



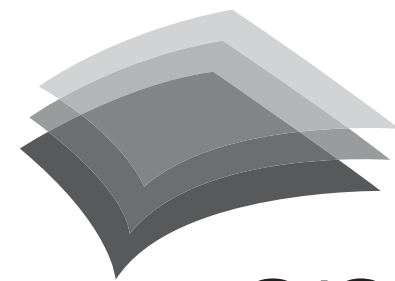
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engro corp



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 - Excelerate Energy. Engro Elengy Terminal Limited, a wholly

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

Engro Vopak Terminal Limited

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

FrieslandCampina Engro Pakistan

FrieslandCampina Engro Pakistan Limited is a 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 nine months ended 30th September 2021.

The domestic 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. However, higher commodity prices driven by global supply chain challenges & fiscal/monetary stimuli are translating into inflationary pressures for the domestic economy which may suppress local demand.

Engro Corporation Limited's diverse portfolio is well-positioned to persevere through these challenging times. Our portfolio is structured to have a positive impact from upward changes in commodity prices and balanced to the extent that any changes in foreign exchange rates do not adversely impact its performance. We continue to stay vigilant on tackling COVID related challenges and 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.

With our Central narrative of working towards solving some of Pakistan's most pressing issues while being conscientious of our impact on the environment, Engro continues to strive to become a more sustainable organization and thus encourages ideas that help us in delivering on our purpose. The Company actively participated in the World Economic Forum's (WEF) Sustainable Development Impact Summit 2021 (SDIS21) hosted alongside United Nations General Assembly. The Summit aimed at bringing together global leaders to share promising approaches to help the world exit the pandemic stronger. Engro has also signed a commitment, sponsored by WEF's International Business Council, to adopt and implement stakeholder capitalism metrics. Engro is the first organization from Pakistan to sign this commitment.

Engro embarked on the ERP harmonization project across all group entities (OneSAP) in 2018 and achieved the final milestone in October 2021. Endorsed as Pakistan's largest digital business transformation in the private sector, the Company standardized core processes and digitized business operations across the Group. As one of the few "Digital-Ready" organizations in Pakistan in pre-pandemic times, the ERP system has helped the Group mitigate COVID-19 induced business challenges by ensuring business continuity and agility, integrating business processes and enabling data-based decision making.

Business Review

The Company's consolidated revenue grew by 23% to PKR 223,581 million vs. PKR 182,497 million during the same period last year. The consolidated Profit-After-Tax (PAT) stood at PKR 40,504 million – up by 31%, while PAT attributable to the shareholders increased to PKR 23,173 million vs. PKR 18,345 million during the same period last year, resulting in an Earnings per Share (EPS) of PKR 40.22. 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 16,015 million against PKR 9,283 million during the same period last year, translating into an EPS of PKR 27.80 per share. Increase in standalone profitability is primarily on account of higher dividends from subsidiaries.

Fertilizers

Domestic market witnessed strong agricultural sector performance in 2021 with limited impact from COVID-19 led lockdowns. Prices of agri commodities remained firm during the quarter resulting in improved earnings for farmers and 9% higher Urea industry volumes vs prior year.

International Urea prices increased to USD 669/T (landed equivalent PKR 6,319/bag) by the end of Q3 2021 from USD 473/T (landed equivalent of PKR 4,546/bag) prevailing in June 2021. Domestic Urea prices (PKR 1,768/bag) are currently at a record discount of approximately 72% to international prices. Furthermore, during the period the industry enabled import substitution of ~USD 2 billion through domestic Urea production.

DAP international and local prices have witnessed an increase during the period with international prices rising to USD 680/T by the end of Q3 2021. High DAP prices coupled with slow disbursement of subsidy on phosphatic fertilizers have led to contraction in the DAP industry by 17% vs. same period last year.

Engro Fertilizers Urea production stood at 1,560 KT vs. 1,694 KT for the same period last year. Urea sales stood at 1,644 KT vs. 1,451 KT and phosphates sales stood at 242 KT vs. 366 KT during the same period last year.

Revenue during the period stood at PKR 93 billion vs. 78 billion, whereas Gross Profit recorded at PKR 31 billion vs. PKR 24 billion during the same period last year, increasing mainly on the back of higher Urea offtakes.

Engro Fertilizers continues to bear the financial burden of unpaid subsidy and sales tax refunds that now accumulates to ~PKR 14 billion.

Petrochemicals

Engro Polymer announced commercial operations of the new PVC plant on 1st March 2021, increasing the capacity by 100 KT to 295 KT per annum and commercial operations of 50 KT new VCM DBN capacity on 25th June 2021 increasing capacity to 245 KT per annum.

International PVC prices remained high due to high demand along with global supply disruptions.

Domestic PVC market recorded a volumetric increase of 30% in Q3 2021 vs. last quarter as buying sentiment improved. Additionally, EPolymer capitalized on exports opportunity during the period (export volume stood at ~16KT) enabled by higher PVC production capacity.

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.

During the period, Engro Polymer recorded revenue of PKR 49,323 million as compared to PKR 22,931 million in the same period last year. The Business posted Profit After Tax of PKR 10,372 million vs. PKR 2,103 million last year, backed by increased volumetric sales, efficient operations, and higher international prices.

Energy

Coal Mine: Mining operations continued smoothly and the mine supplied ~ 3 million tons of coal to Engro Powergen Thar during the period. Despite challenges posed by COVID-19 crisis, the expansion of the mine to 7.6 million tons per annum is underway with 52% of the overburden removed.

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 84.7% availability with a load factor of 82%, dispatching 3,253 GWh to the national grid during the period.

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 615 GWh to the national grid with a load factor of 44% compared to 32% last year due to higher offtake from the Power Purchaser. EPQL posted a PAT of PKR 1,463 million for the current period as compared to PKR 2,031 million for same period last year, attributable to retirement of debt component.

Terminal Operations

Engro Elengy terminal continues to play an instrumental role in reducing Pakistan's natural gas deficit and contributes around 12% of Pakistan's gas supply. With around two years of planning and efforts amidst COVID-19 volatility, Engro Elengy Terminal Limited (EETL) has successfully completed Pakistan's first-ever Dry Docking activity at Qatar dockyard. During the Dry Docking period, FSRU Sequoia enabled gas supply continuity ensuring national energy security.

Profitability of both the LNG and chemicals terminal remained healthy during the period. The LNG terminal handled 52 cargoes vs. 54 last year, delivering 158 bcf re-gasified LNG in to the SSGC network.

The chemicals terminal throughput volumes normalized to 934 KT vs. 806 KT last year; volumes were impacted in 2020 due to COVID-19 led lockdowns.

Telecommunication Infrastructure

Telecom infrastructure business continued to expand its footprint further and achieved a milestone of delivering a total of 2,030 tower sites and 1.09x tenancy ratio, catering to all Mobile Network Operators (MNOs) in Pakistan.

The telecom sector in Pakistan is registering an annual growth of 28% with the 3G/4G subscriber base expanding beyond 100 million. 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 committed investment in EConnect will be mainly utilized to expand the Build-to-Suit (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.

Distribution to Shareholders

The Board endeavors to maximize total shareholder return and is pleased to propose an interim cash dividend of PKR 5.0 per share for the year ending 31st December 2021. The total dividend attributable to 9M 2021 is PKR 24.00 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.

Fertilizers

The agricultural sector in Pakistan is expected to maintain its growth trajectory owing to continued Government support, improved farm economics and availability of Urea at significantly discounted prices compared to global levels. The Government has also announced to set up the National Agricultural Commission of Pakistan to promote agricultural education and research.

Increasing DAP prices coupled with challenges in the subsidy disbursement mechanism may lead to demand contraction that may potentially impact crop yields.

Petrochemicals

In the short-term, we expect PVC prices to remain bullish as a result of supply chain challenges and increase in global demand.

Work on efficiency projects, including OVR and HTDC, and Hydrogen Peroxide is underway, and they are expected to come online as per revised timelines.

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 along with IPPs 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 is expecting payment of overdue receivable balance as per the agreement reached with the government.

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.

Terminal Operations

The LNG business stands committed to continue working closely with all stakeholders to ensure the energy security and prosperity of Pakistan.

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

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



Hussain Dawood
Chairman

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

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

Enfrashare intends to secure market leadership in the TowerCo business in Pakistan.

Project Update - Polypropylene Facility

Engineering, design and technical studies including a Front-End Engineering Design (FEED) study in relation to the PDH-PP Project are well underway.

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

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

(Amounts in thousand)	Note	(Unaudited) September 30, 2021	(Audited) December 31, 2020
------(Rupees)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	4	717,447	571,384
Right-of-use assets		326,312	515,010
Intangible assets		82,835	96,810
Long term investments	5	46,542,027	26,179,044
Long term loans and advances		402,663	437,552
Deferred taxation		60,667	19,518
		<u>48,131,951</u>	<u>27,819,318</u>
Current assets			
Loans, advances and prepayments	6	9,821,012	16,561,022
Receivables	7	7,241,854	4,068,276
Short term investments	8	39,125,068	47,840,010
Cash and bank balances		268,358	697,064
		<u>56,456,292</u>	<u>69,166,372</u>
TOTAL ASSETS		<u>104,588,243</u>	<u>96,985,690</u>
EQUITY & LIABILITIES			
Equity			
Share capital		5,761,633	5,761,633
Share premium		13,068,232	13,068,232
General reserve		4,429,240	4,429,240
Remeasurement of post employment benefits - Actuarial loss		(16,375)	(16,375)
Remeasurement of investments		(55,738)	-
Unappropriated profit		67,673,642	63,758,171
Total equity		90,860,634	87,000,901
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations		75,803	31,133
Lease liabilities		106,290	357,700
		<u>182,093</u>	<u>388,833</u>
Current liabilities			
Trade and other payables		3,597,114	4,285,669
Current portion of lease liabilities		322,213	272,291
Taxes payable		5,350,056	4,769,343
Dividend payable		4,033,142	-
Unclaimed dividends		242,991	268,653
		<u>13,545,516</u>	<u>9,595,956</u>
Total liabilities		13,727,609	9,984,789
Contingencies and Commitments	9		
TOTAL EQUITY & LIABILITIES		<u>104,588,243</u>	<u>96,985,690</u>

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of
profit or loss (unaudited)
for the nine months ended september 30, 2021

(Amounts in thousand except for earnings per share)

Note	Quarter ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
----- (Rupees) -----				
Dividend income	6,933,450	3,451,963	14,960,170	6,978,068
Royalty income	333,041	331,449	960,423	790,891
Administrative expenses	7,266,491	3,783,412	15,920,593	7,768,959
	(420,830)	(541,825)	(1,165,654)	(1,215,472)
	6,845,661	3,241,587	14,754,939	6,553,487
Other income	1,276,140	1,677,760	3,597,621	5,642,853
Other operating expenses	(520,155)	(250,989)	(1,043,167)	(1,909,809)
Operating profit	7,601,646	4,668,358	17,309,393	10,286,531
Finance cost	(15,226)	(21,932)	(58,254)	(88,153)
Profit before taxation	7,586,420	4,646,426	17,251,139	10,198,378
Taxation	(1,254,786)	(221,452)	(1,236,240)	(915,737)
Profit for the period	6,331,634	4,424,974	16,014,899	9,282,641
Earnings per share - basic and diluted	10.99	7.68	27.80	16.11

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of
comprehensive income (unaudited)
for the nine months ended september 30, 2021

(Amounts in thousand)

Note	Quarter ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
----- (Rupees) -----				
Profit for the period	6,331,634	4,424,974	16,014,899	9,282,641
Other comprehensive income for the period				
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)	(13,978)	(265,068)	(55,738)	22,393
Total comprehensive income for the period	6,317,656	4,159,906	15,959,161	9,305,034

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of
changes in equity (unaudited)
for the nine months ended september 30, 2021

(Amounts in thousand)

	Share capital	Reserves					Total
		Capital Reserve	General reserve	Revenue Reserves			
	Share premium		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	-	-	-	-	-	9,282,641	9,282,641
Other comprehensive income	-	-	-	-	22,393	-	22,393
Total comprehensive income for the nine months ended September 30, 2020	-	-	-	-	22,393	9,282,641	9,305,034
Transactions with owners							
Final cash dividend for the year ended December 31, 2019 @ Rs. 1.00 per share	-	-	-	-	-	(576,163)	(576,163)
First Interim cash dividend for the year ended December 31, 2020 @ Rs. 6.00 per share	-	-	-	-	-	(3,456,979)	(3,456,979)
Second Interim cash dividend for the year ending December 31, 2020 @ Rs. 8.00 per share	-	-	-	-	-	(4,609,306)	(4,609,306)
	-	-	-	-	-	(8,642,448)	(8,642,448)
Balance as at September 30, 2020 (Unaudited)	5,761,633	13,068,232	4,429,240	(23,137)	22,393	62,500,966	85,759,327
Profit for the period	-	-	-	-	-	7,018,837	7,018,837
Other comprehensive income / (loss)	-	-	-	6,762	(22,393)	-	(15,631)
Total comprehensive income for the quarter ended December 31, 2020	-	-	-	6,762	(22,393)	7,018,837	7,003,206
Transactions with owners							
Third Interim cash dividends for the year ended December 31, 2020 @ Rs. 8.00 per share	-	-	-	-	-	(5,761,632)	(5,761,632)
	-	-	-	-	-	(5,761,632)	(5,761,632)
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	-	-	-	-	-	16,014,899	16,014,899
Other comprehensive loss	-	-	-	-	(55,738)	-	(55,738)
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	(55,738)	16,014,899	15,959,161
Transactions with owners							
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)
Second Interim cash dividend for the year ending December 31, 2021 @ Rs. 7.00 per share	-	-	-	-	-	(4,033,142)	(4,033,142)
	-	-	-	-	-	(12,099,428)	(12,099,428)
Balance as at September 30, 2021 (Unaudited)	5,761,633	13,068,232	4,429,240	(16,375)	(55,738)	67,673,642	90,860,634

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of
cash flows (unaudited)
for the nine months ended september 30, 2021

(Amounts in thousand)

Note	Nine months ended		
	September 30, 2021	September 30, 2020	
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	13	(1,440,291)	(2,790,411)
Royalty received		871,766	1,025,235
Taxes paid		(696,676)	(1,133,443)
Retirement and other service benefits paid		(45,418)	(55,152)
Long term loans and advances - net		34,889	55,354
Net cash utilized in operating activities		(1,275,730)	(2,898,417)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		12,136,348	6,978,068
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries		1,050,864	3,672,392
Investment in shares of subsidiary company		(20,362,982)	-
Loan disbursed to subsidiary companies		(5,950,000)	(4,079,053)
Repayment of loan by subsidiary companies		12,550,000	-
Repayment of loan by joint venture		-	206,221
Purchase of Treasury bills and Fixed income placements		(216,052,871)	(110,629,919)
Proceeds from Treasury bills, Units of Mutual Funds and Fixed income placements		224,198,284	128,391,951
Purchases of property, plant and equipment		(270,860)	(288,676)
Sale proceeds on disposal of property, plant and equipment		8,006	-
Purchases of intangibles		(8,824)	-
Net cash generated from investing activities		7,297,965	24,250,984
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of financial charges		(17,397)	(20,802)
Lease rentals paid		(224,013)	(225,768)
Dividends paid		(8,091,948)	(4,054,229)
Net cash utilized in financing activities		(8,333,358)	(4,300,799)
Net (decrease) / increase in cash and cash equivalents		(2,311,122)	17,051,768
Cash and cash equivalents at beginning of the period		19,970,314	6,050,273
Cash and cash equivalents at end of the period	14	17,659,192	23,102,041

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

notes to the unconsolidated condensed interim financial statements (unaudited) for nine months ended september 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 nine months ended September 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) September 30, 2021	(Audited) December 31, 2020
------(Rupees)-----	

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets (note 4.1)	575,927	467,078
Capital work-in-progress	141,520	104,306
	<u>717,447</u>	<u>571,384</u>

4.1 Additions to operating assets during the period / year amounted to Rs. 235,431 (December 31, 2020: Rs. 213,116). Operating assets costing Rs. 9,245 (December 31, 2020: Rs. 3,240) having a net book value of Rs. 5,644 (December 31, 2020: Rs. 3,102), were disposed off during the period / year for Rs. 8,006 (December 31, 2020: Rs. 3,148).

5. LONG TERM INVESTMENTS

This includes investment made by Engro Corporation in subsidiaries, associates & joint ventures. Investments made during the period are as follows:

- Engro Connect (Private) Limited was incorporated in Pakistan under the Companies Act, 2017 as a wholly owned subsidiary of the Company. During the period the company invested an amount of Rs. 19,965,000 against 1.997bn shares at a rate Rs.10 per share. The main objective of Engro Connect (Private) Limited is to engage in buying, building, maintaining and operating telecommunication infrastructure and ancillary products and services.
- Rs. 397,892 was invested to subscribe 39,798,208 right shares of Engro Energy Limited at a rate Rs.10 per share.

6. LOANS, ADVANCES AND PREPAYMENTS

6.1 This primarily includes loan and accrued interest thereon due from subsidiary companies aggregating to Rs. 9,126,060 (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 further disbursed during the period 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. 10,550,000 was repaid during the period;
- loan amounting to Rs. 2,000,000 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%. Entire amount was repaid during the period; and
- loan amounting to Rs. 700,000 was availed by Engro Connect (Private) Limited, a wholly owned subsidiary company, pursuant to agreement entered into on September 22, 2021. The loan carried mark-up at the rate of 6-month KIBOR plus 0.2%.

(Amounts in thousand)

7. RECEIVABLES

7.1 These include:

- Dividend receivable from Engro Fertilizers Limited and Engro Polymer and Chemicals Limited amounting to Rs. 3,005,248 (December 31, 2020: Rs. 3,756,560) and Rs. 3,575,134 (December 31, 2020: Nil) respectively.
- An amount of Rs. 98,202 (December 31, 2020: Rs. 9,545) on account of royalty receivable from Engro Fertilizers Limited, a subsidiary company.

8. SHORT TERM INVESTMENTS

At fair value through other comprehensive income

- Treasury bills
- Pakistan Investment Bonds

At fair value through profit or loss

- Mutual fund units

At amortized cost

- Fixed income placement

9. CONTINGENCIES AND COMMITMENTS

Contingencies

9.1 As at September 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 amounting 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 were released and shares subsidiaries Engro Fertilizer Limited (EFERT) and Friesland Campina Engro Pakistan Limited (FCEPL) of quantities 70,278,512 and 13,032,238 respectively were pledged against this facility.

9.1.4 Updates in respect of tax related matters are disclosed in note 11.

9.2 Commitments

Commitments in respect of capital expenditure and other operational items

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

-	14,092,722
18,043,113	12,429,684
18,043,113	26,522,406
3,691,121	13,807,537
17,390,834	7,510,067
39,125,068	47,840,010

(Unaudited) (Unaudited)
September 30, September 30,
2021 2020
------(Rupees)-----

868,660	416,187
---------	---------

(Amounts in thousand)

10. OTHER INCOME

Financial assets

Income on bank deposits and other financial assets (note 10.1)

Non-financial assets

Service charges (note 10.2)

Gain on disposal of property,

plant and equipment

Others (note 10.3)

------(Unaudited)-----
Quarter ended Nine months ended
September 30, September 30, September 30, September 30,
2021 2020 2021 2020
------(Rupees)-----

1,173,719	1,438,929	3,447,062	5,388,822
-	10,889	-	10,889
(23)	-	2,386	-
102,444	227,942	148,196	243,141
1,276,140	1,677,760	3,597,621	5,642,853

10.1 Includes Rs. 1,028,663 (2020: Rs. 720,021) 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).

11. TAXATION

Current

- for the period

- for prior years (note 11.3)

Deferred

------(Unaudited)-----
Quarter ended Nine months ended
September 30, September 30, September 30, September 30,
2021 2020 2021 2020
------(Rupees)-----

1,250,255	219,785	2,917,389	921,862
-	-	(1,640,000)	-
1,250,255	219,785	1,277,389	921,862
4,531	1,667	(41,149)	(6,125)
1,254,786	221,452	1,236,240	915,737

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. 2,112,401 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 September 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		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Profit for the period	6,331,634	4,424,974	16,014,899	9,282,641
Weighted average number of ordinary shares (in thousand)	576,163	576,163	576,163	576,163

13. CASH UTILIZED IN OPERATIONS

	(Unaudited)	
	September 30, 2021	September 30, 2020
Profit before taxation	17,251,139	10,198,378
Adjustment for non-cash charges and other items:		
Depreciation	117,915	83,818
Amortization	22,799	20,270
Depreciation on right-of-use assets	188,698	196,516
Rent concession on lease liability	(18,185)	(44,704)
Gain on termination of lease	-	(19,463)
Provision for impairment in long term investments	-	258,035
Provision for retirement and other service benefits	54,965	33,997
Dividend income	(14,960,170)	(6,978,068)
Royalty income	(960,423)	(790,891)
Income on bank deposits and other financial assets	(3,447,062)	(5,642,853)
Gain on disposal of property, plant and equipment	(2,363)	-
Write-off property, plant and equipment	-	11,945
Financial charges	58,254	88,153
Working capital changes (note 13.1)	254,142	(205,544)
	(1,440,291)	(2,790,411)
13.1 Working capital changes		
Decrease / (Increase) in current assets		
- Loans, advances, deposits and prepayments	1,168,673	(121,771)
- Other receivables	(261,099)	(60,683)
	907,574	(182,454)
Increase / (decrease) in current liabilities		
- Trade and other payables including other service benefits	(653,432)	(23,090)
	254,142	(205,544)

(Amounts in thousand)

14. CASH AND CASH EQUIVALENTS

	(Unaudited)	
	September 30, 2021	September 30, 2020
Short term investments	17,390,834	19,077,473
Cash and bank balances	268,358	4,024,568
	17,659,192	23,102,041

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			
As at September 30, 2021 (Unaudited)				
Financial assets at fair value through other comprehensive income				
- Treasury Bills	-	-	-	-
- Pakistan Investment Bonds	-	18,043,113	-	18,043,113
	-	18,043,113	-	18,043,113
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	3,691,121	-	3,691,121
As at December 31, 2020 (Audited)				
Financial assets at fair value through other comprehensive income				
- Treasury Bills	-	14,092,722	-	14,092,722
- Pakistan Investment Bonds	-	12,429,684	-	12,429,684
	-	26,522,406	-	26,522,406
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	13,807,537	-	13,807,537

(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) ----- Nine months ended September 30, 2021 September 30, 2020 ----- (Rupees) -----	
Parent Company		
Dividend paid	5,576,215	3,217,047
Reimbursements of expenses	-	58,765
Subsidiary companies		
Mark-up from subsidiaries	1,028,663	720,021
Disbursement of loan to subsidiaries	5,950,000	4,079,053
Repayment of loan by subsidiaries	12,550,000	-
Unwinding of discount on Term Finance Certificates	-	298,196
Dividend income	14,082,670	6,708,068
Investment in subsidiary company	20,362,982	-
Royalty income	960,423	790,891
Reimbursements made by the Company	2,028,013	1,508,167
Reimbursements to the Company	52,434	109,942
Service fees against Corporate Guarantees	-	10,889
Associated companies		
Purchases and services	139,706	164,969
Contribution for Corporate Social Responsibility	30,460	101,876
Dividend paid	402,483	596,612
Reimbursements made by the Company	165,330	3,385
Reimbursements made to the Company	692	-
Joint venture		
Mark-up on loan	-	6,221
Repayment of loan	-	200,000
Dividend income	877,500	270,000
Reimbursements	133,024	86,497
Others		
Remuneration of key management personnel	491,136	442,171
Reimbursements to key management personnel	1,249	2,019
Contribution to staff retirement benefit funds	155,367	122,980
Dividend paid	821,052	183,187
Directors' Fee	73,425	93,214

(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 October 13, 2021 has approved an interim cash dividend of Rs. 3.5 per share for the year ending December 31, 2021, amounting to Rs. 4,673,548 of which the proportionate share of the Company amounts to Rs. 2,629,592.

17.2 The Board of Directors of Engro Polymer and Chemicals Limited, a subsidiary company, in its meeting held on October 15, 2021 has approved an interim cash dividend of Rs. 3 per share for the year ending December 31, 2021, amounting to Rs. 2,726,770 of which the proportionate share of the Company amounts to Rs. 1,532,200.

17.3 The Board of Directors of Engro Vopak Terminal Limited, a joint venture, in its meeting held on October 14, 2021 has approved an interim cash dividend of Rs. 6.17 per share for the year ending December 31, 2021, amounting to Rs. 555,000 of which the proportionate share of the Company amounts to Rs. 277,500.

17.4 The Board of Directors of the Company in its meeting held on October 22, 2021 has approved an interim cash dividend of Rs. 5 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 October 22, 2021 by the Board of Directors of the Company.


Muhammad Abdul Aleem
Director


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 September 30, 2021


(Amounts in thousand)	Note	(Unaudited) September 30, 2021	(Audited) December 31, 2020
		------(Rupees)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	274,376,139	261,957,144
Right-of-use assets		9,142,286	6,991,760
Intangible assets		1,281,598	1,087,281
Long term investments	7	34,133,756	32,045,438
Deferred taxation		51,023	80,434
Financial assets at amortized cost		3,484,778	5,160,833
Derivative financial instruments	8	97,083	-
Net investment in leases		44,750,334	44,557,411
Long term loans, advances and other receivables		2,593,397	2,109,917
		369,910,394	353,990,218
Current assets			
Stores, spares and loose tools	9	9,403,690	9,069,394
Stock-in-trade	10	21,284,760	17,938,391
Trade debts		59,073,179	50,616,507
Loans, advances, deposits and prepayments		11,371,834	3,861,287
Other receivables		23,423,753	18,529,010
Accrued income		381,856	598,940
Contract assets		5,805,250	5,714,977
Current portion of net investment in leases		3,771,477	3,255,211
Short term investments		80,363,123	93,492,881
Cash and bank balances		32,899,194	23,353,283
		247,778,116	226,429,881
Assets classified as held for sale		67,054	67,054
TOTAL ASSETS		617,755,564	580,487,153

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

(Amounts in thousand)

	Note	(Unaudited) September 30, 2021	(Audited) December 31, 2020
------(Rupees)-----			
EQUITY & LIABILITIES			
Equity			
Share capital		5,761,632	5,761,632
Share premium		13,068,232	13,068,232
Revaluation reserve on business combination		-	2,678
Maintenance reserve		156,301	156,301
Exchange revaluation reserve		725,271	682,940
Hedging reserve		(26,623)	(26,173)
General reserve		4,429,240	4,429,240
Remeasurement of investments		83,510	-
Remeasurement of post-employment benefits		(83,754)	(83,754)
Unappropriated profit		135,499,977	124,424,783
		<u>153,852,154</u>	<u>142,654,247</u>
		159,613,786	148,415,879
Non-controlling interest		77,430,950	71,178,776
		<u>237,044,736</u>	<u>219,594,655</u>
Liabilities			
Non-Current liabilities			
Borrowings	11	134,911,617	135,230,145
Deferred taxation		15,143,576	14,568,338
Lease liabilities		48,984,157	50,624,880
Deferred liabilities		2,705,010	2,713,632
Long term provisions		10,428,127	14,488,376
		<u>212,172,487</u>	<u>217,625,371</u>
Current Liabilities			
Trade and other payables			
Accrued interest / mark-up		87,170,511	86,502,884
Current portion of:		3,549,756	1,372,323
- borrowings		21,144,704	22,688,492
- lease liabilities		9,079,498	4,905,787
- deferred liabilities		747,559	730,648
- long term provisions		16,665,854	11,691,978
Taxes payable		12,798,263	2,493,198
Short term borrowings		12,438,374	12,505,120
Dividend payable		4,630,684	-
Unclaimed dividends		313,138	376,697
		<u>168,538,341</u>	<u>143,267,127</u>
Total Liabilities		380,710,828	360,892,498
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		617,755,564	580,487,153

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

consolidated condensed interim statement
of profit or loss (unaudited)
for the nine months ended September 30, 2021

(Amounts in thousand)

	Note	Quarter ended		Nine months ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
------(Rupees)-----					
CONTINUING OPERATIONS					
Net revenue		84,261,643	75,333,480	223,580,860	182,496,730
Cost of revenue		(61,269,002)	(53,512,499)	(152,941,601)	(127,751,651)
Gross profit		22,992,641	21,820,981	70,639,259	54,745,079
Selling and distribution expenses		(1,972,173)	(2,352,657)	(5,435,795)	(5,528,201)
Administrative expenses		(1,458,196)	(1,710,401)	(4,284,682)	(4,514,377)
Other income		2,159,446	1,873,512	7,847,361	8,873,580
Other operating expenses		(2,393,631)	(232,227)	(5,569,937)	(3,880,375)
Reversal of expected credit loss on subsidy receivable from Government of Pakistan		108,293	-	272,710	-
Operating profit		19,436,380	19,399,208	63,468,916	49,695,706
Finance cost		(3,590,805)	(2,672,725)	(11,539,725)	(13,937,754)
Share of income from joint venture and associates		531,391	803,938	2,408,679	1,947,034
Profit before taxation		16,376,966	17,530,421	54,337,870	37,704,986
Taxation	13	(4,983,033)	(1,984,346)	(13,832,920)	(6,363,965)
Profit from continuing operations		11,393,933	15,546,075	40,504,950	31,341,021
DISCONTINUED OPERATIONS					
Loss from discontinued operations (attributable to Owners of the Holding Company)	14	(655)	(2,342)	(1,091)	(268,487)
Profit for the period		11,393,278	15,543,733	40,503,859	31,072,534
Profit attributable to:					
- Owners of the Holding Company		6,119,218	9,286,253	23,172,575	18,345,418
- Non-controlling interest		5,274,060	6,257,480	17,331,284	12,727,116
		<u>11,393,278</u>	<u>15,543,733</u>	<u>40,503,859</u>	<u>31,072,534</u>
Earnings / (loss) per share - basic and diluted					
- continuing operations		10.62	16.12	40.22	32.31
- discontinued operations		-	-	-	(0.47)
	15	<u>10.62</u>	<u>16.12</u>	<u>40.22</u>	<u>31.84</u>

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

consolidated condensed interim statement
of comprehensive income (unaudited)
for the nine months ended September 30, 2021

(Amounts in thousand)

	Quarter ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(Rupees)			
Profit for the period	11,393,278	15,543,733	40,503,859	31,072,534
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Unrealized gain on remeasurement of investment classified at fair value through other comprehensive income (FVOCI)	(18,761)	(309,870)	(13,573)	22,393
Fair value gain on derivative financial instruments	(6,181)	-	97,083	-
Hedging reserve - cash flow hedges				
Loss arising during the period	-	-	-	-
Reclassification adjustments for profit included in profit or loss	(17)	(320)	(450)	(756)
Hedging reserve - reclassified to statement of profit or loss	(17)	(320)	(450)	(756)
Revaluation reserve on business combination	(203)	10,058	(4,109)	-
Exchange differences on translation of foreign operations	75,240	(50,622)	42,331	351,141
	50,078	(350,754)	121,282	372,778
Income tax relating to:				
- Hedging reserve - cash flow hedges	-	-	-	-
- Revaluation reserve on business combination	-	(2,917)	2,047	-
	-	(2,917)	2,047	-
Other comprehensive income for the period, net of tax	50,078	(353,671)	123,329	372,778
Total comprehensive income for the period	11,443,356	15,190,062	40,627,188	31,445,312
Total comprehensive income attributable to:				
- Owners of the Holding Company	6,171,370	8,949,998	23,297,335	18,718,196
- Non-controlling interest	5,271,986	6,240,064	17,329,853	12,727,116
	11,443,356	15,190,062	40,627,188	31,445,312
Total comprehensive income attributable to:				
- Continuing operations	11,444,011	15,192,404	40,628,279	31,713,799
- Discontinued operations	(655)	(2,342)	(1,091)	(268,487)
	11,443,356	15,190,062	40,627,188	31,445,312

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive

consolidated condensed interim
statement of changes in equity (unaudited)
for the nine months ended september 30, 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 nine months ended September 30, 2020	-	-	-	-	-	-	-	-	18,345,418	-	18,345,418	12,727,116	31,072,534
Profit for the period	-	-	-	-	-	-	-	-	18,345,418	-	18,345,418	12,727,116	31,072,534
Other comprehensive income / (loss)	-	-	-	351,141	(756)	-	22,393	-	-	-	372,778	-	372,778
	-	-	-	351,141	(756)	-	22,393	-	18,345,418	-	18,716,196	12,727,116	31,445,312
Transactions with owners													
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(5,188,933)	(5,188,933)
Final cash dividend for the year ended December 31, 2019 @ Rs. 1.00 per share	-	-	-	-	-	-	-	-	(576,163)	-	(576,163)	-	(576,163)
First Interim cash dividend for the year ended December 31, 2020 @ Rs. 6.00 per share	-	-	-	-	-	-	-	-	(3,456,979)	-	(3,456,979)	-	(3,456,979)
Second Interim cash dividend for the year ending December 31, 2020 @ Rs. 8.00 per share	-	-	-	-	-	-	-	-	(4,609,306)	-	(4,609,306)	-	(4,609,306)
	-	-	-	-	-	-	-	-	(8,642,448)	-	(8,642,448)	(5,188,933)	(13,831,381)
Balance as at September 30, 2020 (Unaudited)	5,761,632	13,068,232	12,880	156,301	999,241	(25,725)	4,429,240	22,393	123,431,510	(94,020)	147,721,684	65,141,623	212,863,307
Total comprehensive income for the nine months ended September 30, 2020	-	-	-	-	-	-	-	-	6,754,905	-	6,754,905	6,284,155	13,039,060
Profit for the period	-	-	(10,202)	-	(276,301)	(448)	-	(22,393)	6,754,905	-	6,754,905	6,284,155	13,039,060
Other comprehensive income / (loss)	-	-	(10,202)	-	(276,301)	(448)	-	(22,393)	10,266	-	(290,078)	(1,903)	(300,981)
	-	-	(10,202)	-	(276,301)	(448)	-	(22,393)	6,754,905	10,266	6,455,827	6,282,252	12,738,079
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	-	-	-	-	-	-	-	-	-	-	-	(3,046,623)	(3,046,623)
Third Interim cash dividend for the year ended December 31, 2020 @ Rs. 10.00 per share	-	-	-	-	-	-	-	-	(5,761,632)	-	(5,761,632)	(245,099)	(6,006,731)
	-	-	-	-	-	-	-	-	(5,761,632)	-	(5,761,632)	(245,099)	(6,006,731)
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)	148,415,879	71,178,776	219,594,655
Balance as at January 1, 2021 (Audited)	5,761,632	13,068,232	2,678	156,301	682,940	(26,173)	4,429,240	-	124,424,783	(83,754)	148,415,879	71,178,776	219,594,655
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	-	-	-	23,172,575	-	17,053,357	17,331,284	40,503,859
Profit for the period	-	-	-	-	-	-	-	-	23,172,575	-	17,053,357	17,331,284	40,503,859
Other comprehensive income / (loss)	-	-	(2,678)	-	42,331	(450)	-	83,510	2,047	-	72,608	(1,431)	123,329
	-	-	(2,678)	-	42,331	(450)	-	83,510	23,174,622	-	23,297,335	17,329,853	40,627,188
Transactions with owners													
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(11,077,679)	(11,077,679)
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 ending December 31, 2021 @ Rs.12.00 per share	-	-	-	-	-	-	-	-	(6,913,959)	-	(6,913,959)	-	(6,913,959)
Second Interim cash dividend for the year ending December 31, 2021 @ Rs.7.00 per share	-	-	-	-	-	-	-	-	(4,033,142)	-	(4,033,142)	-	(4,033,142)
	-	-	-	-	-	-	-	-	(12,099,428)	-	(12,099,428)	(11,077,679)	(23,177,107)
Balance as at September 30, 2021 (Unaudited)	5,761,632	13,068,232	-	156,301	725,271	(26,623)	4,429,240	83,510	135,499,977	(83,754)	159,619,786	77,430,950	237,044,736

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

consolidated condensed interim
statement of cash flows (unaudited)
for the nine months ended September 30, 2021

(Amounts in thousand)

Note	Nine months ended	
	September 30, 2021	September 30, 2020
------(Rupees)-----		
Cash flows from operating activities		
Cash generated from operations	50,063,824	50,897,494
Retirement and other service benefits paid	(145,094)	(157,569)
Finance cost paid on lease liability	(2,692,509)	(4,480,601)
Taxes paid	(5,119,009)	(3,988,455)
Proceeds from net investment in leases	2,284,657	1,934,381
Repayment of lease liability	(2,592,506)	(2,326,742)
Finance income received on net investment in leases	4,746,623	4,108,616
Other finance cost paid	(8,423,514)	(11,316,564)
Deferred income	381,015	58,762
Bank balance held as margin	21,687	353,830
Long term loans and advances - net	17,385	178,585
Net cash generated from operating activities	38,542,559	35,261,737
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(17,851,114)	(11,248,986)
Sale proceeds on disposal of property, plant and equipment	20,648	68,145
Investments made during the period	(216,156,869)	(110,629,919)
Proceeds from sale of investments	249,935,923	122,020,629
Income on deposits / other financial assets	3,711,872	6,240,404
Investment in associated company	(474,839)	(49,053)
Dividends received	877,500	270,000
Net cash generated from investing activities	20,063,121	6,671,220
Cash flows from financing activities		
Proceeds from borrowings	5,761,378	14,549,000
Repayments of borrowings	(14,581,003)	(10,059,664)
Repayment of loan by joint venture	-	206,221
Proceeds from issuance of shares - net	-	2,625,000
Lease rentals paid	(1,724,330)	(1,398,447)
Dividends paid	(18,045,988)	(9,799,976)
Net cash utilized in financing activities	(28,589,943)	(3,877,866)
Net increase in cash and cash equivalents	30,015,737	38,055,091
Effect of exchange rate changes on cash and cash equivalents	480,261	-
Cash and cash equivalents at beginning of the period	47,481,472	24,183,891
Cash and cash equivalents at end of the period	77,977,470	62,238,982

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

notes to the consolidated condensed interim
financial statements (unaudited)
for the nine months ended September 30, 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	
	September 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
Associated Company:		
- FrieslandCampina Engro Pakistan Limited	39.9	39.9

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. 19,965. 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 Inifiniti (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. The share purchase transaction has been executed and Engro Connect (Private) Limited has acquired 100% shareholding of Engro Enfrashare (Private) Limited
- 1.5 During the period ended September 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 period ended September 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 nine months ended September 30, 2021 presented in 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 13, 2021 notified that in respect of companies holding financial assets due from the Government of Pakistan in respect of circular debt, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses (ECL) method shall not be applicable till June 30, 2022.

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)

	(Unaudited) September 30, 2021	(Audited) December 31, 2020
	------(Rupees)-----	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value (notes 6.1 and 6.2)	246,967,805	232,640,693
Capital work in progress (CWIP) - Expansion and other projects	24,200,638	26,568,260
Capital spares and standby equipments	3,207,696	2,748,191
	<u>274,376,139</u>	<u>261,957,144</u>
6.1 Following additions including transfers from CWIP were made to operating assets during the period / year:		
Land	72,021	18,524
Building	2,554,730	2,543,699
Pipelines	171,195	1,999
Plant and machinery	18,878,200	2,546,425
Furniture, fixtures and equipment	2,764,984	3,181,278
Vehicles	505,902	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. 301,549 (December 31, 2020: Rs. 460,366), having net book value of Rs. 153,667 (December 31, 2020: Rs. 145,130) were disposed / written off for Rs. 20,648 (December 31, 2020: Rs.198,552).		

	(Unaudited) September 30, 2021	(Audited) December 31, 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)	474,839	49,053
- others	-	99,996
- Asset reclassified from held-for-sale	-	1,325,595
- Share of profit for the period / year (note 7.2)	2,408,679	2,796,374
- Unrealized gain on remeasurement of investment	42,165	-
- Provision adjustment against tax contingency	40,135	-
Less:		
- Dividend received during the period / year	(877,500)	(1,395,000)
- Provision adjustment against tax contingency	-	(4,385)
- Impairment recognised	-	(789,195)
Balance at end of the period / year	<u>34,133,756</u>	<u>32,045,438</u>
7.1 During the period, Engro Energy Limited (EEL) subscribed to an additional 32,040,388 (December 31, 2020: Nil) ordinary shares of Sindh Engro Coal Mining Company Limited (SECMC) while maintaining its percentage shareholding as at September 30, 2021 at 11.90% (December 31, 2020: 11.90%).		

(Amounts in thousand)

	(Unaudited) September 30, 2021	(Audited) December 31, 2020
	------(Rupees)-----	
7.2 Details of share of profit for the period / year are as follows:		
- Sindh Engro Coal Mining Company Limited	789,471	1,327,371
- FrieslandCampina Engro Pakistan Limited	781,637	70,594
- Engro Vopak Terminal Limited	837,366	1,399,385
- Siddiqsons Energy Limited	205	(976)
	<u>2,408,679</u>	<u>2,796,374</u>

8. DERIVATIVE FINANCIAL INSTRUMENTS

As at September 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) September 30, 2021	(Audited) December 31, 2020
Rupees			%age	------(Rupees)-----	
1,000,000	July 2, 2021	June 3, 2026	9.85%	20,721	-
4,000,000	July 2, 2022	June 3, 2026	10.35%	76,362	-
				<u>97,083</u>	<u>-</u>

9. STORES, SPARES AND LOOSE TOOLS

9.1 Details of stores, spares and loose tools are as follows:		
- Engro Fertilizers Limited	6,566,070	6,499,112
- Engro Polymer and Chemicals Limited	1,959,025	1,784,734
- Engro Energy Limited	523,751	514,229
- Elengy Terminal Pakistan Limited	237,139	213,874
- Engro Eximp Agriproducts (Private) Limited	117,705	57,445
	<u>9,403,690</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) September 30, 2021	(Audited) December 31, 2020
	------(Rupees)-----	
	10,554,732	7,533,175
	7,140,446	6,194,509
	2,890,748	3,351,783
	698,836	858,924
	<u>21,284,760</u>	<u>17,938,391</u>

10.2 During the period, stock-in-trade amounting to Rs. 198,261 (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, Habib Bank Limited and MCB Bank Limited amounting to Rs. 676,321, Rs. 18,211 and Rs. 1,767,874 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. 2,750,000, Rs. 2,000,000, Rs. 1,000,000 and Rs. 260,700 respectively.

Engro Elengy Terminal (Private) Limited (EETPL)

11.3 The principal amounts outstanding for repayment as at September 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 September 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 September 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 September 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 September 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 September 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 September 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 September 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 Company amounting 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 were released and shares of subsidiaries Engro Fertilizer Limited (EFERT) and Friesland Campina Engro Pakistan Limited (FCEPL) of quantities 70,278,512 and 13,032,238 respectively were pledged against this facility.

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.
- 12.1.8 On June 27, 2019, the EEL furnished a bank guarantee amounting to Rs. 100,000, which expired on October 4, 2019, to Frontier Works Organization (FWO) along with a proposal for participation as equity partner for the white oil pipeline project being developed by FWO. Last year, the Company refurbished this bank guarantee which will expire on November 29, 2021 on signing of Joint Development Agreement (JDA). The management is of the opinion that JDA will be converted into a Joint Venture with FWO at a later stage.

(Amounts in thousand)

- 12.1.9 National Bank of Pakistan (NBP) has issued Standby Letters of Credit (Equity SBLCs) worth USD 18,900 and USD 51,100 (in Pak Rupee equivalent), respectively, on behalf of the EEL for its equity commitments related to SECMC and EPTL in favour of the Inter-creditor Agent (Habib Bank Limited) and the Project Companies (SECMC and EPTL). The Equity SBLCs have been furnished for subscription and / or contribution of sponsor equity pursuant to the Sponsor Support Agreements (SSAs) originally dated February 26, 2016 and February 1, 2016, respectively, and both as amended and restated from time to time. Equity SBLCs expire as per the terms of the relevant SSAs. These SBLCs are secured through lien over cash or cash equivalent of ECL, the Parent Company. As of September 30, 2021, the outstanding amount of these SBLCs are USD 8,635 (December 31, 2020: 8,635) for SECMC and the Equity SBLC issued for EPTL has been fully utilized and stands discharged.

Engro Polymer & Chemicals Limited

- 12.1.10 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Company as at September 30, 2021 amount to Rs. 3,848,000 (December 31, 2020: Rs. 3,248,000). The amount utilized there against as at September 30, 2021 is Rs. 3,515,984 (December 31, 2020: Rs. 3,017,021).
- 12.1.11 The facility for opening letters of credit as at September 30, 2021 aggregates to Rs. 21,297,495 (December 31, 2020: Rs. 28,463,787). The amount utilized thereagainst as at June 30, 2021 was Rs. 8,080,356 (December 31, 2020: Rs. 3,547,197).
- 12.1.12 As at September 30, 2021, the outstanding bank guarantees of Engro Peroxide (Private) Limited amounted to Rs. 308,128 (December 31, 2020: Rs. 3,500). The aggregate facilities amounting to Rs. 500,000 (December 31, 2020: Rs. 50,000) have been extended in favor of the Company, Engro Peroxide (Private) Limited and Engro Plasticizer (Private) Limited collectively.

Engro Vopak Terminals Limited

- 12.1.12 The facility for opening letters of credit and bank guarantees as at September 30, 2021 aggregates to Rs. 43,074 (December 31, 2020: Rs. 61,227).

12.2 Commitments

Commitments in respect of capital and revenue expenditure contracted but not incurred amounts to Rs. 22,240,495 (December 31, 2020: Rs 12,009,107).

- 12.2.1 This include the the commitments pertaining to the ETPL. which has provided bank guarantee amounting to Rs.1,866,265 (December 31, 2020: Rs.1,127,350) from MCB Bank Limited in favor of Nazir of the Court to comply with the interim orders of the Court as explained in note 31.1 to the annual audited consolidated financial statements. During the period, the Subsidiary Company filed application to the Court to adjust payment of advance tax against the bank guarantee provided above which was duly allowed by the Court.

13. TAXATION

As at September 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.

(Amounts in thousand)

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. 2,112,401 on inter-corporate dividend has been recognized in these unconsolidated 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, 2016 and 2018. EFERT has filed appeals in respect of tax years 2015 and 2016 and is in the process of filing an appeal for the tax year 2018 before the CIR(A) against the disallowances made which mainly include certain transactions treated as revenue, inadmissibility of expenses, proration of expenses to exempt subsidy income 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 for tax year 2015, Rs. 3,643,000 for tax year 2016 and Rs. 4,856,224 for tax year 2018. EFERT is confident of a favorable outcome and hence no further provision in respect of the abovementioned tax years has been recognized in these consolidated condensed interim financial statements.

13.5 During the period, Appellate Tribunal Inland Revenue (ATIR) confirmed the Commissioner Inland Revenue (Appeals) [CIR(A)] order in respect of sales tax audit for the period from July 2016 to June 2017 having demand of Rs 1,006,000. The ATIR maintained the levy of further tax on fertilizer sales to unregistered persons. Consequently, the stay order from SHC, directing the department not to enforce recovery of the demand until the appeal before ATIR is decided, is no longer enforceable. EFERT is in the process of filing a reference application before SHC for injunctive relief against the ATIR order. Management believes that the chances of ultimate success are good, hence, no provision has been made in this respect in the consolidated condensed interim financial statements.

Engro Powergen Thar (Private) Limited (EPTL)

13.6 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.

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 September 30, 2021, EPTL has received formal tax orders for all tax years and there is no further tax liability.

(Amounts in thousand)

Engro Energy Limited

13.7 During the period, the ACIR under section 122 (5A), in respect of tax year 2020, amended the tax return filed by EEL vide order dated September 28, 2021 and made certain additions and disallowances that primarily pertains to profit on debt on account of loans from EEL claimed as a deduction and receipts on account of project management services to be taxed under Normal Tax Regime (NTR) / Minimum Tax Regime (MTR). EEL intends to file an appeal before CIR(A). Based on the views of tax advisor and legal consultant of the EEL, the management believes that the Company has a good case on merits and expects a favourable outcome. Accordingly, no provision has been made in respect of the aforementioned demand in this condensed interim financial information.

(Unaudited)			
Quarter ended		Nine months ended	
September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020

(Rupees)

14. LOSS FROM DISCONTINUED OPERATIONS

Revenue	-	-	-	8,804
Cost of revenue	-	-	-	(44,401)
Gross loss	-	-	-	(35,597)
Administrative expenses	-	-	(2,642)	(98,486)
Other operating expenses	(1,902)	18	(3,021)	(149,964)
Other income	1,247	2,641	4,572	21,918
Operating profit / (loss)	(655)	2,659	(1,091)	(262,129)
Taxation	-	-	-	(1,357)
Profit / (loss) for the period	(655)	2,659	(1,091)	(263,486)
Net cash inflow / (outflow) from operating activities	440	444	4,109	(145,596)
Net cash inflow / (outflow) from investing activities	-	-	-	(28,754)
Net increase / (decrease) in cash generated by the subsidiary	440	444	4,109	(174,350)

(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:

	Quarter ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(Unaudited)			
	(Rupees)			
Profit / (loss) for the period, attributable to the owners of the Holding Company from:				
- continuing operations	6,119,873	9,288,595	23,173,666	18,613,905
- discontinued operations	(655)	(2,342)	(1,091)	(268,487)
	<u>6,119,218</u>	<u>9,286,253</u>	<u>23,172,575</u>	<u>18,345,418</u>
	(Number of shares)			
Weighted average number of ordinary shares (in thousand)	576,163	576,163	576,163	576,163

16. CASH GENERATED FROM OPERATIONS

Profit / (loss) before taxation from:

- continuing operations
- discontinued operations

	(Unaudited)	
	Nine months ended	
	September 30, 2021	September 30, 2020
	(Rupees)	
	54,337,870	37,704,986
	(1,091)	(267,130)
	<u>54,336,779</u>	<u>37,437,856</u>

Adjustment for non-cash charges and other items:

Depreciation and amortization	10,616,176	10,559,928
Loss / (gain) on disposal of property, plant and equipment	27,038	(14,754)
Rent concession on lease liability	(18,185)	(44,704)
Gain on termination of lease	-	(19,463)
Provision for Impairment	106,723	132,732
Provision for retirement and other service benefits	150,293	117,931
Provisions - net	183,720	1,451,942
Income on deposits / other financial assets	(6,555,353)	(8,291,403)
Finance income on net investment in lease	(3,776,072)	(4,108,616)
Finance cost on lease liability	2,888,869	2,981,217
Loss on remeasurement of GIDC provision	1,183,989	-
Reversal of ECL on subsidy receivable from GoP	(272,710)	-
Exchange loss on lease liability	3,017,140	3,725,055
Exchange gain on net investment in lease	(3,102,807)	(3,374,197)
Share of income from joint venture and associates	(2,408,678)	(1,947,034)
Finance cost	10,889,316	12,970,899
Foreign currency translations	590,455	1,148,914
Working capital changes (note 16.1)	(17,792,869)	(1,828,809)
	<u>50,063,824</u>	<u>50,897,494</u>

(Amounts in thousand)

16.1 Working capital changes

(Increase) / Decrease in current assets

- Stores, spares and loose tools
- Stock-in-trade
- Trade debts
- Loans, advances, deposits and prepayments
- Other receivables - net

Decrease / (increase) in current liabilities

- Trade and other payables

17. CASH AND CASH EQUIVALENTS

- Cash and bank balances
- Short term investments
- Short term borrowings

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)

	(Unaudited)	
	Nine months ended	
	September 30, 2021	September 30, 2020
	(Rupees)	
	(302,744)	(2,219,419)
	(3,838,259)	2,513,916
	(8,307,427)	(6,490,631)
	(6,933,928)	(1,063,290)
	(4,019,995)	3,857,404
	<u>(23,402,353)</u>	<u>(3,402,020)</u>
	5,609,484	1,573,211
	<u>(17,792,869)</u>	<u>(1,828,809)</u>
	32,899,194	23,857,788
	54,953,714	47,922,806
	(9,875,438)	(9,541,612)
	<u>77,977,470</u>	<u>62,238,982</u>

(Amounts in thousand)

	Level 1	Level 2	Level 3	Total
	(Rupees)			
As at September 30, 2021 (Unaudited)				
Financial assets at fair value through profit or loss	-	22,780,314	-	22,780,314
Financial assets at fair value through other comprehensive income	-	26,723,509	-	26,723,509
Derivative financial instruments	-	97,083	-	97,083
As at December 31, 2020 (Audited)				
Financial assets at fair value through profit or loss	-	27,239,060	-	27,239,060
Financial assets at fair value through other comprehensive income	-	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)	
	Nine months ended	
	September 30, 2021	September 30, 2020
	------(Rupees)-----	
Parent Company		
Dividend paid	5,576,215	3,217,047
Reimbursements to Parent Company	-	58,765
Associated companies and joint venture		
Purchases and services	34,531,852	36,580,754
Dividend received	877,500	270,000
Dividend paid	405,274	600,645
Contribution for Corporate Social Responsibility	184,603	170,676
Payment against EPC contract	-	778,702
Reimbursements from	596,869	154,478
Reimbursements to	184,633	72,730
Loan received	-	206,221
Loan repaid	547,301	2,566,038
Mark-up on borrowings	1,648,840	1,652,467
Key Management Personnel		
Remuneration paid to key management personnel / Directors	1,051,426	1,499,367
Reimbursement of expenses	1,356	2,040
Dividend paid	821,052	183,187
Directors' fees	73,425	93,214
Contribution for retirement benefits	578,171	484,806

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		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
----- (Rupees) -----				
Revenue for the period				
Fertilizer	37,382,860	37,435,226	92,742,117	78,138,036
Polymer	18,826,715	10,057,226	49,322,813	22,931,520
Terminal	3,272,118	3,373,842	9,541,478	10,284,050
Power and mining	22,848,390	22,872,887	65,755,631	66,718,752
Other operations	11,282,927	5,380,267	22,329,049	12,294,269
Elimination - net	(9,351,367)	(3,785,968)	(16,110,228)	(7,869,897)
Consolidated	84,261,643	75,333,480	223,580,860	182,496,730
Profit for the period				
Fertilize	4,411,623	7,033,842	14,920,750	11,490,682
Polymer	3,106,504	1,880,688	10,371,848	2,103,309
Terminal	93,212	492,644	1,239,473	2,065,333
Power and mining	4,031,428	5,055,821	11,726,212	12,953,903
Other operations	5,190,818	4,417,300	15,729,492	8,332,932
Elimination - net	(5,439,652)	(3,334,220)	(13,482,825)	(5,605,138)
Consolidated	11,393,933	15,546,075	40,504,950	31,341,021

	(Unaudited)	(Audited)
	September 30, 2021	December 31, 2020
----- (Rupees) -----		
Assets		
Fertilizer	127,135,569	131,713,375
Polymer	80,102,940	69,093,661
Terminal	63,978,092	62,338,352
Power and mining	242,848,310	219,665,455
Other operations	150,394,132	145,998,367
Elimination - net	(46,703,479)	(48,322,057)
Consolidated	617,755,564	580,487,153
Liabilities		
Fertilizer	81,507,567	84,982,635
Polymer	52,002,810	42,967,530
Terminal	56,677,028	55,528,898
Power and mining	174,159,407	162,803,761
Other operations	38,319,776	34,313,727
Elimination - net	(21,955,760)	(19,704,053)
Consolidated	380,710,828	360,892,498

(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 October 22, 2021 has approved an interim cash dividend of Rs. 5 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 October 22, 2021 by the Board of Directors of the Holding Company.


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

اینٹروکارپوریشن لمیٹڈ

ڈائریکٹرز رپورٹ

اینٹروکارپوریشن لمیٹڈ کے ڈائریکٹرز اپنی رپورٹ اور منجند عبوری مالی گوشوارے برائے 9 ماہ ختم شدہ 30 ستمبر 2021 پیش کرنے پر مسرت محسوس کر رہے ہیں۔

COVID-19 کی وباء 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۔ تاہم، عالمی طور پر سپلائی چین کے مسائل سے اجناس کی قیمتوں میں اضافہ اور مالیاتی مسائل ملکی معیشت پر ہنگامی کے دباؤ کو بڑھا رہے ہیں، جس سے مقامی طلب پر منفی دباؤ آ سکتا ہے۔

اینٹروکارپوریشن کا وسیع تر پورٹ فولیو ان مشکل حالات سے نکلنے کی صلاحیت کا حامل ہے۔ ہمارا پورٹ فولیو اجناس کی قیمتوں میں اضافے سے مثبت اثرات حاصل کرنے کے لیے مرتب کیا گیا 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 ہیلتھ ڈیک اور سائٹ پر ہی قرنطینہ سہولیات ہم پہنچائی جا رہی ہیں۔

پاکستان کے دیرینہ مسائل کو حل کرنے کے ہمارے بیانیہ کے پیش نظر، اینٹرو نے ایک مستحکم ادارہ بننے کی کوششیں جاری رکھی ہوئی ہیں اور اسی مقصد کو پانے کے لیے آئیڈیاز پر کام ہو رہا ہے۔ کمپنی نے اقوام متحدہ کی جزل اسمبلی کے ساتھ مدعو کئے گئے ورلڈ اکنامک فورم کے سٹین اہل ڈیولپمنٹ امپیکٹ سمٹ 2021 (SDIS21) موثر انداز میں شرکت کی۔ اس سمٹ کا مقصد عالمی رہنماؤں کو مل کر اس وباء کے خاتمے ایک دوسرے کی مدد کے لیے تبادلہ خیال کا موقع فراہم کرنا تھا۔ اینٹرو نے بھی ورلڈ اکنامک فورم کے انٹرنیشنل بزنس کونسل کے اسپانسر کردہ ایک معاہدے پر دستخط کئے ہیں تاکہ اسٹیک ہولڈرز کے سرمایہ کے عوامل کو اختیار اور تعمیل کی جائے۔ اینٹرو پاکستان کا پہلا ادارہ ہے جس نے اس معاہدے پر دستخط کئے ہیں۔

اینٹرو نے 2018 میں تمام گروپ کی کمپنیوں (OneSAP) میں ERP ہارمونائزیشن پروجیکٹ پر کام شروع کر دیا ہے اور اکتوبر 2021 میں حتمی سنگ میل بھی عبور کر لیا ہے۔ پاکستان میں پرائیویٹ سیکٹر کے سب سے بڑے ڈیجیٹل بزنس ٹرانسفارمیشن کی حیثیت میں توثیق کے بعد، کمپنی نے پورے گروپ میں تمام اہم

پروہس کو اسٹینڈرڈائز اور ڈیجیٹائز کیا ہے۔ عالمی وباء سے قبل پاکستان کے چند ”ڈیجیٹل ریڈی“ اداروں میں سے ایک کے طور پر، ERP سسٹم نے گروپ کو Covid-19 سے پیدا ہونے والے مسائل سے نبرد آزما ہونے میں مدد کے ساتھ بزنس کو بھرپور انداز میں جاری رکھنے کے قابل بنایا اور اس کے ساتھ ڈیٹا بیس کے ذریعے فیصل سازی کو یقینی بنایا۔

کاروباری جائزہ

کمپنی کی مشترکہ آمدنی 23 فیصد اضافے کے ساتھ 223,581 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت میں 182,497 ملین روپے تھی۔ اسی طرح مشترکہ بعد از ٹیکس منافع 40,504 ملین روپے رہا جو گزشتہ مساوی مدت سے 31 فیصد زائد ہے، جبکہ شیئر ہولڈرز کو منسوب ہونے والا بعد از ٹیکس منافع بھی گزشتہ سال کی اسی مدت کے 18,345 ملین روپے کے مقابلے میں بڑھ کر 23,173 ملین روپے رہا۔ نتیجتاً فی حصص میں ہر ایک شیئر پر منافع 40.22 روپے بنتا ہے۔ منافع میں اضافہ فریڈائزرز اور پیٹرولیم کیل بزنسز کے منافع میں بہتری کی بدولت ہے۔

انفرادی طور پر، کمپنی نے گزشتہ سال کی اسی مدت کے 9,283 ملین روپے کے مقابلے میں 16,015 ملین روپے کا منافع کمایا، نتیجے میں ہر فی حصص پر منافع 27.80 روپے بنتا ہے۔ انفرادی منافع میں اضافہ کی بنیادی وجہ ڈیلی اداروں کی جانب سے ڈیولپمنٹ میں اضافہ واقع ہونا ہے۔

فریڈائزرز

2021 میں Covid-19 کے سبب لاک ڈاؤن کے معمولی اثر کے ساتھ مقامی مارکیٹ میں زرعی شعبے نے زبردست کارکردگی دکھائی۔ سہ ماہی کے دوران اجناس کی قیمتیں مستحکم رہنے سے کسانوں کے منافع میں اضافہ اور یوریا صنعت کی مقدار میں گزشتہ سال کے مقابلے میں 9 فیصد اضافہ رہا۔

یوریا کی عالمی قیمتوں میں 2021 کی تیسری سہ ماہی کے اختتام تک امریکی ڈالر 669/6 (319,6 روپے فی یوری کے مساوی) تک اضافہ واقع ہوا جو کہ

2021 جون میں امریکی ڈالر 473/T (4,546 روپے فی یوری کے مساوی) تھیں۔ درآمدی یوریا کے مقابلے میں مقامی یوریا کی قیمت (1768 روپے فی یوری) میں تقریباً 72 فیصد رعایت دیکھی گئی۔ مزید برآں، زیر جائزہ مدت کے دوران صنعت نے یوریا کی مقامی پیداوار کے ذریعے 2 بلین امریکی ڈالر کی امپورٹ میں کمی لانے کے قابل بنایا۔

ڈی اے پی کی عالمی قیمتوں میں اسی مدت کے دوران تیزی سے اضافہ دیکھنے میں آیا جس کے تحت تیسری سہ ماہ کے اختتام پر قیمتیں امریکی ڈالر 680/T تک پہنچ گئیں۔ ڈی اے پی کی قیمتوں میں اضافہ اور فاسفیٹ والے فریڈائزرز پر رعایت کے معاملات میں تاخیر سے ڈی اے پی کی صنعت گزشتہ سال کی اسی مدت کے مقابلے میں 17 فیصد کمی رہی۔

اینٹرو فریڈائزرز کی یوریا کی پیداوار گزشتہ سال کی اسی مدت کے 1,694 KT کے مقابلے میں 1,560 KT رہی۔ ششماہی کے دوران یوریا کی فروخت گزشتہ سال کی اسی مدت میں 1,451 KT کے مقابلے میں 1,644 KT رہی اور فاسفیٹ کی سیلز 366 KT کے مقابلے میں 242 KT رہی۔

کمپنی کی آمدنی گزشتہ سال کی اسی مدت کے 78 بلین کے مقابلے میں 93 بلین روپے رہی جبکہ مجموعی منافع گزشتہ سال کے 24 بلین روپے کے مقابلے میں 31 بلین روپے ریکارڈ کیا گیا، کیونکہ یوریا کی زائد کھپت کے سبب بہتر منافع حاصل ہوا۔

اینٹرو فریڈائزرز، غیر ادا شدہ سیڈی اور سیلز ٹیکس ریفرنڈز کا مالیاتی بوجھ مسلسل برداشت کر رہا ہے جو کہ 14 بلین روپے ہے۔

پیٹرولیم کیلنڈر

اینٹرو پولیمر نے نیم مارچ 2021 کو نئے PVC پلانٹ کے کمرشل آپریشنز کا اعلان کیا اس طرح کمپنی پیداواری صلاحیت میں سالانہ 100 KT سے 295 KT 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 KT سالانہ تک پہنچ گئی۔

PVC کی عالمی قیمتیں بہت زیادہ بڑھ گئیں۔ تیزی کا یہ رجحان طلب میں اضافہ کے ساتھ سپلائی میں خلل آنے کی بدولت ہے۔

PVC کی مقامی مارکیٹ نے 2021 کی Q3 میں گزشتہ سہ ماہی کے مقابلے میں 30 فیصد اضافہ ریکارڈ کیا۔ اس کے علاوہ ای پولیمر نے اس مدت کے دوران ایکسپورٹ مواقع سے فائدہ اٹھایا (ایکسپورٹ کی مقدار 16 KT رہی) جس سے پی وی سی کی پیداوار میں اضافہ ہو گیا۔

دوسری جانب Chlor Alkali مارکیٹ میں کرونا کے سبب یورپ اور امریکہ میں ٹیکسٹائل برآمدات میں مندی کا ماحول رہا۔ نتیجتاً کوویڈ-19 کے دوران بڑے ایکسپورٹرز کے درمیان کم آپریٹنگ ریٹس رہے۔

زیر جائزہ مدت کے دوران اینٹرو پولیمر نے 49,323 ملین روپے آمدنی کمائی جو گزشتہ سال کی اسی مدت میں 22,931 ملین روپے تھی اور گزشتہ سال کی اسی مدت کے 2,103 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں 10,372 ملین روپے کا بعد از ٹیکس منافع کمایا۔ 9 ماہ کے دوران سب سے زیادہ منافع کا حصول سیلز کی مقدار میں زبردست اضافہ، موثر آپریشنز اور عالمی قیمتوں میں تیزی کی بدولت ہے۔

توانائی

کول مائن: کان کنی کا کام بہتر انداز میں جاری ہے، زیر جائزہ مدت کے دوران کان سے اینٹرو پاور جن تھر کو تقریباً 3 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 جس سے 52 فیصد تک اضافہ بوجھ ختم ہو جائے گا۔

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 82 فیصد لوڈ فیکٹر کے ساتھ 84.7 فیصد دستیابی کا ہدف حاصل کیا گیا اور نیشنل گرڈ کو 3,253 GWh بجلی فراہم کی گئی۔

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 گروڈ کو 615 GWh نیٹ الیکٹرک پاور آؤٹ پٹ فراہم کیا اور بجلی خریداری کی جانب سے زائد طلب کی بدولت گزشتہ سال کی اسی مدت کے 32 فیصد کے مقابلے میں 44 فیصد لوڈ فیکٹر حاصل کیا گیا۔ EPQL نے قرض کے خاتمے کی وجہ سے گزشتہ سال کی پہلی ششماہی کے 2,031 ملین روپے کے مقابلے میں 1,463 ملین روپے کا منافع حاصل کیا۔

ٹریڈینل آپریشنز

پاکستان کی قدرتی گیس کے خسارے کو کم کرنے کے لیے اینگروالٹی ٹریڈینل ایک اہم کردار ادا کر رہا ہے اور پاکستان کی گیس سپلائی میں 12% کی فراہمی دیتا ہے۔ کوویڈ 19 کی غیر یقینی صورت حال کے دوران تقریباً دو سال کی پلاننگ اور کوششوں کے ساتھ اینگروالٹی لمیٹڈ نے قطر ڈاکٹروں میں کامیابی کے ساتھ پاکستان کی پہلی ڈرائی ڈاکنگ ایکٹیوٹی مکمل کی۔ ڈرائی ڈاکنگ کی مدت کے دوران FSRU Sequoia نے گیس سپلائی کو فعال بنایا جس سے نیشنل انرجی سیکورٹی کو یقینی بنایا جا رہا ہے۔

اس مدت کے دوران LNG اور کیمیکلز ٹریڈینل دونوں کا منافع مثبت رہا۔ LNG ٹریڈینل نے گزشتہ سال 54 کے مقابلے میں 52 کارگو کو ہینڈل کیا، ایس ایس جی سی نیٹ ورک میں 158 bcf ری گیسیفائیڈ LNG ڈلیوری کی۔

کیمیکل ٹریڈینل نے گزشتہ سال کے 806 kT کے مقابلے میں 934 kT کا حقیقی تھرو پٹ حاصل کیا۔ مقدار میں کمی کی وجہ 2020 میں کرونا کے سبب لاک ڈاؤن کا نفاذ ہے۔

ٹیلی کمیونیکیشن انفراسٹرکچر

ٹیلی کام انفراسٹرکچر برنس نے اپنی رسائی میں مزید اضافہ جاری رکھا ہے اور پاکستان میں 1.09x کے کرائے داری کے تناسب کے ساتھ 2,030 ٹاور سائٹس کا سنگ میل عبور کر لیا ہے، جس کی بدولت پاکستان کے تمام موبائل نیٹ ورک آپریٹرز کو کیمیکل کر رہے ہیں۔

پاکستان میں ٹیلی کام شعبے کا تھری جی اور فور جی سبسکرائبر ہیں 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 ملین روپے کر دی ہے۔ اینگرو نے کنیکٹیوٹی 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 انفراسٹریز (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 انفراسٹریز کے تحت بلڈ ٹو سوٹ (BTS) ٹاور برنس کی توسیع کے لیے خاص طور پر مختص کی جائے گی، جس میں توانائی کے ذرائع کی موثر فراہمی، آپریشنز میں جدت، جدید مانیٹرنگ سلوشنز کی تنصیب اور کنیکٹیوٹی کی ویلیو چین میں دیگر سرمایہ کاری کے مواقع کی تلاش کے امور بھی شامل ہوں گے۔

شیر 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 والی مدت کے لیے ہر ایک حصص پر 5 روپے کا عبوری نقد منافع منقسمہ تجویز کرنے پر خوش ہے۔ اسی تناسب سے 9M 2021 کا ٹوٹل ڈیویڈنڈ 24.00 روپے کی 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 برنسز اور ان کی مالی پوزیشن بہتر ہونے کی امید ہے۔

فریٹیلٹرز

حکومت کے مسلسل تعاون، زرعی معیشت میں بہتری، عالمی قیمتوں کے مقابلے میں مناسب قیمت پر یوریا کی فراہمی کے نتیجے میں پاکستان کے زرعی شعبے میں ترقی کا تسلسل جاری رہنے کی توقع ہے۔ حکومت نے زرعی تعلیم اور تحقیق ک فروغ دینے کے لیے نیشنل ایگری کچرل کمیشن آف پاکستان قائم کرنے کا اعلان بھی کیا ہے۔

ڈی اے پی کی بڑھتی ہوئی قیمتوں کے ساتھ سبسڈی کی فراہمی کے طریقہ کار میں مسائل سے طلب میں کمی واقع ہونے کے ساتھ فصلوں کی پیداوار پر منفی اثرات آسکتے ہیں۔

پیٹر و کیمیکلز

قلیل مدتی اعتبار سے، ہم توقع رکھتے ہیں کہ سپلائی میں مشکلات اور عالمی طلب میں اضافہ کے سبب PVC کی قیمتوں میں تیزی رہے گی۔

OVR اور HTDC کے علاوہ انرجی انیشیاتی اور ہائیڈروجن پراجیکٹس پر کام جاری ہے اور تبدیل کردہ اوقات پر ان کی تکمیل متوقع ہے۔

توانائی

انرجی برنس رینیو ایبل مارکیٹ میں اپنی رسائی حاصل کرنے کے لیے کوشاں ہے اور ونڈ اور سولر پاور پروجیکٹس کے ساتھ ویسٹ ٹو انرجی پاور پروجیکٹ پر بنیادی اسٹڈی جاری ہے۔ اینگرو انرجی نے مزید نئے مواقع کی تلاش جاری رکھی ہوئی ہے اور ملک بھر میں رینیو ایبل انرجی سیکٹر میں تھر ڈی پارٹی کے لیے باہر ڈسٹوٹن فراہم کرنے پر بھی کام جاری ہے۔

حکومت نے آئی پی پیز 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۔

حکومت گروڈ کی 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۔

ٹریڈینل آپریشنز

LNG ٹریڈینل ملک کو درپیش توانائی کے بحران کو ختم کرنے میں اپنا مثبت کردار ادا کر رہا ہے۔

مزید برآں، کیمیکل سیکٹر مارکیٹ کے حالات مستحکم رہے ہیں اور اینگرو ووپاک نے مارکیٹ لیڈر کی اپنی پوزیشن مستحکم رکھی ہوئی ہے۔ تاہم تافان بارڈر والے راستے اور بارڈر پوسٹ نمبر 250 سے نئی انٹری پوائنٹ کھلنے کے سبب LPG کی میرین درآمدات میں کمی واقع ہوئی ہے۔ نتیجتاً توقع ہے کہ ایل پی جی ہینڈلنگ برنس کچھ عرصہ کے لیے دباؤ کا شکار رہے گا۔

ٹیلی کمیونیکیشن انفراسٹرکچر

اینگرو آئیندہ پانچ سالوں میں با مقصد سروسز کے پیش نظر موثر حکمت عملی کے ساتھ آزاد ٹاور کو برنس میں رہنما کی حیثیت کے لیے کوشاں ہے۔

اینگرو انفراسٹریز 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۔
- انفراسٹریز پاکستان میں TowerCo برنس کی لیڈرشپ مارکیٹ کو برقرار رکھنے کا ارادہ رکھتے ہیں۔

پروجیکٹ اپ ڈیٹ: پولی پروپیلین پروجیکٹ

PDH-PP پروجیکٹ کے حوالے سے انجینئرنگ، ڈیزائن اور ٹیکنیکل اسٹڈیز کے ساتھ فرنٹ اینڈ انجینئرنگ ڈیزائن (FEED) اسٹڈی کے کام جاری ہیں۔

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 درست انتظام اور اس وقت ایکویٹی کے شراکت داروں پر ہوگی۔

اظہار تشکر

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



غیاث خان

پریزیڈنٹ اور چیف ایگزیکٹو



حسین داؤد
چیئر مین