Facility

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.

#### 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



## unconsolidated condensed interim financial statements

# independent auditor's review report

## to the members of engro corporation limited report on review of unconsolidated condensed interim financial statements

### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Engro Corporation Limited as at June 30, 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended June 30, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2021.

### Scope of Review

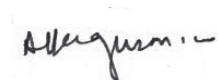
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is

substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Salman Hussain.



Chartered Accountants  
Karachi  
Date: 27th August 2021

## unconsolidated condensed interim statement of financial position (unaudited) as at June 30, 2021

(Amounts in thousand)	Note	(Unaudited) June 30, 2021	(Audited) December 31, 2020
------(Rupees)-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	661,790	571,384
Right-of-use assets		389,211	515,010
Intangible assets		89,693	96,810
Long term investments	5	26,784,044	26,179,044
Long term loans and advances		404,011	437,552
Deferred taxation		65,197	19,518
		<u>28,393,946</u>	<u>27,819,318</u>
<b>Current assets</b>			
Loans, advances and prepayments	6	19,771,135	16,561,022
Receivables	7	4,437,623	4,068,276
Short term investments	8	44,411,692	47,840,010
Cash and bank balances		745,557	697,064
		<u>69,366,007</u>	<u>69,166,372</u>
		<u><b>97,759,953</b></u>	<u><b>96,985,690</b></u>
<b>TOTAL ASSETS</b>			
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital		5,761,633	5,761,633
Share premium		13,068,232	13,068,232
General reserve		4,429,240	4,429,240
Remeasurement of post employment benefits - Actuarial loss		(16,375)	(16,375)
Remeasurement of investments		(41,760)	-
Unappropriated profit		65,375,150	63,758,171
		<u>88,576,120</u>	<u>87,000,901</u>
<b>Total equity</b>		<b>88,576,120</b>	<b>87,000,901</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Retirement and other service benefit obligations		20,569	31,133
Lease liabilities		193,642	357,700
		<u>214,211</u>	<u>388,833</u>
<b>Current liabilities</b>			
Trade and other payables		4,236,527	4,285,669
Current portion of lease liabilities		304,702	272,291
Taxes payable		4,169,524	4,769,343
Unclaimed dividends		258,869	268,653
		<u>8,969,622</u>	<u>9,595,956</u>
		<u>9,183,833</u>	<u>9,984,789</u>
<b>Total liabilities</b>		<b>9,183,833</b>	<b>9,984,789</b>
<b>Contingencies and Commitments</b>	9		
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><b>97,759,953</b></u>	<u><b>96,985,690</b></u>

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



Abdul Samad Dawood  
Vice Chairman



Mazhar Abbas Hasnani  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

unconsolidated condensed interim statement of  
profit or loss (unaudited)  
for the half year ended June 30, 2021

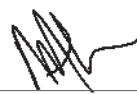
(Amounts in thousand except for earnings per share)

Note	Quarter ended		Half year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- (Rupees) -----				
Dividend income	4,593,728	3,256,105	8,026,720	3,526,105
Royalty income	298,963	347,378	627,382	459,442
Administrative expenses	4,892,691	3,603,483	8,654,102	3,985,547
	(553,209)	(293,902)	(744,824)	(673,647)
	4,339,482	3,309,581	7,909,278	3,311,900
Other income	1,178,929	1,945,345	2,321,481	3,965,093
Other operating expenses	(175,263)	(706,665)	(523,012)	(1,658,820)
<b>Operating profit</b>	<b>5,343,148</b>	<b>4,548,261</b>	<b>9,707,747</b>	<b>5,618,173</b>
Finance cost	(19,245)	(30,143)	(43,028)	(66,221)
<b>Profit before taxation</b>	<b>5,323,903</b>	<b>4,518,118</b>	<b>9,664,719</b>	<b>5,551,952</b>
Taxation	773,036	(439,986)	18,546	(694,285)
<b>Profit for the period</b>	<b>6,096,939</b>	<b>4,078,132</b>	<b>9,683,265</b>	<b>4,857,667</b>
Earnings per share - basic and diluted	10.58	7.08	16.81	8.43

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



Abdul Samad Dawood  
Vice Chairman



Mazhar Abbas Hasnani  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

unconsolidated condensed interim statement of  
comprehensive income (unaudited)  
for the half year ended June 30, 2021

(Amounts in thousand except for earnings per share)

Note	Quarter ended		Half year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- (Rupees) -----				
<b>Profit for the period</b>	<b>6,096,939</b>	<b>4,078,132</b>	<b>9,683,265</b>	<b>4,857,667</b>
<b>Other comprehensive income for the period</b>				
Items that may be subsequently reclassified to profit or loss				
Unrealised (loss) / gain on remeasurement of investments classified as fair value through other comprehensive income (FVOCI)	(41,760)	287,461	(41,760)	287,461
<b>Total comprehensive income for the period</b>	<b>6,055,179</b>	<b>4,365,593</b>	<b>9,641,505</b>	<b>5,145,128</b>

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



Abdul Samad Dawood  
Vice Chairman



Mazhar Abbas Hasnani  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

unconsolidated condensed interim statement of  
changes in equity (unaudited)  
for the half year ended June 30, 2021

(Amounts in thousand)

	Share capital	Capital Reserve		Revenue Reserves			Total
		Share premium	General reserve	Remeasurement of post employment benefits	Remeasurement of investments	Unappropriated profit	
----- (Rupees) -----							
Balance as at January 1, 2020 (Audited)	5,761,633	13,068,232	4,429,240	(23,137)	-	61,860,773	85,096,741
Profit for the period	-	-	-	-	-	4,857,667	4,857,667
Other comprehensive income	-	-	-	-	287,461	-	287,461
Total comprehensive income for the half year ended June 30, 2020	-	-	-	-	287,461	4,857,667	5,145,128
<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)
	-	-	-	-	-	(4,033,142)	(4,033,142)
Balance as at June 30, 2020 (Unaudited)	5,761,633	13,068,232	4,429,240	(23,137)	287,461	62,685,298	86,208,727
Profit for the period	-	-	-	-	-	11,443,811	11,443,811
Other comprehensive income / (loss)	-	-	-	6,762	(287,461)	-	(280,699)
Total comprehensive income for the half year ended December 31, 2020	-	-	-	6,762	(287,461)	11,443,811	11,163,112
<b>Transactions with owners</b>							
Interim cash dividends for the year ended December 31, 2020:							
- 2nd interim @ Rs. 8.00 per share	-	-	-	-	-	(4,609,306)	(4,609,306)
- 3rd interim @ Rs. 10.00 per share	-	-	-	-	-	(5,761,632)	(5,761,632)
	-	-	-	-	-	(10,370,938)	(10,370,938)
Balance as at December 31, 2020 (Audited)	5,761,633	13,068,232	4,429,240	(16,375)	-	63,758,171	87,000,901
Profit for the period	-	-	-	-	-	9,683,265	9,683,265
Other comprehensive loss	-	-	-	-	(41,760)	-	(41,760)
Total comprehensive income for the half year ended June 30, 2021	-	-	-	-	(41,760)	9,683,265	9,641,505
<b>Transactions with owners</b>							
Final cash dividend for the year ended December 31, 2020 @ Rs. 2.00 per share	-	-	-	-	-	(1,152,327)	(1,152,327)
First Interim cash dividend for the year ending December 31, 2021 @ Rs. 12.00 per share	-	-	-	-	-	(6,913,959)	(6,913,959)
	-	-	-	-	-	(8,066,286)	(8,066,286)
Balance as at June 30, 2021 (Unaudited)	5,761,633	13,068,232	4,429,240	(16,375)	(41,760)	65,375,150	88,576,120

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



Abdul Samad Dawood  
Vice Chairman



Mazhar Abbas Hasnani  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

unconsolidated condensed interim statement of  
cash flows (unaudited)  
for the half year ended June 30, 2021

(Amounts in thousand)

Note	Half year ended		
	June 30, 2021	June 30, 2020	
----- (Rupees) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash utilized in operations	13	(1,263,579)	(1,801,282)
Royalty received		482,830	494,616
Taxes paid		(626,953)	(980,649)
Retirement and other service benefits paid		(60,796)	(54,260)
Long term loans and advances - net		33,541	52,871
<b>Net cash utilized in operating activities</b>		<b>(1,434,957)</b>	<b>(2,288,704)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received		8,006,265	3,526,105
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries		774,446	1,526,601
Investment in shares of subsidiary company		(605,000)	-
Loan disbursed to subsidiary companies		(4,250,000)	(2,549,053)
Repayment of loan by subsidiary companies		1,750,000	-
Repayment of loan by joint venture		-	206,221
Purchase of Treasury bills and Fixed income placements		(118,617,258)	(80,305,000)
Proceeds from Treasury bills, Units of Mutual Funds and Fixed income placements		130,538,450	86,553,034
Purchases of property, plant and equipment		(173,703)	(126,963)
Sale proceeds on disposal of property, plant and equipment		8,895	-
Purchases of intangibles		(7,814)	-
<b>Net cash generated from investing activities</b>		<b>17,424,281</b>	<b>8,830,945</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of financial charges		(14,127)	(15,000)
Lease rentals paid		(148,349)	(171,933)
Dividends paid		(8,076,070)	(4,039,936)
<b>Net cash utilized in financing activities</b>		<b>(8,238,546)</b>	<b>(4,226,869)</b>
<b>Net increase in cash and cash equivalents</b>		<b>7,750,778</b>	<b>2,315,372</b>
Cash and cash equivalents at beginning of the period		19,970,314	6,050,273
<b>Cash and cash equivalents at end of the period</b>	14	<b>27,721,092</b>	<b>8,365,645</b>


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



Abdul Samad Dawood  
Vice Chairman



Mazhar Abbas Hasnani  
Chief Financial Officer



Ghias Khan  
President and Chief Executive



# notes to the unconsolidated condensed interim financial statements (unaudited) for the half year ended june 30, 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, power generation, telecommunications infrastructure, petrochemicals, mining, dairy, LNG and chemical storages. The Company's registered office is situated at 8th floor, The Harbour Front Building, HC # 3, Marine Drive, Block 4, 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 comprise 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 (the Act); and
- Provisions of and directives issued under the Act.

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

2.2 These unconsolidated condensed interim financial statements represent the condensed interim financial statements of the Company on a standalone basis. The consolidated condensed interim financial statements of the Company and its subsidiary companies are presented separately. The cumulative figures for the half year ended June 30, 2021 presented in these unconsolidated condensed interim financial statements have been subjected to limited scope review by the auditors of the Company, as required under section 237 of the Act. 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.

## 3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated 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 certain amendments to accounting and reporting standards which became effective for the Company for the current period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

(Amounts in thousand)

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

(Unaudited) June 30, 2021	(Audited) December 31, 2020
------(Rupees)-----	

## 4. PROPERTY, PLANT AND EQUIPMENT

Operating assets (note 4.1)	584,945	467,078
Capital work-in-progress	76,845	104,306
	661,790	571,384

4.1 Additions to operating assets during the period / year amounted to Rs. 201,165 (December 31, 2020: Rs. 213,116). Operating assets costing Rs. 9,471 (December 31, 2020: Rs. 3,240) having a net book value of Rs. 6,509 (December 31, 2020: Rs. 3,102), were disposed off during the period / year for Rs. 8,895 (December 31, 2020: Rs. 3,148).

## 5. LONG TERM INVESTMENTS

During the period on March 16, 2021, Engro Connect (Private) Limited was incorporated in Pakistan under the Companies Act, 2017 as a wholly owned subsidiary of the Company and the Company invested an amount of Rs. 605,000. The main objective of Engro Connect (Private) Limited is to engage in buying, building, maintaining and operating telecommunication infrastructure and ancillary products and services.

## 6. LOANS, ADVANCES AND PREPAYMENTS

6.1 This primarily includes loan and accrued interest thereon due from subsidiary companies aggregating to Rs. 19,196,194 (December 31, 2020: Rs. 16,043,284). Disbursements / repayments of loan during the period are as follows:

- loan amounting to Rs. 3,250,000 was disbursed to Engro Infiniti (Private) Limited, a wholly owned subsidiary company, pursuant to agreement entered into on June 26, 2019. Out of the outstanding balance, Rs. 750,000 was repaid during the period; and
- loan amounting to Rs. 1,000,000 was availed by Engro Powergen Qadirpur Limited, an indirect subsidiary, pursuant to agreement entered into on June 09, 2021. The loan carried mark-up at the rate of 6-month KIBOR plus 0.2%. The entire loan was settled prior to June 30, 2021.

## 7. RECEIVABLES

7.1 These include:

- Dividend receivable from Engro Fertilizers Limited, Engro Polymer and Chemicals Limited and Elengy Terminal Pakistan Limited amounting to Rs. 3,005,248 (December 31, 2020: Rs. 3,756,560), Rs. 408,587 (December 31, 2020: Nil) and Rs. 363,180 (December 31, 2020: Nil) respectively.
- An amount of Rs. 154,097 (December 31, 2020: Rs. 9,545) on account of royalty receivable from Engro Fertilizers Limited, a subsidiary company.

(Amounts in thousand)

	(Unaudited) June 30, 2021	(Audited) December 31, 2020
	------(Rupees)-----	
<b>8. SHORT TERM INVESTMENTS</b>		
At fair value through other comprehensive income		
- Treasury bills	10,963,042	14,092,722
- Pakistan Investment Bonds	12,281,718	12,429,684
	23,244,760	26,522,406
At fair value through profit or loss		
- Mutual fund units	4,671,132	13,807,537
At amortized cost		
- Fixed income placement	16,495,800	7,510,067
	44,411,692	47,840,010

## 9. CONTINGENCIES AND COMMITMENTS

### Contingencies

- 9.1 As at June 30, 2021, there is no material change in the status of matters reported as contingencies in note 18 of the audited financial statements of the Company for the year ended December 31, 2020, except as follows:
- 9.1.1 During the period, the Standby Letters of Credit (Equity SBLC), provided by Engro Energy Limited, a wholly owned subsidiary, 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). This SBLC relates to Sindh Engro Coal Mining Company Limited (SECMC), its associated company.
- 9.1.2 During the period, the Standby Letters of Credit (Equity SBLC), issued by Engro Elengy Terminal (Private) Limited, a subsidiary company, as explained in note 18.1.3 of the audited annual financial statements of the Company for the year ended December 31, 2020 have reduced to US Dollars 20,700 (December 31, 2020: US Dollars 22,500).
- 9.1.3 During the period, Treasury Bills pledged by the Company have increased to Rs. 4,500,000 (December 31, 2020: Rs. 4,250,000), against a Standby Letter of Credit (Put Option SBLC) provided by Engro Energy Limited, a subsidiary company, as explained in note 18.1.2 of the audited annual financial statements of the Company for the year ended December 31, 2020.
- 9.1.4 Updates in respect of tax related matters are disclosed in note 11.

### 9.2 Commitments

Commitments in respect of capital expenditure

	(Unaudited) June 30, 2021	(Audited) December 31, 2020
	------(Rupees)-----	
	782,920	416,187

(Amounts in thousand)

	Unaudited			
	Quarter ended June 30, 2021	June 30, 2020	Half year ended June 30, 2021	June 30, 2020
	------(Rupees)-----			
<b>10. OTHER INCOME</b>				
<b>Financial assets</b>				
Income on bank deposits and other financial assets (note 10.1)	1,132,800	1,941,253	2,273,343	3,949,893
<b>Non-financial assets</b>				
Service charges (note 10.2)	-	4,092	-	8,055
Gain on disposal of property, plant and equipment	377	-	2,386	-
Others (note 10.3)	45,752	-	45,752	7,145
	1,178,929	1,945,345	2,321,481	3,965,093

- 10.1 Includes Rs. 666,473 (2020: Rs. 487,217) in respect of profit earned on Term Finance Certificates and subordinated loans to subsidiary companies.
- 10.2 Represent service charges recovered against corporate guarantees extended by the Company on behalf of subsidiary company.
- 10.3 Represents income received under Emission Reduction Purchase Agreement with Holt Global Group International AG/Hofstrasse entered into on January 24, 2020, for the sale of contract Emission Reductions (ERs) for the period from October 2020 to December 2020.

## 11. TAXATION

### Current

- for the period
- for the period

### Deferred

- 11.1 During the period, with respect to the matter disclosed in note 25.3.5 of the audited annual financial statements of the Company for the year ended December 31, 2020, the Company received rectified order dated March 31, 2021 for tax year 2016 issued by the Additional Commissioner Inland Revenue (ACIR) whilst disposing off Company's application for rectification in relation to appeal effect order dated November 20, 2020. Through the said order, the ACIR has favourably decided the issues identified in the application which included classification of interest income as Income from Business and allowing credit of previous tax payments made.
- 11.2 During the period, the exemption of income tax on inter-corporate dividend received from subsidiaries designated as Group under section 59B of the Income Tax Ordinance, 2001 was withdrawn via Tax Laws (Second Amendment) Ordinance, 2021 in March 2021 and subsequently by Finance Act 2021. Accordingly, tax charge of Rs. 1,112,883 on inter-corporate dividend has been recognized in these unconsolidated condensed interim financial statements.

(Amounts in thousand)

11.3 During the period, the Company's management has re-assessed its income tax provisions including provision on account of super tax, based on the finalization of its income tax assessments of tax year 2017 by the income tax department. Upon such assessment, the Company's management has recognized reversal of tax provisions amounting to Rs. 1,640,000 in these unconsolidated condensed interim financial statements.

## 12. EARNINGS PER SHARE

As at June 30, 2021, there is no dilutive effect on the basic earnings per share of the Company, which is based on the following:

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Rupees) -----			
<b>Profit for the period</b>	<u>6,096,939</u>	<u>4,078,132</u>	<u>9,683,265</u>	<u>4,857,667</u>
	----- Number of shares -----			
Weighted average number of ordinary shares (in thousand)	<u>576,163</u>	<u>576,163</u>	<u>576,163</u>	<u>576,163</u>

## 13. CASH UTILIZED IN OPERATIONS

	Unaudited	
	Half year ended	
	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
<b>Profit before taxation</b>	9,664,719	5,551,952
Adjustment for non-cash charges and other items:		
Depreciation	76,788	54,036
Amortization	14,931	13,501
Depreciation on right-of-use assets	125,799	139,525
Rent concession on lease liability	(12,123)	(31,570)
Gain on termination of lease	-	(19,463)
Write-off of property, plant and equipment	-	11,945
Provision for impairment in long term investments	-	258,035
Provision for retirement and other service benefits	54,965	29,775
Dividend income	(8,026,720)	(3,526,105)
Royalty income	(627,382)	(459,442)
Income on bank deposits and other financial assets	(2,273,343)	(3,965,093)
Gain on disposal of property, plant and equipment	(2,386)	-
Financial charges	43,028	66,221
Working capital changes (note 13.1)	(301,855)	75,401
	<u>(1,263,579)</u>	<u>(1,801,282)</u>
<b>13.1 Working capital changes</b>		
Increase in current assets		
- Loans, advances, deposits and prepayments	(43,640)	(69,292)
- Other receivables	(204,340)	(149,764)
	<u>(247,980)</u>	<u>(219,056)</u>
(Decrease) / increase in current liabilities		
- Trade and other payables including other service benefits	(53,875)	294,457
	<u>(301,855)</u>	<u>75,401</u>

(Amounts in thousand)

## 14. CASH AND CASH EQUIVALENTS

	Unaudited	
	Half year ended	
	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
Short term investments	26,975,535	7,563,184
Cash and bank balances	<u>745,557</u>	<u>802,461</u>
	<u>27,721,092</u>	<u>8,365,645</u>

## 15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 15.1 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.

### 15.2 Fair value estimation

The table below analyses financial instruments carried at fair value using the fair value measurement method in accordance with IFRS 13. The different level have been defined as follows:

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

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>As at June 30, 2021 (Unaudited)</b>				
Financial assets at fair value through other comprehensive income				
- Treasury Bills	-	10,963,042	-	10,963,042
- Pakistan Investment Bonds	-	<u>12,281,718</u>	-	<u>12,281,718</u>
	-	<u>23,244,760</u>	-	<u>23,244,760</u>
<b>Financial assets at fair value through profit or loss</b>				
- Units of mutual funds	-	4,671,132	-	4,671,132
	-	<u>4,671,132</u>	-	<u>4,671,132</u>
<b>As at December 31, 2020 (Audited)</b>				
Financial assets at fair value through other comprehensive income				
- Treasury Bills	-	14,092,722	-	14,092,722
- Pakistan Investment Bonds	-	<u>12,429,684</u>	-	<u>12,429,684</u>
	-	<u>26,522,406</u>	-	<u>26,522,406</u>
<b>Financial assets at fair value through profit or loss</b>				
- Units of mutual funds	-	13,807,537	-	13,807,537
	-	<u>13,807,537</u>	-	<u>13,807,537</u>

(Amounts in thousand)

### 15.3 Valuation techniques used to determine fair values

Level 2 fair values have been determined using PKRV & PKFRV 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.

### 15.4 Fair value of financial assets and liabilities

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

## 16. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of parent company, 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:

	Unaudited Half year ended	
	June 30, 2021	June 30, 2020
	------(Rupees)-----	
<b>Parent Company</b>		
Dividend paid	3,002,577	1,501,289
Reimbursements of expenses	-	38,765
<b>Subsidiary companies</b>		
Mark-up from subsidiaries	666,473	284,449
Disbursement of loan to subsidiaries	4,250,000	2,549,053
Repayment of loan by subsidiaries	1,750,000	-
Unwinding of discount on Term Finance Certificates	-	196,701
Dividend income	7,419,220	3,256,105
Investment in subsidiary company	605,000	-
Royalty income	627,382	459,442
Reimbursements made by the Company	34,001	75,220
Reimbursements to the Company	1,284,827	1,023,352
Service fees against Corporate Guarantees	-	8,054
<b>Associated companies</b>		
Purchases and services	90,367	115,233
Contribution for Corporate Social Responsibility	14,400	-
Dividend paid	216,733	278,402
Reimbursements made by the Company	34,404	-
Reimbursements made to the Company	72,096	461
<b>Joint venture</b>		
Mark-up on loan	-	6,221
Repayment of loan	-	200,000
Dividend income	607,500	270,000
Reimbursements	90,918	55,570
<b>Others</b>		
Remuneration of key management personnel	309,759	272,189
Reimbursements to key management personnel	1,186	2,019
Contribution to staff retirement benefit funds	100,800	80,086
Dividend paid	441,978	83,981
Directors' Fee	44,465	57,480

(Amounts in thousand)

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

17.1 The Board of Directors of Engro Fertilizers Limited, a subsidiary company, in its meeting held on July 29, 2021 has approved an interim cash dividend of Rs. 4 per share for the year ending December 31, 2021, amounting to Rs. 5,341,197 of which the proportionate share of the Company amounts to Rs. 3,005,248.

17.2 The Board of Directors of Elengy Terminal Pakistan Limited, a subsidiary company, in its meeting held on July 27, 2021 has approved an interim cash dividend of Rs. 0.49 per share for the year ending December 31, 2021, amounting to Rs. 99,310 of which the proportionate share of the Company amounts to Rs. 55,612.

17.3 The Board of Directors of Engro Polymer and Chemicals Limited, a subsidiary company, in its meeting held on August 10, 2021 has approved an interim cash dividend of Rs. 7 per share for the year ending December 31, 2021, amounting to Rs. 6,362,463 of which the proportionate share of the Company amounts to Rs. 3,575,134.

17.4 The Board of Directors of Engro Vopak Terminal Limited, a Joint venture, in its meeting held on August 25, 2021 has approved an interim cash dividend of Rs. 6 per share for the year ending December 31, 2021, amounting to Rs. 540,000 of which the proportionate share of the Company amounts to Rs. 270,000.

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

17.6 The Board of Directors of the Company in its meeting held on August 23, 2021 has approved an interim cash dividend of Rs. 7 per share for the year ending December 31, 2021. These unconsolidated condensed interim financial statements do not reflect the effect of dividend payable.


## 18. CORRESPONDING FIGURES

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


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

## 19. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 23, 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



consolidated condensed  
interim financial statements

consolidated condensed interim statement  
of financial position (unaudited)  
as at june 30, 2021

(Amounts in thousand)	Note	(Unaudited) June 30, 2021	(Audited) December 31, 2020
		------(Rupees)-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	263,566,260	261,957,144
Right-of-use assets		8,930,158	6,991,760
Intangible assets		1,203,307	1,087,281
Long term investments	7	33,586,965	32,045,438
Deferred taxation		64,075	80,434
Financial asset at amortized cost		4,177,333	5,160,833
Derivative financial instruments	8	103,264	-
Net investment in leases		42,219,550	44,557,411
Long term loans, advances and other receivables		2,317,064	2,109,917
		<u>356,167,976</u>	<u>353,990,218</u>
<b>Current assets</b>			
Stores, spares and loose tools	9	9,686,752	9,069,394
Stock-in-trade	10	28,291,433	17,938,391
Trade debts		59,307,170	50,616,507
Loans, advances, deposits and prepayments		4,292,026	3,861,287
Other receivables		22,077,151	18,529,010
Accrued income		395,995	598,940
Contract asset		5,222,055	5,714,977
Current portion of net investment in leases		3,393,874	3,255,211
Short term investments		77,861,050	93,492,881
Cash and bank balances		30,601,382	23,353,283
		<u>241,128,888</u>	<u>226,429,881</u>
Assets classified as held for sale		67,054	67,054
<b>TOTAL ASSETS</b>		<u><u>597,363,918</u></u>	<u><u>580,487,153</u></u>

consolidated condensed interim statement  
of financial position (unaudited)  
as at June 30, 2021

(Amounts in thousand)

	Note	(Unaudited) June 30, 2021	(Audited) December 31, 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		-	2,678
Maintenance reserve		156,301	156,301
Exchange revaluation reserve		650,031	682,940
Hedging reserve		76,834	(26,173)
General reserve		4,429,240	4,429,240
Remeasurment of investments		5,188	-
Remeasurement of post-employment benefits		(83,754)	(83,754)
Unappropriated profit		133,411,854	124,424,783
		<u>151,713,926</u>	<u>142,654,247</u>
		157,475,558	148,415,879
Non-controlling interest		77,195,086	71,178,776
<b>Total Equity</b>		<u>234,670,644</u>	<u>219,594,655</u>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Borrowings	11	128,199,763	135,230,145
Deferred taxation		14,875,093	14,568,338
Lease liabilities		49,689,359	50,624,880
Deferred liabilities		2,534,821	2,713,632
Long term provisions		11,166,262	14,488,376
		<u>206,465,298</u>	<u>217,625,371</u>
<b>Current Liabilities</b>			
Trade and other payables		86,961,683	86,502,884
Accrued interest / mark-up		1,490,889	1,372,323
Current portion of:			
- borrowings		22,671,702	22,688,492
- lease liabilities		5,075,467	4,905,787
- deferred liabilities		740,342	730,648
- long term provisions		15,672,515	11,691,978
Taxes payable		9,883,637	2,493,198
Short term borrowings		13,372,927	12,505,120
Unclaimed dividends		358,814	376,697
		<u>156,227,976</u>	<u>143,267,127</u>
<b>Total Liabilities</b>		<u>362,693,274</u>	<u>360,892,498</u>
Contingencies and Commitments	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>597,363,918</u>	<u>580,487,153</u>

The annexed notes from 1 to 25 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 half year ended June 30, 2021

[Amounts in thousand except for earnings per share]

	Note	Quarter ended		Half year ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
		------(Rupees)-----			
<b>CONTINUING OPERATIONS</b>					
Net revenue		68,453,024	62,197,736	139,319,217	107,163,250
Cost of revenue		(45,622,551)	(43,003,064)	(91,672,599)	(74,239,152)
<b>Gross profit</b>		<u>22,830,473</u>	<u>19,194,672</u>	<u>47,646,618</u>	<u>32,924,098</u>
Selling and distribution expenses		(1,807,098)	(2,118,826)	(3,463,622)	(3,175,544)
Administrative expenses		(1,565,336)	(1,353,619)	(2,826,486)	(2,803,976)
Other income		3,249,863	3,559,899	5,687,915	7,000,068
Other operating expenses		(1,980,885)	(1,902,137)	(3,176,306)	(3,648,148)
Reversal of expected credit loss on subsidy receivable from Government of Pakistan		100,784	-	164,417	-
<b>Operating profit</b>		<u>20,827,801</u>	<u>17,379,989</u>	<u>44,032,536</u>	<u>30,296,498</u>
Finance cost		(4,359,824)	(5,199,570)	(7,948,920)	(11,265,029)
Share of income from joint venture and associates		858,632	872,780	1,877,288	1,143,096
<b>Profit before taxation</b>		<u>17,326,609</u>	<u>13,053,199</u>	<u>37,960,904</u>	<u>20,174,565</u>
Taxation	13	(2,994,283)	(3,267,007)	(8,849,887)	(4,379,619)
<b>Profit from continuing operations</b>		<u>14,332,326</u>	<u>9,786,192</u>	<u>29,111,017</u>	<u>15,794,946</u>
<b>DISCONTINUED OPERATIONS</b>					
Loss from discontinued operations (attributable to Owners of the Holding Company)	14	(738)	(199,157)	(436)	(266,145)
<b>Profit for the period</b>		<u>14,331,588</u>	<u>9,587,035</u>	<u>29,110,581</u>	<u>15,528,801</u>
Profit attributable to:					
- Owners of the Holding Company		8,716,692	5,741,331	17,053,357	9,059,165
- Non-controlling interest		5,614,896	3,845,704	12,057,224	6,469,636
		<u>14,331,588</u>	<u>9,587,035</u>	<u>29,110,581</u>	<u>15,528,801</u>
Earnings / (loss) per share - basic and diluted					
- continuing operations		15.13	10.31	29.60	16.19
- discontinued operations		-	(0.35)	-	(0.46)
	15	<u>15.13</u>	<u>9.96</u>	<u>29.60</u>	<u>15.73</u>

The annexed notes from 1 to 25 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 half year ended June 30, 2021

(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Rupees)			
Profit for the period	14,331,588	9,587,035	29,110,581	15,528,801
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Unrealized gain on remeasurement of investments classified at fair value through other comprehensive income (FVOCI)	5,188	332,263	5,188	332,263
Fair value gain on derivative financial instruments	103,264	-	103,264	-
Hedging reserve - reclassified to statement of profit or loss	(218)	316	(433)	(436)
Revaluation reserve on business combination	1,345	(20,260)	(3,906)	(10,058)
Exchange differences on translation of foreign operations	71,363	(118,910)	(32,909)	401,763
	180,942	193,409	71,204	723,532
Income tax relating to:				
- Revaluation reserve on business combination	367	2,917	2,047	2,917
Other comprehensive income for the period, net of tax	181,309	196,326	73,251	726,449
Total comprehensive income for the period	14,512,897	9,783,361	29,183,832	16,255,250
Total comprehensive income attributable to:				
- Owners of the Holding Company	8,896,271	5,920,174	17,125,965	9,768,198
- Non-controlling interest	5,616,626	3,863,187	12,057,867	6,487,052
	14,512,897	9,783,361	29,183,832	16,255,250
Total comprehensive income attributable to:				
- Continuing operations	14,513,635	9,982,518	29,184,268	16,521,395
- Discontinued operations	(738)	(199,157)	(436)	(266,145)
	14,512,897	9,783,361	29,183,832	16,255,250

The annexed notes from 1 to 25 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 half year ended June 30, 2021

(Amounts in thousand)

	Attributable to owners of the Holding Company												
	Share capital	Share premium	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Remeasurement of investment	Unappropriated profit	Remeasurement of post employment benefits	Sub total	Non-controlling interest	Total
Balance as at January 1, 2020 (Audited)	5,761,632	13,068,232	12,880	156,301	608,100	(24,969)	4,429,240	-	113,728,540	(94,020)	137,645,936	57,603,440	195,249,376
Total comprehensive income for the half year ended June 30, 2020	-	-	-	-	-	-	-	-	9,059,165	-	9,059,165	6,489,636	15,528,801
Profit for the period	-	-	-	-	-	-	-	-	9,059,165	-	9,059,165	6,489,636	15,528,801
Other comprehensive income / (loss)	-	-	(5,101)	-	401,763	(300)	-	312,671	-	-	709,033	17,416	726,449
	-	-	(5,101)	-	401,763	(300)	-	312,671	9,059,165	-	9,768,198	6,487,052	16,255,250
Transactions with owners													
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(2,545,177)	(2,545,177)
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)
	-	-	-	-	-	-	-	-	(4,033,142)	-	(4,033,142)	(2,545,177)	(6,578,319)
Balance as at June 30, 2020 (Unaudited)	5,761,632	13,068,232	7,779	156,301	1,009,863	(25,269)	4,429,240	312,671	118,754,563	(94,020)	143,380,992	61,545,315	204,926,307
Total comprehensive income for the half year ended December 31, 2020	-	-	-	-	-	-	-	-	16,041,158	-	16,041,158	12,541,635	28,582,793
Profit for the period	-	-	-	-	-	-	-	-	16,041,158	-	16,041,158	12,541,635	28,582,793
Other comprehensive income / (loss)	-	-	(5,101)	-	(326,923)	(604)	-	(312,671)	-	10,266	(635,333)	(19,319)	(654,652)
	-	-	(5,101)	-	(326,923)	(604)	-	(312,671)	16,041,158	10,266	15,405,825	12,522,316	27,928,141
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	-	-	-	-	-	-	-	-	-	-	-	(5,690,379)	(5,690,379)
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, 2021 @ Rs. 10.00 per share	-	-	-	-	-	-	-	-	(5,761,632)	-	(5,761,632)	-	(5,761,632)
	-	-	-	-	-	-	-	-	(10,370,938)	-	(10,370,938)	(2,888,655)	(13,259,593)
Balance as at December 31, 2020 (Audited)	5,761,632	13,068,232	2,678	156,301	682,940	(26,173)	4,429,240	-	124,424,783	(83,754)	148,415,679	71,178,776	219,594,655
Total comprehensive income for the half year ended June 30, 2021	-	-	-	-	-	-	-	-	17,063,357	-	17,063,357	12,067,224	29,110,581
Profit for the period	-	-	-	-	-	-	-	-	17,063,357	-	17,063,357	12,067,224	29,110,581
Other comprehensive income / (loss)	-	-	(2,678)	-	(32,909)	103,007	-	5,188	-	72,608	643	73,251	
	-	-	(2,678)	-	(32,909)	103,007	-	5,188	17,063,357	-	17,125,965	12,067,967	29,183,832
Transactions with owners													
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(6,041,557)	(6,041,557)
Final cash dividend for the year ended December 31, 2020 @ Rs. 2.00 per share	-	-	-	-	-	-	-	-	(1,152,327)	-	(1,152,327)	-	(1,152,327)
First interim cash dividend for the year ended December 31, 2021 @ Rs. 12.00 per share	-	-	-	-	-	-	-	-	(6,913,959)	-	(6,913,959)	-	(6,913,959)
	-	-	-	-	-	-	-	-	(8,066,286)	-	(8,066,286)	(6,041,557)	(14,107,843)
Balance as at June 30, 2021 (Unaudited)	5,761,632	13,068,232	-	156,301	650,031	76,834	4,429,240	5,188	133,411,854	(83,754)	157,475,558	77,195,086	234,670,644


The annexed notes from 1 to 25 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 half year ended June 30, 2021

(Amounts in thousand)

Note	Half year ended	
	June 30, 2021	June 30, 2020
------(Rupees)-----		
<b>Cash flows from operating activities</b>		
Cash generated from operations	24,800,537	25,603,516
Retirement and other service benefits paid	(161,791)	(152,441)
Finance cost paid on lease liability	(1,776,650)	(1,964,954)
Taxes paid	(2,925,823)	(2,948,536)
Proceeds from net investment in leases	1,446,461	1,173,385
Repayment of lease liability	(2,075,206)	(1,433,742)
Finance income received on net investment in leases	2,484,394	2,718,199
Other finance cost paid	(5,053,601)	(10,697,869)
Deferred income	16,755	(789,628)
Bank balance held as margin	60,130	353,830
Long term loans and advances - net	(82,899)	168,996
Net cash generated from operating activities	16,732,307	12,030,756
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(9,651,795)	(7,959,876)
Sale proceeds on disposal of property, plant and equipment	38,736	22,104
Investments made during the period	(118,627,759)	(85,044,886)
Proceeds from sale of investments	155,381,481	87,331,274
Income on deposits / other financial assets	2,398,553	2,975,479
Investment in associated company	(181,771)	(49,053)
Dividends received	607,500	270,000
Net cash generated from / (utilized in) investing activities	29,964,945	(2,454,958)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	3,229,506	15,615,605
Repayments of borrowings	(9,079,488)	(10,207,130)
Repayment of loan by joint venture	-	206,221
Lease rentals paid	(810,773)	(936,739)
Dividends paid	(14,125,726)	(5,443,538)
Net cash utilized in financing activities	(20,786,481)	(765,581)
Net increase in cash and cash equivalents	25,910,771	8,810,217
Effect of exchange rate changes on cash and cash equivalents	(92,733)	-
Cash and cash equivalents at beginning of the period	51,425,511	24,183,891
Cash and cash equivalents at end of the period	77,243,549	32,994,108

The annexed notes from 1 to 25 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 half year ended June 30, 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 Company, is to manage investments in subsidiary companies, associated companies and joint venture, engaged in fertilizers, power generation, telecommunications infrastructure, petrochemicals, mining, dairy, LNG and chemical storages. The Company's registered office is situated at 8th floor, The Harbour Front Building, HC # 3, Marine Drive, Block 4, 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	
	June 30, 2021	December 31, 2020
- Engro Energy Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Connect (Private) Limited (note 1.3)	100	-
- Engro Infiniti (Private) Limited (note 1.4)	100	100
- Engro Eximp FZE	100	100
- Engro Fertilizers Limited	56.27	56.27
- Engro Polymer and Chemicals Limited (notes 1.5 and 1.6)	56.19	56.19
- Elengy Terminal Pakistan Limited	56	56

**Joint Venture Company:**

- Engro Vopak Terminal Limited	50	50
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**Associated Company:**

- FrieslandCampina Engro Pakistan Limited	39.9	39.9
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1.3 During the period on March 16, 2021, Engro Connect (Private) Limited was incorporated in Pakistan under the Companies Act, 2017 as a wholly owned subsidiary of the Holding Company and the Holding Company invested an amount of Rs. 605,000. The main objective of Engro Connect (Private) Limited is to engage in buying, building, maintaining and operating telecommunications infrastructure and ancillary products and services.



(Amounts in thousand)

- 1.4 The Board of Directors of Engro Infronti (Private) Limited in its meeting held on April 23, 2021, approved the sale of 100% shareholding of Engro Enfrashare (Private) Limited to Engro Connect (Private) Limited, as part of corporate restructuring, subject to obtaining all necessary corporate and regulatory approvals.
- 1.5 During the half year ended June 30, 2021, the PVC-III expansion project of Engro Polymer and Chemicals Limited (EPCL) was completed which has increased the capacity by 100,000 MT per annum i.e. from 195,000 MT per annum to 295,000 MT per annum. The commercial operation of PVC-III plant commenced from March 01, 2021.
- 1.6 During the half year ended June 30, 2021, the VCM Plant Debottlenecking project of EPCL was completed which has increased the capacity by 50,000 MT per annum i.e. from 204,000 MT per annum to 254,000 MT per annum. The commercial operation of this plant commenced from June 25, 2021.

## 2. BASIS FOR PREPARATION

### 2.1 Statement of compliance

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

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

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

- 2.2 The cumulative figures for the half year ended June 30, 2021 presented in these consolidated condensed interim financial statements have been subjected to limited scope review by the auditors of the Holding Company. These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2020.

## 3. BASIS OF CONSOLIDATION

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

(Amounts in thousand)

- 3.2 Non-controlling interest has been presented as a separate item in these consolidated condensed interim financial statements. All material intercompany balances and transactions have been eliminated.
- 3.3 The Group's interest in jointly controlled and associated entities has been accounted for using the equity method.

## 4. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

- 4.1 The significant accounting policies and the methods of computation applied in the preparation of these consolidated condensed interim financial statements are consistent with those 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:
- 4.2 In 2020, the International Accounting Standards 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 or 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 Group 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 change in accounting policy has been made in accordance with the transitional provisions of the amendment. The net revenue is part of gross profit in the consolidated condensed interim statement of profit or loss and has a post tax impact of Rs. 278,700.

In addition to above, there are certain amendments to accounting and reporting standards that are mandatory for the financial year beginning on January 1, 2021. These are considered not to have any significant effect on the Group's financial reporting and operations and are, therefore, not disclosed in these consolidated condensed interim financial statements.

- 4.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- 4.4 The Securities and Exchange Commission of Pakistan (SECP) through its S.R.O dated September 2, 2019 notified that in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses (ECL) method shall not be applicable till June 30, 2021.

Therefore, in case this exemption is not extended by the SECP, the requirements of IFRS 9 with respect to the ECL shall be applicable from July 1, 2021 which would result in recognition of impairment charge on trade debts and other receivables amounting to approximately Rs. 388,979 on July 1, 2021.

## 5. ACCOUNTING ESTIMATES

- 5.1 The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan 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 are the same as those that were applied to the annual audited consolidated financial statements of the Group for the year ended December 31, 2020.

(Amounts in thousand)

## 6. PROPERTY, PLANT AND EQUIPMENT

(Unaudited)	(Audited)
June 30,	December 31,
2021	2020
------(Rupees)-----	

Operating assets, at net book value (notes 6.1 and 6.2)	242,373,003	232,640,693
Capital work in progress (CWIP) - Expansion and other projects	18,055,824	26,568,260
Capital spares and standby equipments	3,137,433	2,748,191
	<u>263,566,260</u>	<u>261,957,144</u>

6.1 Following additions including transfers from CWIP were made to operating assets during the period / year:

Land	-	18,524
Building	2,257,865	2,543,699
Pipelines	-	1,999
Plant and machinery	11,940,432	2,546,425
Furniture, fixture and equipment	1,998,270	3,181,278
Vehicles	429,136	1,254,309
Aircraft	-	624,228
	<u>16,625,703</u>	<u>10,170,462</u>

6.2 During the period, operating assets costing Rs. 319,982 (December 31, 2020: Rs. 460,366), having net book value of Rs. 139,218 (December 31, 2020: Rs. 145,130) were disposed / written-off for Rs. 21,998 (December 31, 2020: Rs.198,552).

(Unaudited)	(Audited)
June 30,	December 31,
2021	2020
------(Rupees)-----	

## 7. LONG TERM INVESTMENTS

Balance at beginning of the period / year	32,045,438	29,963,000
Add:		
- Investment made during the period / year in:		
- associates (note 7.1)	181,771	49,053
- others	-	99,996
- Asset reclassified from held-for-sale	-	1,325,595
- Share of profit for the period / year (note 7.2)	1,877,288	2,796,374
- Unrealized gain on remeasurement of investment	45,915	-
- Provision adjustment against tax contingency	44,053	-
Less:		
- Dividend received during the period / year	(607,500)	(1,395,000)
- Provision adjustment against tax contingency	-	(4,385)
- Impairment recognised	-	(789,195)
Balance at end of the period / year	<u>33,586,965</u>	<u>32,045,438</u>

7.1 During the period, Engro Energy Limited (EEL) subscribed to an additional 12,265,214 (December 31, 2020: Nil) ordinary shares of Sindh Engro Coal Mining Company Limited (SECMC) while maintaining its percentage shareholding as at June 30, 2021 at 11.90% (December 31, 2020: 11.90%).

(Amounts in thousand)

(Unaudited)	(Audited)
June 30,	December 31,
2021	2020
------(Rupees)-----	

7.2 Details of share of profit for the period / year are as follows:

- Sindh Engro Coal Mining Company Limited	749,404	1,327,371
- FrieslandCampina Engro Pakistan Limited	564,231	70,594
- Engro Vopak Terminal Limited	563,449	1,399,385
- Siddiqsons Energy Limited	204	(976)
	<u>1,877,288</u>	<u>2,796,374</u>

## 8. DERIVATIVE FINANCIAL INSTRUMENTS

As at June 30, 2021, Engro Enfrashare (Private) Limited (EEPL) has outstanding interest rate swap agreements with Standard Chartered Bank for notional amounts aggregating to Rs. 5,000,000 to hedge its interest rate exposure on floating rate borrowings from various lenders. Under the swap agreements, EEPL would receive three month KIBOR on respective notional amounts and will pay fixed rates. Details of these swap agreements are as follows:

Notional Amount	Effective date	Termination date	Fixed rate	Fair value as at	
				(Unaudited) June 30, 2021	(Audited) December 31, 2020
Rupees			%age	------(Rupees)-----	
1,000,000	July 2, 2021	June 3, 2026	9.85%	26,902	-
4,000,000	July 2, 2022	June 3, 2026	10.35%	76,362	-
				<u>103,264</u>	<u>-</u>

## 9. STORES, SPARES AND LOOSE TOOLS

9.1 Details of stores, spares and loose tools are as follows:

- Engro Fertilizers Limited	6,664,455	6,499,112
- Engro Polymer and Chemicals Limited	2,216,705	1,784,734
- Engro Energy Limited	513,782	514,229
- Elengy Terminal Pakistan Limited	235,701	213,874
- Engro Eximp Agriproducts (Private) Limited	56,109	57,445
	<u>9,686,752</u>	<u>9,069,394</u>

9.2 During the period, stores and spares amounting to Rs. 414 (December 31, 2020: Rs. 57,302) have been written off.

9.3 During the period, provision for slow moving stores and spares amounting to Rs. 26 (December 31, 2020: Rs. 8,701) has been written off.

(Amounts in thousand)

## 10. STOCK-IN-TRADE

10.1 Details of stock-in-trade are as follows:

- Engro Fertilizers Limited
- Engro Polymer and Chemicals Limited
- Engro Eximp Agriproducts (Private) Limited
- Engro Energy Limited

(Unaudited)	(Audited)
June 30, 2021	December 31, 2020
------(Rupees)-----	

14,535,179	7,533,175
9,196,855	6,194,509
3,521,745	3,351,783
1,037,654	858,924
<u>28,291,433</u>	<u>17,938,391</u>

10.2 During the period, stock-in-trade amounting to Rs. 159,994 (December 31, 2020: Rs. 300,104) has been written off.

## 11. BORROWINGS

### Engro Fertilizers Limited (EFERT)

11.1 During the period, EFERT obtained long-term finances from Allied Bank Limited and MCB Bank Limited amounting to Rs. 572,080 and Rs. 217,288 respectively. These borrowings have the same charge as the borrowings from other Senior Lenders on Operating Assets.

11.2 During the period, principal repayments of long-term finances were made to Syndicated Loan, MCB Bank Limited, United Bank Limited, Allied Bank Limited and DEG amounting to Rs. 1,522,042, Rs. 1,375,000, Rs. 1,000,000, Rs. 500,000 and Rs. 260,700 respectively.

### Engro Elengy Terminal (Private) Limited (EETPL)

11.3 The principal amounts outstanding for repayment as at June 30, 2021 for foreign currency denominated loans are USD 6,200 (December 31, 2020: USD 7,200) due to International Finance Corporation (IFC) and USD 9,300 (December 31, 2020: USD 10,800) due to Asian Development Bank (ADB).

### Engro Polymer and Chemicals Limited (EPCL)

11.4 During the period, EPCL obtained Islamic Temporary Economic Refinance Facility (ITERF) of State Bank of Pakistan (SBP) through Musharaka agreement entered with financial institutions amounting to Rs. 500,000 to finance its capital expenditure.

The amount is repayable over 10 years including 2 years grace period, in 32 quarterly installments of Rs. 11,519 each with the first payment commencing from December 2022 and carries markup at SBP Refinance Rate plus 0.75% to 1% per annum, payable quarterly. The borrowing is secured by way of hypothecation charge of present and future fixed assets of EPCL (excluding land and building), which shall rank pari passu with the charges created in favor of existing creditors.

11.5 On June 29, 2021, EPCL had entered into a financing agreement with IFC for a total of USD 15,000 the draw down of which has not been made till reporting date. The loan carries markup at the rate of six months LIBOR plus 3.25% per annum, payable semi annually.

### Engro Peroxide (Private) Limited (EPPL)

11.6 During the period, EPPL obtained ITERF of SBP through a musharaka agreement entered with financial institutions amounting to Rs. 650,000 to finance its capital expenditure.

(Amounts in thousand)

The principal is repayable over 10 years including 2 years grace period, in 32 equal quarterly installments of Rs. 3,487 each with first payment commencing from June 2023 and carries markup at SBP Refinance Rate plus 1.25% (subject to approval by SBP) payable quarterly. The borrowing is secured by way of hypothecation charge of present and future movable fixed assets of EPPL (excluding land and building), which shall rank pari passu with the charges created in favor of its existing creditors.

### Engro Enfrashare (Private) Limited (EEPL)

11.7 In March 2021, EEPL entered into a secured long term financing facility extended by Bank Alfalah Limited for an amount up to Rs. 1,000,000. Facility availed as at June 30, 2021 is of Rs. 1,000,000 (December 31, 2020: Rs. Nil). The facility carries interest at the rate of three month KIBOR plus 1.00% per annum and payable on quarterly basis in arrears. The total tenor of loan is seven years from date of disbursement of finance with 2 years grace period for principal portion.

11.8 In April 2021, EEPL entered into a secured long term financing facility extended by Habib Bank Limited for an amount up to Rs. 1,700,000. Facility availed as at June 30, 2021 is of Rs. 1,700,000 (December 31, 2020: Rs. Nil). The facility carries interest at the rate of three month KIBOR plus 0.95% per annum and payable on quarterly basis in arrears. The total tenor of loan is seven years from date of disbursement of finance with 2 years grace period for principal portion.

### Engro Powergen Thar (Private) Limited (EPTL)

11.9 EPTL has entered into a USD Facility Agreement on December 21, 2015 with three commercial banks namely China Development Bank Corporation, China Construction Bank Corporation and Industrial and Commercial Bank of China Limited for an aggregate amount of USD 621,000 for a period of 14 years. The amount is repayable in 20 semi-annual instalments commencing from June 1, 2020. The loan carries mark-up at the rate of 6 month LIBOR plus 4.2% per annum. The facility is secured primarily through first ranking hypothecation charge over the project assets of EPTL. Further, the shareholders of EPTL have committed to provide cost overrun support for 10% of entire debt and pledge shares in favour of the Security Trustee. Additionally, shareholders other than Habib Bank Limited have also provided Stand By Letters of Credit (SBLCs) as coverage for their equity commitments in the project. As at June 30, 2021, the outstanding balance of the borrowing is USD 546,294 (December 31, 2020: USD 571,817).

11.10 EPTL has entered into the following loan agreements:

- Rupee Facility Agreement with a consortium of banks led by Habib Bank Limited (HBL) for an aggregate amount of Rs. 17,016,000. As at June 30, 2021, the outstanding balance of the borrowing is Rs. 15,728,647 (December 31, 2020: Rs. 16,188,574).

- Bilateral Facility Agreement with National Bank of Pakistan for an aggregate amount of Rs. 3,134,000. As at June 30, 2021, the outstanding balance of the borrowing is Rs. 2,896,896 (December 31, 2020: Rs. 2,981,605).

- Islamic Facility Agreements with Meezan Bank Limited, Faysal Bank Limited and Habib Bank Limited for an aggregate amount of Rs. 4,000,000. As at June 30, 2021, the outstanding balance of the borrowing is Rs. 3,697,377 (December 31, 2020: Rs. 3,805,494).

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

As at June 30, 2021, there is no material change in the status of matters reported as contingencies in note 31 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2020, except as follows:

(Amounts in thousand)

#### The Holding Company

- 12.1.1 During the period, the Standby Letter of Credit (Equity SBLC), provided by Engro Energy Limited, a wholly owned subsidiary, through National Bank of Pakistan, as explained in note 31.2.4 of the audited annual financial statements of the Holding Company for the year ended December 31, 2020 has reduced to US Dollars 8,635 (December 31, 2020: US Dollars 9,155). This SBLC relates to Sindh Engro Coal Mining Company Limited (SECMC), its associated company.
- 12.1.2 During the period, the Standby Letter of Credit (Equity SBLC), issued by Engro Elengy Terminal (Private) Limited, a subsidiary company, as explained in note 31.2.5 of the annual audited financial statements of the Holding Company for the year ended December 31, 2020 has reduced to US Dollars 20,700 (December 31, 2020: US Dollars 22,500).
- 12.1.3 During the period, Treasury Bills pledged by the Holding Company have increased to Rs. 4,500,000 (December 31, 2020: Rs. 4,250,000), against a Standby Letter of Credit (Put Option SBLC) provided by Engro Energy Limited, a wholly owned subsidiary company, as explained in note 31.2.4 of the annual audited financial statements of the Company for the year ended December 31, 2020.

#### Engro Elengy Terminal (Private) Limited (EETPL)

- 12.1.4 On June 4, 2021, the High Court of Sindh ("the Court") through its judgement, upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 ("the Cess") promulgated retrospectively with effect from July 01, 1994 as valid and declaring it within the competence of provincial legislature. However, EETPL has paid 50% of the above levied cess and has provided bank guarantee amounting to Rs. 16,000 (December 31, 2020: Rs.16,000) in favour of the Custom Authorities to comply with interim orders of the Court dated November 14, 2014 for the above levied cess as explained in note 31.4.1 to the annual audited consolidated financial statements. EETPL is in process of filing petition against the judgement dated June 4, 2021 before the Honorable Supreme Court of Pakistan ("SCP") challenging the Court judgement.

#### Engro Energy Limited (EEL)

- 12.1.5 On February 9, 2018, EEL furnished 7 bank guarantees amounting to Rs. 5,530 each, expiring on February 8, 2020, to Baluchistan Power Development Board (BPDB). These were issued to acquire Letter of Intents / development rights for 50MW x 7 project sites located in Kuchlak, Khuzdar and Punjgur areas of Baluchistan. These bank guarantees have been extended upto February 8, 2022.
- 12.1.6 On February 1, 2019, EEL furnished 10 bank guarantees amounting to USD 50 (in Pak Rupee equivalent) each, expiring on January 31, 2021, to Baluchistan Power Development Board (BPDB). These were issued to acquire Letter of Intents / development rights for 50MW x 10 project sites located in Chagai corridor, Baluchistan. These bank guarantees have been extended upto January 31, 2022.
- 12.1.7 In 2018, EEL took over the operations and maintenance of the power plant owned by Tenaga Generasi Limited (TGL) under an agreement signed between both parties. EEL was required to submit a performance bond equivalent to USD 930 on an annual basis as per the agreement. The bond was furnished by EEL on October 21, 2019 and expired on October 20, 2020. The Performance bond has been extended upto October 20, 2021.

(Amounts in thousand)

#### 12.2 Commitments

Commitments in respect of capital and revenue expenditure contracted but not incurred amounts to Rs. 13,110,595 (December 31, 2020: Rs 11,939,640).

#### 13. TAXATION

As at June 30, 2021, there is no material change in the status of matters reported in note 40 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2020, except as follows:

##### The Holding Company

- 13.1 During the period, with respect to the matter disclosed in note 40.1 of the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2020, the Holding Company received rectified order dated March 31, 2021 for tax year 2016 issued by the Additional Commissioner Inland Revenue (ACIR) whilst disposing off Holding Company's application for rectification in relation to appeal effect order dated November 20, 2020. Through the said order, the ACIR has favourably decided the issues identified in the application which included classification of interest income as Income from Business and allowing credit of previous tax payments made.
- 13.2 During the period, the exemption of income tax on inter-corporate dividend received from subsidiaries designated as Group under section 59B of the Income Tax Ordinance, 2001 was withdrawn via Tax Laws (Second Amendment) Ordinance, 2021 in March 2021 and subsequently by Finance Act 2021. Accordingly, tax charge of Rs. 1,112,883 on inter-corporate dividend has been recognized in these consolidated condensed interim financial statements.
- 13.3 During the period, the Holding Company's management has re-assessed its income tax provisions including provision on account of super tax, based on the finalization of its income tax assessments of tax year 2017 by the income tax department. Upon such assessment, the Holding Company's management has recognized reversal of tax provisions amounting to Rs. 1,640,000 in these consolidated condensed interim financial statements.

##### Engro Fertilizers Limited (EFERT)

- 13.4 During the period, the income tax department conducted audit u/s 177 for the tax year 2015. EFERT is in the process of filing an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the disallowances made which mainly include certain transactions treated as revenue, inadmissibility of expenses, and chargeability of WWF and super tax on the revised taxable income based on which department has raised a demand of Rs. 3,056,084. EFERT is confident of a favorable outcome and hence no provision in respect of this is recognised in these consolidated condensed interim financial statements.

##### Engro Powergen Thar (Private) Limited (EPTL)

- 13.5 In November 2017, EPTL received a demand from Additional Commissioner Inland Revenue (ACIR) amounting to Rs. 1,489,327, inclusive of default surcharge of Rs. 202,994, on account of non-withholding of tax on payments made by EPTL to its contractors China Machinery Engineering Corporation (CMEC) and China East Resources Import and Export Corporation (CERIEC) under the 'Offshore Supply and Services Agreement for Power Plant' and 'Onshore Supply and Services Agreement for Power Plant', respectively, in relation to the construction of the power plants of EPTL. The ACIR was of the view that the aforementioned payments attract the requirements of withholding of taxes under the Income Tax Ordinance, 2001 (ITO) and as such EPTL was required to withhold tax from such payments. EPTL filed an appeal to Commissioner Inland Revenue (Appeals) [CIR(A)] with the view that payments to CERIEC fall under the ambit of a specific exemption from withholding of taxes under ITO for coal mining and coal based power generation projects in Sindh. Furthermore, payments to CMEC are made for supply of plant and machinery and EPTL, being an importer, is not liable to withhold taxes.

(Amounts in thousand)

In 2018, CIR(A) decided the matter in favour of tax authorities and maintained the order of ACIR. EPTL filed an application to the ATIR who through an order has remanded back the case to ACIR for review of facts and to issue a fresh order in the light of emerging facts. EPTL, as a result of various discussions with the tax authorities, agreed and paid Rs. 1,400,000 being the lump sum settlement of withholding tax demands for all payments under the contracts with CMEC and CERIEC during the project phase. As at June 30, 2021, EPTL has received formal tax orders for all tax years and there is no further tax liability.

(Unaudited)			
Quarter ended		Half year ended	
June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(Rupees)			

#### 14. LOSS FROM DISCONTINUED OPERATIONS

Revenue	-	(2,849)	-	8,804
Cost of revenue	-	(23,134)	-	(44,401)
Gross loss	-	(25,983)	-	(35,597)
Administrative expenses	(2,642)	(40,316)	(2,642)	(98,486)
Other operating expenses	(1,119)	(148,882)	(1,119)	(149,982)
Other income	1,119	16,370	3,325	19,277
Operating loss	(2,642)	(198,811)	(436)	(264,788)
Taxation	1,904	(346)	-	(1,357)
Loss for the period	(738)	(199,157)	(436)	(266,145)
Net cash inflow / (outflow) from operating activities	2,445	7,833	3,669	(146,040)
Net cash inflow / (outflow) from investing activities	-	(13,337)	-	(28,754)
Net increase / (decrease) in cash generated by the subsidiary	2,445	(5,504)	3,669	(174,794)

(Amounts in thousand)

#### 15. EARNINGS PER SHARE - BASIC AND DILUTED

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

(Unaudited)			
Quarter ended		Half year ended	
June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(Rupees)			
Profit / (loss) for the period, attributable to the owners of the Holding Company from:			
8,717,430	5,940,488	17,053,793	9,325,310
(738)	(199,157)	(436)	(266,145)
<u>8,716,692</u>	<u>5,741,331</u>	<u>17,053,357</u>	<u>9,059,165</u>
(Number of shares)			
<u>576,163</u>	<u>576,163</u>	<u>576,163</u>	<u>576,163</u>

Weighted average number of ordinary shares (in thousand)

#### 16. CASH GENERATED FROM OPERATIONS

(Unaudited)	
Half year ended	
June 30, 2021	June 30, 2020
(Rupees)	
Profit / (loss) before taxation from:	
37,960,904	20,174,565
(436)	(264,788)
<u>37,960,468</u>	<u>19,909,777</u>
Adjustment for non-cash charges and other items:	
6,952,601	6,952,601
24,130	23,690
(12,504)	(31,570)
-	(19,463)
1,868	132,732
(164,417)	-
110,479	110,040
878,835	1,075,832
(3,704,752)	(5,799,495)
(2,484,394)	(2,718,199)
1,776,650	1,964,954
(661,405)	4,032,558
681,457	(4,085,774)
(1,877,288)	(1,143,096)
6,196,340	10,257,206
(193,596)	1,892,907
(21,282,206)	(6,951,184)
<u>24,800,537</u>	<u>25,603,516</u>

(Amounts in thousand)

	(Unaudited)	
	Half year ended	
	June 30, 2021	June 30, 2020
	------(Rupees)-----	
<b>16.1 Working capital changes</b>		
(Increase) / Decrease in current assets		
- Stores, spares and loose tools	(745,893)	(900,835)
- Stock-in-trade	(10,433,237)	(3,756,786)
- Trade debts	(8,248,508)	(9,318,460)
- Loans, advances, deposits and prepayments	(394,960)	(338,956)
- Other receivables - net	(3,355,942)	9,205,420
	(23,178,540)	(5,109,617)
Decrease / (increase) in current liabilities		
- Trade and other payables	1,896,334	(1,841,567)
	(21,282,206)	(6,951,184)
<b>17. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	30,601,382	17,377,026
Short term investments	57,057,088	26,860,748
Short term borrowings	(10,414,921)	(11,243,666)
	77,243,549	32,994,108

## 18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 18.1 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 audited consolidated financial statements.

### 18.2 Fair value estimation

The table below analyses financial instruments carried at fair value using the fair value measurement method in accordance with IFRS 13. 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); and
- Inputs for the asset or liability that are not based on observable market data (Level 3)

(Amounts in thousand)

	Level 1	Level 2	Level 3	Total
	------(Rupees)-----			
<b>As at June 30, 2021 (Unaudited)</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Units of mutual funds	-	4,671,132	-	4,671,132
- Pakistan Investment Bonds	-	14,970,265	-	14,970,265
	-	19,641,397	-	19,641,397
<b>Financial assets at fair value through other comprehensive income</b>				
- Treasury Bills	-	15,756,072	-	15,756,072
- Pakistan Investment Bonds	-	16,181,672	-	16,181,672
- Investment in TPL Trakker Limited	145,911	-	-	145,911
	145,911	31,937,744	-	32,083,655
Derivative Financial Instruments	-	103,264	-	103,264
<b>As at December 31, 2020 (Audited)</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Units of mutual funds	-	13,807,537	-	13,807,537
- Treasury Bills	-	2,024,761	-	2,024,761
- Pakistan Investment Bonds	-	11,400,762	-	11,400,762
- Fixed income placements	-	6,000	-	6,000
	-	27,239,060	-	27,239,060
<b>Financial assets at fair value through other comprehensive income</b>				
- Treasury Bills	-	17,706,851	-	17,706,851
- Pakistan Investment Bonds	-	36,345,991	-	36,345,991
	-	54,052,842	-	54,052,842
Derivative Financial Instruments	-	-	-	-

### 18.3 Valuation techniques used to determine fair values

Level 2 fair values have been determined using PKRV and PKFRV rates, closing Net Asset Values and estimated future cash flows based on observable yield curves for government securities, mutual fund units and derivative financial instruments, respectively.

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

### 18.4 Fair value of financial assets and liabilities

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

## 19. TRANSACTIONS WITH RELATED PARTIES

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

(Amounts in thousand)

	(Unaudited)	
	Half year ended	
	June 30, 2021	June 30, 2020
	------(Rupees)-----	
<b>Parent Company</b>		
Dividend paid	3,002,577	1,501,289
Reimbursements to Parent Company	-	38,765
<b>Associated companies and joint ventures</b>		
Purchases and services	23,725,948	23,675,512
Dividend received	607,500	270,000
Dividend paid	504,129	280,214
Contribution for Corporate Social Responsibility	120,197	86,489
Payment against EPC contract	-	778,702
Reimbursements from	514,771	108,695
Reimbursements to	73,817	49,437
Loan repaid	547,301	2,766,038
Mark-up on borrowings	1,102,896	1,282,467
<b>Key Management Personnel</b>		
Remuneration paid to key management personnel / Directors	699,662	848,021
Reimbursement of expenses	1,226	2,019
Dividend paid	441,978	83,981
Directors' fees	44,465	57,480
<b>Contribution for retirement benefits</b>	415,864	385,555

## 20. SEGMENT REPORTING

20.1 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 include 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.
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 venture by the Holding Company. It also includes investments made in foods, telecommunications infrastructure and digital and technology services and products.

(Amounts in thousand)

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

	Quarter ended		Half year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	------(Rupees)-----			
<b>Revenue</b>				
- At a point in time	40,628,834	35,666,267	85,716,908	53,499,164
- Over time	27,824,190	26,531,469	53,602,309	53,664,086
	<u>68,453,024</u>	<u>62,197,736</u>	<u>139,319,217</u>	<u>107,163,250</u>
<b>Segment wise break-up is as follows:</b>				
Fertilizer	25,915,534	29,911,271	55,359,257	40,702,810
Polymer	14,824,639	5,816,352	30,496,098	12,874,294
Terminal	3,105,473	3,225,653	6,269,360	6,910,208
Power and mining	21,584,658	21,550,746	42,907,241	43,845,865
Other operations	5,066,298	5,368,676	11,046,122	6,914,002
Elimination - net	(2,043,578)	(3,674,962)	(6,758,861)	(4,083,929)
Consolidated	<u>68,453,024</u>	<u>62,197,736</u>	<u>139,319,217</u>	<u>107,163,250</u>
<b>Profit for the period</b>				
Fertilizer	4,767,700	3,886,076	10,509,127	4,456,840
Polymer	3,122,374	29,782	7,265,344	222,621
Terminal	124,516	489,747	1,146,261	1,572,689
Power and mining	3,676,099	4,025,661	7,694,784	7,898,082
Other operations	7,155,252	3,731,495	10,538,674	3,915,632
Elimination - net	(4,513,615)	(2,376,569)	(8,043,173)	(2,270,918)
Consolidated	<u>14,332,326</u>	<u>9,786,192</u>	<u>29,111,017</u>	<u>15,794,946</u>

	(Unaudited)	(Audited)
	June 30, 2021	December 31, 2020
	------(Rupees)-----	
<b>Assets</b>		
Fertilizer	124,850,092	131,713,375
Polymer	77,124,685	69,093,661
Terminal	60,624,985	62,338,352
Power and mining	227,812,309	219,665,455
Other operations	132,394,440	145,998,367
Elimination - net	(25,442,593)	(48,322,057)
Consolidated	<u>597,363,918</u>	<u>580,487,153</u>
<b>Liabilities</b>		
Fertilizer	78,292,617	84,982,635
Polymer	45,687,396	42,967,530
Terminal	53,317,823	55,528,898
Power and mining	163,437,123	162,803,761
Other operations	42,176,201	34,313,727
Elimination - net	(20,217,886)	(19,704,053)
Consolidated	<u>362,693,274</u>	<u>360,892,498</u>

(Amounts in thousand)

## 21. AGREEMENT FOR SUPPLY OF GAS

On June 10, 2021, Engro Fertilizers Limited filed a Suit before the Honorable Sindh High Court (SHC) in which it prayed that Sui Northern Gas Pipeline Limited be directed to supply the contracted / committed volume of feed gas at concessionary pricing under the Gas Sale & Purchase Agreement and in accordance with the Fertilizer Policy 2001, Instructions to Bidders and various Economic Coordination Committee decisions.

The SHC was pleased to grant an ad interim stay Order dated June 21, 2021, directing the parties to maintain status quo with regard to disconnection of gas supply and pricing.

## 22. NON-ADJUSTING EVENT AFTER REPORTING DATE

22.1 The Board of Directors of the Holding Company in its meeting held on August 23, 2021 has approved an interim cash dividend of Rs. 7.00 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.

## 23. SEASONALITY

23.1 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.

23.2 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.

## 24. CORRESPONDING FIGURES

24.1 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 consolidated 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.

24.2 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material.

## 25. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements were authorized for issue on August 23, 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



# اینگرو کارپوریشن لمیٹڈ

## ڈائریکٹرز رپورٹ

اینگرو کارپوریشن لمیٹڈ کے ڈائریکٹرز اپنی رپورٹ اور منجند عبوری مالی گوشوارے برائے اختتامِ ششماہی 30 جون 2021 پیش کرنے پر مسرت محسوس کر رہے ہیں۔

COVID-19 کی وبا کے باعث غیر معمولی مسائل سے معیشت کی بحالی کا سفر جاری ہے۔ ویکسین کی وسیع تر رسائی اور افراد میں آگہی بڑھنے کے نتیجے میں اس بحالی میں مزید تیزی کی توقعات ہیں۔ صارف کے اعتماد کی شرح میں بھی اضافہ دیکھا جا رہا ہے جس میں پہلی سہ ماہی کے 80 کے مقابلے میں دوسری سہ ماہی کے دوران 88 تک اضافہ دیکھا گیا۔ اس سے ملکی معاشی صورتحال میں بہتری کی علامات واضح ہو رہی ہیں۔

اینگرو کارپوریشن کا وسیع تر پورٹ فولیو ان مشکل حالات سے نکلنے کی صلاحیت کا حامل ہے۔ انتظامیہ کی جانب سے کاروباری استحکام اور اپنے پلانٹس کے تسلسل کو جاری رکھنے کے لیے موثر حکمت عملی اپنائی گئی۔ ملازمین اور ان کے خاندانوں کی صحت کو یقینی بنانے کے لیے اپنا داخلی میڈیکل ہیلپ ڈیسک اور سائٹ پر ہی قرنطینہ سہولیات بہم پہنچائی جا رہی ہیں۔

کمپنی نے پاکستان کو آلودگی سے پاک اور ماحول دوست توانائی فراہم کرنے کے اپنے نظریہ پر کام جاری رکھا ہوا ہے۔ اس کے مطابق کمپنی نے حکومت پاکستان کے ساتھ گرین پریزیڈنسی اینٹیٹو، سولر انزیشن پروجیکٹ کے لیے شراکت داری کی ہے، جس سے ایوان صدر کو دنیا بھر میں ماحول دوست توانائی استعمال کرنے والی چند پریزیڈنسیز میں شامل ہونے کا اعزاز حاصل ہوگا۔ کمپنی کی جانب سے ایک میگا واٹ کا جدید ترین سولر PV سسٹم لگانے سے 1,400 ٹن کاربن کے اخراج میں کمی واقع ہوگی اور قومی خزانے کو 32 ملین روپے سالانہ کی بچت ہوگی۔

### کاروباری جائزہ

2021 کی پہلی ششماہی میں کمپنی کی مشترکہ آمدنی 30 فیصد اضافے کے ساتھ 107,163 ملین روپے سے بڑھ کر 139,319 ملین روپے ہو گئی۔ اسی طرح پہلی ششماہی کے لیے مشترکہ بعد از ٹیکس منافع 29,111 ملین روپے رہا جو گزشتہ مساوی مدت سے 87 فیصد زائد ہے، جبکہ شیئر ہولڈرز کو منسوب ہونے والا بعد از ٹیکس منافع

بھی گزشتہ سال کی اسی مدت کے 9,059 ملین روپے کے مقابلے میں بڑھ کر 17,053 ملین روپے رہا۔ نتیجتاً فی حصص میں ہر ایک شیئر پر منافع 15.73 روپے کے مقابلے میں 29.60 روپے بنتا ہے۔ بعد از ٹیکس منافع میں اضافہ فریٹلائزرز اور پیٹرو کیمیکل برنسز کے منافع میں بہتری کی بدولت ہے۔

انفرادی طور پر، کمپنی نے گزشتہ سال کی اسی مدت کے 4,858 ملین روپے کے مقابلے میں 9,683 ملین روپے کا بعد از ٹیکس منافع کمایا، نتیجے میں ہر فی حصص پر منافع 16.81 روپے بنتا ہے۔ انفرادی منافع میں اضافہ کی بنیادی وجہ ذیلی اداروں کی جانب سے ڈیویڈنڈز میں اضافہ واقع ہونا ہے۔

### فریٹلائزرز

2021 کی پہلی ششماہی کے دوران مقامی مارکیٹ میں زرعی شعبے نے زبردست کارکردگی دکھائی۔ گزشتہ سال کی کارکردگی کے تسلسل میں، اجناس کی بہتر قیمت اور متعلقہ قیمتوں میں اضافے سے زرعی معیشت میں ترقی دیکھی گئی۔

یورپا کی عالمی قیمتوں میں 2021 کی پہلی ششماہی کے اختتام تک امریکی ڈالر 473/T (4,564 روپے فی بوری ہینچ کے مساوی) تک اضافہ واقع ہوا جو کہ 2020 کی اسی مدت میں امریکی ڈالر 289/T (2,895 روپے فی بوری ہینچ کے مساوی) تھیں۔ درآمدی یورپا کے مقابلے میں مقامی یورپا کی قیمت میں 62 فیصد رعایت دیکھی گئی۔

ڈی اے پی کی عالمی قیمتوں میں پہلی ششماہی کے دوران تیزی سے اضافہ دیکھنے میں آیا جس کے تحت ششماہی کے اختتام پر قیمتیں امریکی ڈالر 600/T تک پہنچ گئیں کیونکہ لاطینی اور نارٹھ امریکہ سے خصوصی طور پر پروڈکٹ کی سپلائی میں مسائل اور طلب میں اضافہ دیکھا گیا۔

زیر غور ششماہی کے دوران اینگرو فریٹلائزرز کی یورپا کی پیداوار گزشتہ سال کی اسی مدت کے 1,136 KT کے مقابلے میں 1,070 KT رہی کیونکہ پہلی سہ ماہی کے دوران ہمارے ایک پلانٹ میں منصوبے کے تحت بندش رہی۔ ششماہی کے دوران یورپا کی فروخت گزشتہ سال کی اسی مدت میں 847 KT کے مقابلے میں 1,115 KT رہی اور فاسفیٹ کی سبز 116 KT کے مقابلے میں 105 KT رہی۔

2021 کی پہلی ششماہی میں کمپنی کا مجموعی منافع گزشتہ سال کی اسی مدت کے 14,025 ملین کے مقابلے میں 21,408 ملین روپے رہا، 53 فیصد اضافی منافع کی اہم وجہ زائد فروخت ہے۔

### توانائی

کول مائن کان کنی کا کام بہتر انداز میں جاری ہے، سال کی پہلی ششماہی کے دوران کان سے اینگرو پاور جن تھر کو تقریباً 2 ملین ٹن سے زائد کوئلہ فراہم کیا گیا۔ Covid-19 سے پیدا ہونے والے مسائل کے باوجود، کان کی سالانہ صلاحیت 7.6 ملین ٹن تک پہنچانے کا توسیعی کام جاری ہے۔

**تھر پاور پلانٹ:** سہ ماہی کے دوران پلانٹ مکمل طور پر فعال رہا اور کرونا کی وجہ سے مسائل کے باوجود کام جاری رکھنے سے متعلق اعتماد کو بحال رکھا گیا۔ پاور پلانٹ سے 78 فیصد لوڈ فیکٹر کے ساتھ 81 فیصد دستیابی کا ہدف حاصل کیا گیا اور نیشنل گرڈ کو 2,052 GWh بجلی فراہم کی گئی۔ دونوں یونٹس 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 394 GWh نیٹ الیکٹریکل آؤٹ پٹ فراہم کیا اور بجلی خریداری کی جانب سے زائد طلب کی بدولت گزشتہ سال کی اسی مدت کے 28.4 فیصد کے مقابلے میں 43 فیصد لوڈ فیکٹر حاصل کیا گیا۔ برنس نے قرض کے خاتمے کے حوالے سے 2020 کی پہلی ششماہی کے 1,310 ملین روپے کے مقابلے میں 905 ملین روپے کا بعد از ٹیکس منافع حاصل کیا۔

### پیٹرو کیمیکلز

پہلی ششماہی کے دوران، PVC کی عالمی قیمتیں عالمی ترسیل محدود ہونے کے نتیجے میں امریکی ڈالر 1670/T کی زبردست تیزی کے بعد دوسری سہ ماہی میں امریکی ڈالر 1,345/T تک کم ہوئیں۔ پہلی ششماہی میں فریٹ کے اخراجات میں مسلسل اضافہ دیکھا گیا۔

مقامی مارکیٹ کے حوالے سے، اینگرو پولیمر نے اپنے توسیعی منصوبوں کی تکمیل کے نتیجے میں پی وی سی مارکیٹ میں اپنا حصہ 93 فیصد تک پہنچانے میں کامیابی حاصل کی، 2020 کی پہلی ششماہی میں یہ حصہ 64 فیصد تھا۔ دوسری جانب Chlor Alkali مارکیٹ میں کرونا کے سبب یورپ اور امریکہ میں ٹیکسٹائل برآمدات بند رہنے سے مندی کا ماحول رہا نتیجتاً بڑے ایکسپورٹرز کے درمیان کم آپریٹنگ ریٹس رہے۔

کمپنی نے یکم مارچ 2021 کو نئے PVC پلانٹ کے کمرشل آپریشنز کا اعلان کیا اس طرح کمپنی پیداواری کی صلاحیت میں سالانہ 295,000 میٹرک ٹن تک پہنچ گئی اور 50 KT کے نئے VCM DBN کی پیداواری صلاحیت کے کمرشل آپریشنز کے آغاز سے 25 جون 2021 کو یہ صلاحیت مزید 245,000 میٹرک ٹن سالانہ بڑھ گئی۔

2021 کی پہلی ششماہی کے دوران اینگرو پولیمر نے 30,496 ملین روپے آمدنی کمائی جو گزشتہ سال کی اسی مدت میں 12,870 ملین روپے تھی اور گزشتہ سال کی اسی مدت کے 223 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں 7,265 ملین روپے کا بعد از ٹیکس منافع کمایا۔ ششماہی بنیادوں پر سب سے زیادہ منافع کا حصول سبز کی مقدار میں زبردست اضافہ، موثر آپریشنز اور عالمی قیمتوں میں تیزی کی بدولت ہے۔

### ٹرمینل آپریشنز

سال کی پہلی ششماہی کے دوران ایل این جی اور کیمیکل ٹرمینل کا منافع بہتر رہا۔ LNG ٹرمینل پر 35 کارگوز ہینڈل کرتے ہوئے 106 bcf ری گیسفائڈ ایل این جی کو ایس ایس جی سی کے نیٹ میں شامل کیا گیا۔

Covid-19 کے سبب غیر یقینی صورتحال میں تقریباً دو سالوں کی منصوبہ بندی اور کوششوں سے، اینگرو اینٹی ٹرمینل لمیٹڈ (EETL) نے پاکستان کی پہلی ڈرائی ڈاک سرگرمی کو چلانے کے لیے FSRU سیکونیا کی برتھنگ اور اسٹارٹ اپ کامیابی سے مکمل کی ہے۔ FSRU سیکونیا کی آمدنی ڈرائی ڈاک مدت کے دوران تین ماہ تک گیس کی بندش سے نہرو آزما ہونے کے قابل بنایا ہے۔ قطر ڈاک یارڈ پر FSRU ایکزیکیوٹ کا ڈرائی ڈاک منصوبہ کے مطابق چل رہا ہے۔ اس ضمن میں کمپنی تمام

اسٹیک ہولڈرز کے ساتھ گہری وابستگی قائم کئے ہوئے ہے تاکہ پاکستان میں توانائی کے استحکام اور خوشحالی کو یقینی بنایا جائے۔

کیمیکل ٹریڈنگ نے گزشتہ سال کی پہلی ششماہی کے 583 kT کے مقابلے میں 638 kT کا اصل تھروپٹ حاصل کیا۔ اضافے کی بنیادی وجہ ایل پی جی کی کم پینڈنگ اور کیمیکل کی مقدار میں اضافہ ہے۔

### ٹیلی کمیونیکیشن انفراسٹرکچر

ٹیلی کام انفراسٹرکچر بزنس نے اپنی رسائی میں مزید اضافہ جاری رکھا ہے اور پہلی ششماہی کے اختتام تک 1.08x کے ٹینسیس ریشو کے ساتھ 1,817 ٹاور سائٹس کی خدمات فراہم کرنے کا سنگ میل عبور کر لیا ہے، جس میں پاکستان کے تمام موبائل نیٹ ورک آپریٹرز شامل ہیں۔ اس پورٹ فولیو میں توسیع سے واضح اضافے کی بدولت 2020 میں 41 فیصد سے اس ششماہی میں 44 فیصد مارکیٹ شیئر حاصل کیا جا چکا ہے۔

پاکستان میں ٹیلی کام شعبے کا تھری جی اور فور جی سبسکرائبرز میں 100 ملین تک جا پہنچا ہے اور اس میں سالانہ بنیادوں پر 28 فیصد اضافہ واقع ہو رہا ہے۔ اسی کے پیش نظر اینگرو نے ٹیلی کام سیکٹر میں اپنی سرمایہ کاری بڑھا کر 21.5 بلین روپے کر دی ہے۔ اینگرو نے کنیکٹو اور ٹیلی کام انفراسٹرکچر سے متعلق اقدامات کو چلانے کے لیے اینگرو کنیکٹ پرائیویٹ لمیٹڈ (EConnect) کے نام سے ایک علیحدہ اور مخصوص پلیٹ فارم قائم کیا ہے۔ ای کنیکٹ اینگرو کی کلی زیر ملکیت ذیلی کمپنی ہے اور یہ اینگرو انفراسٹرکچر پرائیویٹ ( لمیٹڈ کی مکمل ملکیت رکھے گی جو کہ اس وقت پاکستان کی سب سے بڑی آزاد ٹیلی کام ٹاور کمپنی ہے۔

ای کنیکٹ میں موجودہ مجموعی سرمایہ کاری انفراسٹرکچر کے تحت بلڈ ٹوسٹ (BTS) ٹاور بزنس کی توسیع کے لیے خاص طور پر مختص کی جائے گی، جس میں توانائی کے ذرائع کی موثر فراہمی، آپریٹرز میں جدت، جدید مانیٹرنگ سلوشنز کی تنصیب اور کنیکٹوٹی کی ویلیو چین میں دیگر سرمایہ کاری کے مواقع کی تلاش کے امور بھی شامل ہوں گے۔

اینگرو پاکستان میں ٹیلی کام انفراسٹرکچر کی تیاری سے کنیکٹوٹی کے میدان میں رہنما کی

حیثیت حاصل کرنے کے لیے پرعزم ہے۔

### شیئر ہولڈرز کو منافع کی تقسیم

بورڈ سہ ماہی بنیادوں پر منافع منقسمہ میں زیادہ سے زیادہ اضافے کے لیے پرعزم ہے اور 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے ہر ایک حصص پر 7.00 روپے کا عبوری نقد منافع منقسمہ تجویز کرنے پر خوش ہے۔ اسی تناسب سے 2021 کی پہلی ششماہی کا ٹوٹل ڈیویڈنڈ 19.00 روپے فی حصص بنتا ہے۔

### 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 پروسیس 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 بزنس اور ان کی مالی پوزیشن بہتر ہونے کی امید ہے۔ تاہم COVID-19 سے نبرد آزما ہونے کے لیے حکومت کی جانب سے اٹھائے جانے والے اقدامات پر ہی انڈسٹری کی کارکردگی کا دارومدار ہوگا۔

### فریٹ لائزرز

حکومت کی جانب سے مالی سال 22 کی حالیہ بجٹ میں زرعی شعبے کی ترقی کے لیے 12 بلین روپے مختص کئے گئے ہیں جس میں ٹڈی کے حملے پر قابو پانے، خوراک کے تحفظ، بنیادی فصلوں کی پیداوار میں اضافہ، کمرشل بنیادوں پر زیتون کی کاشت اور واٹر کورسز کچلے کرنے کے منصوبے شامل ہیں۔ ان اقدامات سے زرعی معیشت میں بہتری کے ساتھ فریٹ لائزرز کے شعبے پر مثبت اثرات مرتب ہوں گے۔

اینگرو فریٹ لائزرز کو غیر ادا شدہ سبسڈی اور سبزیوں کی ری فنڈز کے مالیاتی بوجھ کو برداشت کرنا ہے جو مجموعی طور پر 12.9 بلین روپے بنتا ہے۔ 2021 کی پہلی ششماہی کے دوران تیل کی عالمی قیمتوں میں تیزی کی کارخانہ دیکھا گیا اور نتیجے میں پیٹرولیم پالیسی 2012 کی بنیاد پر گیس کی قیمت میں اضافہ ہو جائے گا۔

### توانائی

انرجی بزنس رینوی 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۔ بزنس نے مزید نئے مواقع کی تلاش جاری رکھی ہوئی ہے اور ملک بھر میں رینوی ایبل انرجی سیکٹر میں تھرڈ پارٹی کے لیے باہر ڈسٹریبیوٹن فراہم کرنے پر بھی کام جاری ہے۔

حکومت گزشتہ قرضے ختم کرنے میں ناکام رہی ہے اور ہمارا یہ ماننا ہے کہ اس کے بنیادی اسباب کو ختم کرنے کے لیے ٹھوس اقدامات کی غیر موجودگی، موجودہ وبائی صورتحال کا سامنا اور سرکلر ڈیٹ کا مسئلہ انڈسٹری کے مستقبل پر منفی اثرات ڈال سکتے ہیں۔ حکومت نے مخصوص آئی پی پیٹر 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 کا ایک طریقہ کار وضع کیا ہے۔ اینگرو قادر پور کو حکومت کے ساتھ معاہدے کے مطابق بقایہ جات کی وصولی کا انتظار ہے۔

### پیٹرولیم کیمیکلز

قلیل مدتی اعتبار سے، ہم توقع رکھتے ہیں کہ سپلائی میں مشکلات کے سبب PVC کی قیمتوں میں تیزی رہے گی اور تعمیراتی 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 بشمول انرجی افیشنس اور ہائیڈروجن پراجکٹس کے حوالے سے وقت کے تعین پر کام جاری ہے کیونکہ عالمی وباء کے سبب غیر معمولی حالات کا سامنا ہے۔

### 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 دوپاک نے مارکیٹ لیڈر کی اپنی پوزیشن مستحکم رکھی ہوئی ہے۔ تاہم تاقمان بارڈر والے راستے اور بارڈر پوسٹ نمبر 250 سے نئی انٹری پوائنٹ کھلنے کے سبب اضافے کے باعث LPG میرین کی درآمدات میں کمی واقع ہوئی ہے۔ نتیجتاً توقع ہے کہ ایل پی جی پینڈنگ بزنس کچھ عرصہ کے لیے دباؤ کا شکار رہے گا۔

### ٹیلی کمیونیکیشن انفراسٹرکچر

انفراسٹرکچر آئندہ پانچ سالوں میں باقاعدہ سروسز کے پیش نظر موثر حکمت عملی کے ساتھ آزاد ٹاور کی شراکت داری کے بزنس میں رہنما کی حیثیت کے لیے کوشاں ہے۔

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

- موبائل ڈیٹا کے استعمال میں مسلسل اضافہ، موبائل نیٹ ورک آپریٹرز کو معیاری سروس کے لیے ضروری خدمات کی فراہمی سے متعلق ڈیمانڈ سینٹر میں اضافہ ہو رہا ہے۔
- موبائل نیٹ ورک آپریٹرز کے اخراجات میں کمی لانے کے اقدامات میں ٹاورز کی شراکت داری اور اجتماعی لوکیشن کے مواقع فراہم کرنے سے ان کی آمدنی میں زبردست اضافہ ہو رہا ہے۔

انفراسٹرکچر سال 2025 تک 5000 ٹاورز کی حامل کمپنی بننے کے لیے پرعزم ہے، بزنس کو توسیعی کام جاری رکھنے کے لیے اینگرو کارپوریشن کا تعاون درکار ہوگا۔

### پروجیکٹ اپ ڈیٹ: پولی پروپائلین سہولت

بورڈ نے PDH-PP پروجیکٹ کے حوالے سے انجینئرنگ، ڈیزائن اور مینجمنٹ 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 ایجوٹی کے شراکت داروں پر ہوگی۔

### انظہار تشکر

ڈائریکٹرز اپنے شیئر ہولڈرز کا شکریہ ادا کرتے ہیں کہ جنہوں نے ہمیشہ کمپنی پر اپنا اعتماد ظاہر کیا۔ ہم اینگرو فیمیلی 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۔



غیاث خان  
پریزیڈنٹ اور چیف ایگزیکٹو



حسین داؤد  
چیئرمین