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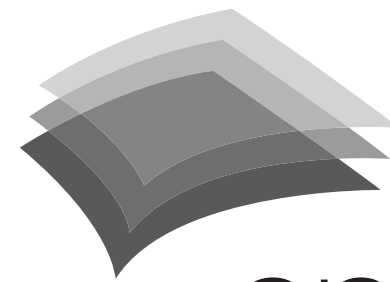
engro corp

first quarter accounts 2022

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engro corp



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

About Us

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

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

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

Our History

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

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

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

gains and strived to attain professional excellence.

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

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

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

Engro Corporation Limited

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

Engro Fertilizers Limited

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

Engro Polymer & Chemicals Limited

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

Engro Energy Limited

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

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

Elengy Terminal Pakistan Limited

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

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

Engro Vopak Terminal Limited

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

FrieslandCampina Engro Pakistan

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

Engro Enfrashare (Private) Limited

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

Engro Eximp Agri Products (Private) Limited

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

directors' report

The Directors of Engro Corporation Limited are pleased to submit their report along with the condensed interim financial statements of the Company for the first quarter ended March 31, 2022.

In Q1 2022, the global economy sustained its journey of demand recovery, coupled with supply chain challenges that resulted in continuation of commodity cycle upturn. This recovery was offset by the turbulence in the geo-political environment due to the Russia – Ukraine conflict which is resulting in further increase in inflation and commodity prices reaching all time high levels around the world. Resultantly, major economies in the world are pivoting towards monetary tightening to combat the inflationary trends.

Furthermore, international political and economic dynamics continued to impact Pakistan's domestic economy. Higher commodity prices driven by global geopolitical challenges and fiscal / monetary stimuli are translating into inflationary pressures for the domestic economy which may suppress local demand going forward.

Despite these challenging times, Engro's diversified portfolio is well positioned to sustain against these adverse externalities. The portfolio's diversification also shields business performance from foreign exchange volatility.

Business Review

On a standalone basis, the Company posted a PAT of PKR 6,877 million against PKR 3,586 million for the comparative period, translating into an EPS of PKR 11.94 per share. The 92% increase in profitability is primarily on account of higher dividends from subsidiaries mainly from the Fertilizer and Petrochemical businesses.

On a consolidated basis, the Company's revenue grew by 24.6%, to PKR 88,333 million in the first quarter compared to PKR 70,866 million in Q1 2021. The consolidated Profit-After-Tax (PAT) for the quarter was PKR 14,897 million, while PAT attributable to the shareholders is PKR 7,972 million against PKR 8,337 million in the comparative period, resulting in an Earnings per Share (EPS) of PKR 13.84 compared to PKR 14.47 in same period last year.

A brief review of our business segments is as follows:

Fertilizers

Fertilizer business showed strong performance and recorded a revenue of PKR 36,813 million compared to PKR 29,443 million in Q1 2021, whereas profit after tax stood at PKR 5,511 million versus PKR 5,741 million same period last year.

On the domestic front, farm economics continued to improve driven by better farm outputs and improved support pricing, following the momentum built over last year. Urea sales during the period stood at 549 KT vs 601 KT for the comparative period. Incremental sales in 2021 can be attributed to higher opening inventory. Phosphate sales stood at 79 KT vs 74 KT

during the same period in 2021.

International Urea prices increased to USD 1,005/T (landed equivalent PKR 11,741/bag) by the end of Q1 2022 amidst volatility in global geopolitical environment. However, the local fertilizer industry ensured that farmers continue to benefit from lower domestic urea prices with a discount of 84% over international prices. DAP international and local prices continued the upward trajectory and have witnessed an increase of 12% during the quarter with offers being quoted as high as USD 1,025/T by the end of Q1 2022.

Presence of domestic urea manufacturing industry enabled import substitution to the tune of USD 1.2 billion in Q1 2022, wherein Engro Fertilizers' contribution stood at USD 0.4 billion, equating to 35%.

Petrochemicals

The Polymer business recorded a revenue of PKR 23,126 million translating into a Profit After Tax of PKR 4,714 million as compared to revenue of PKR 15,671 million and Profit After Tax of PKR 4,143 million in same period last year. Increase in revenue emanates from increase in PVC prices which averaged at USD 1,339/T due to supply disruptions in North-East Asia. However, higher PVC prices could not be translated into profitability as core delta reduced during the quarter due to increased ethylene cost which averaged at USD 1,176/T, translating into core-delta of USD 751/T. Despite supply tightness of PVC in international market, domestic PVC downstream market continued uninterrupted due to Engro Polymer's steady production.

The business recorded domestic sale of 62 KT, translating to a market share of 96% versus 53 KT and market share of 93% in the same period last year. Resultantly, the Polymer business enabled import substitution of USD 37 million.

The company continued its awareness and partnership with construction sector stakeholders through its "thinkPVC" outlet, demonstrating the versatility and superior physical properties of PVC downstream products with the aim to change the landscape of construction sector of Pakistan.

Telecommunication Infrastructure

Enfrashare continued to expand its national footprint and achieved a scale of 2,557 tower sites by end of Q1 with a 1.13x tenancy ratio, catering to all four Mobile Network Operators (MNOs) in Pakistan. The company deployed 50% of the new sites during the quarter by independent tower companies which led to an increase of 85% in revenue in comparison to Q1 2021.

The growth potential in the business is further demonstrated by the colocation opportunities witnessed during the quarter, with total colocation tenants of 325 in March 2022 versus 225 in Dec 2021, representing an increase of 38%. The business is well positioned to capture the growth expected in the sector, driven by increase in data usage, localization of smart phone assembly and other policy level interventions made by the Government of Pakistan.

Foods & Rice

FrieslandCampina Engro Pakistan demonstrated a topline growth of 21%, reporting a revenue of PKR 13,971 million against PKR 11,577 million in the same period last year. The business registered a Profit After Tax of PKR 664 million versus PKR 547 million for the comparative period.

Higher market penetration by the business was driven by leveraging e-commerce channels, whereby the business entered strategic partnerships with notable fin-techs to digitize the sales and distribution management at a national level. The business also improved reach and route to markets, increased marketing spends to enhance brand equity and increased market penetration.

The business continued to expand its consumer awareness and dairy development programs which have been further supported by restoration of zero-rated taxation on the dairy segment in 2021.

Engro Eximp Agriproductions continues its excellence in rice export business getting both local and international recognition for its efforts. The business surpassed industry growth of 2% in the brown rice segment and recorded 65% growth versus same period last year.

During the quarter, rice business generated revenue of USD 10.2 million through export of 13 KT rice versus 9 KT in comparative period. The Profit After Tax for Q1 2022 stood at PKR 85 million vs PKR 31 million in Q1 2021. Given the supply chain constraints in the international market, the business pivoted its supply to the local market and increased domestic volumes by 40% to 4 KT during the period against 3 KT in same period last year.

Energy

Coal Mine: Mining operations continued smoothly, and the mine supplied one million tons of coal to Engro Powergen Thar during the quarter. Phase II expansion of the mine to 7.6 million tons per annum is expected to be completed in during Q4 of 2022. Phase III expansion of the mine to 12.2 million tons per annum that was approved in 2021 will achieve its financial close during 2022 as well.

Thar Power Plant: Engro Powergen Thar Limited achieved a collection of 86% inception to date bringing it at par with other coal IPPs. The plant achieved 48% availability with a load factor of 47%, dispatching 610 GwH to the national grid during the period. Plant availability remained low due to a forced outage following an incident on the coal conveyor belt. Investigations are ongoing and the two units are expected to come online during Q2 2022.

Qadirpur Power Plant: During the period, the plant dispatched a Net Electrical Output of 124 GwH to the national grid with a load factor of 27% compared to 37% in same period last year due to lower offtake from the Power Purchaser. The business posted a PAT of PKR 151 million for the current period as compared to PKR 399 million for Q1 2021 due to a scheduled plant shutdown on account of major inspection.

Terminal Operations

The LNG terminal handled 19 cargoes, in line with Q1 2021, delivering 54 bcf re-gasified LNG in to the SSGC network. The chemicals terminal had an actual throughput of 381 KT against 281 KT during the same period last year. The increase was primarily observed in chemical volumes offset by lower LPG handling.

Distribution to Shareholders

The Board endeavors to maximize total shareholder returns and is pleased to propose an interim cash dividend of PKR 12 per share for the year ending December 31, 2022.

Near-Term Outlook

In 2022, we will continue to develop our verticals while making meaningful contributions to the country and our stakeholders at large.

Fertilizer

The agricultural sector in Pakistan is expected to maintain its growth trajectory owing to continued government support, improved farmer economics and availability of urea at significantly discounted prices compared to global levels. Steady production by Engro Fertilizers will continue to meet the fertilizer needs of the domestic market.

With surplus urea installed capacity in the country, the industry can generate incremental foreign reserves through urea exports subject to Government's approval and required policy interventions.

Petrochemicals

With the availability of 295 KT capacity post-expansion, the business is well positioned to strongly pursue the agenda of import substitution whilst capitalizing on the growing PVC market in Pakistan. Engro Polymer & Chemicals is confident to continue strong operational performance and market development activities for the upward trajectory in per capita PVC consumption of Pakistan.

Telecommunication Infrastructure

The business outlook for Enfrashare remains strong owing to continued growth in mobile data usage and start of local production of mobile handsets, driving MNOs to enhance availability and quality through aggressive Built-to-Suit roll outs.

Enfrashare would strive to maintain its market leadership as an independent TowerCo business through organic and inorganic growth opportunities and is driven to become a 5,000-tower with a strong tenancy potential of over 1.3x by the year 2025.

Foods

The business continues to leverage FrieslandCampina's global expertise to introduce new products and innovations as a key driver of future business growth. The business has also ventured into the dairy cheese segment and has started pilots in Karachi and Lahore. Keeping focus on consumer awareness to drive conversion and penetration in dairy segment, the business also plans to optimize their supply chain and raw material costs to improve profitability.

Energy

The energy business remains committed to the development of a bilateral electricity market by working closely with the regulators and industry stakeholders to revamp the power sector. The business will also continue to work extensively to gain a foothold in the renewables market. Engro Energy signed an MoU with the Government of Sindh to develop the first hybrid 400 MW Renewable Energy Park and has recently signed term sheets with potential customers for the sale of energy.

With the aim of providing indigenous affordable energy for the country, we will continue to expand our coal mine which is expected to increase capacity to 7.6 million tons per annum by 2022 and 12.2 million tons per annum by the year 2023.



Hussain Dawood
Chairman

Terminal Operations

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

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 (unaudited) for the three months ended march 31, 2022

unconsolidated condensed interim statement of financial position (unaudited)
as at march 31, 2022

(Amounts in thousand)	Note	(Unaudited) March 31, 2022	(Audited) December 31, 2021
		------(Rupees)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	763,073	771,023
Right-of-use assets		200,514	263,413
Intangible assets		181,744	194,686
Long term investments		46,835,094	46,835,094
Long term loans and advances		432,406	384,154
Deferred taxation		88,951	73,537
		<u>48,501,782</u>	<u>48,521,907</u>
Current assets			
Loans, advances, deposits and prepayments	5	7,285,104	11,346,072
Receivables	6	8,077,798	784,106
Short term investments	7	43,338,301	40,247,237
Cash and bank balances		1,687,956	855,323
		<u>60,389,159</u>	<u>53,232,738</u>
		<u>108,890,941</u>	<u>101,754,645</u>
TOTAL ASSETS			
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		(18,484)	(18,484)
Unappropriated profit		73,595,028	67,294,008
Total equity		<u>96,835,649</u>	<u>90,534,629</u>
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations		42,252	59,220
Lease liabilities		-	17,673
		<u>42,252</u>	<u>76,893</u>
Current liabilities			
Trade and other payables		4,688,278	4,840,491
Current portion of lease liabilities		276,281	339,073
Taxes payable		6,810,326	5,721,720
Unclaimed dividends		238,155	241,839
		<u>12,013,040</u>	<u>11,143,123</u>
Total liabilities		<u>12,055,292</u>	<u>11,220,016</u>
Contingencies and commitments			
	8		
TOTAL EQUITY AND LIABILITIES		<u>108,890,941</u>	<u>101,754,645</u>

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer

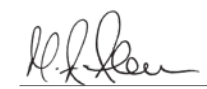

Ghias Khan
President and Chief Executive

unconsolidated condensed interim
statement of profit or loss (unaudited)
for the three months ended march 31, 2022

(Amounts in thousand except for earnings per share)

	Note	Three months ended	
		March 31, 2022	March 31, 2021
		------(Rupees)-----	
Dividend income		7,702,898	3,432,992
Royalty income		336,452	328,419
		<u>8,039,350</u>	<u>3,761,411</u>
Administrative expenses		(394,035)	(191,615)
		<u>7,645,315</u>	<u>3,569,796</u>
Other income	9	1,329,866	1,139,717
Other operating expenses		(837,517)	(347,749)
Operating profit		<u>8,137,664</u>	<u>4,361,764</u>
Finance cost		(17,401)	(20,948)
Profit before taxation		<u>8,120,263</u>	<u>4,340,816</u>
Taxation	10	(1,243,080)	(754,490)
Profit for the period		<u>6,877,183</u>	<u>3,586,326</u>
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>6,877,183</u>	<u>3,586,326</u>
Earnings per share - basic and diluted	11	<u>11.94</u>	<u>6.22</u>

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Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer

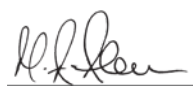

Ghias Khan
President and Chief Executive

condensed interim statement of changes in equity (unaudited)
for the three months ended march 31, 2022

(Amounts in thousand)

	Capital Reserve		Revenue Reserves		Total	
	Share capital	Share premium	General reserve	Remeasurement of post employment benefits - Actuarial loss		Unappropriated profit
	------(Rupees)-----					
Balance as at January 01, 2021 (Audited)	5,761,633	13,068,232	4,429,240	(16,375)	63,758,171	87,000,901
Total comprehensive income for the three months ended March 31, 2021	-	-	-	-	3,586,326	3,586,326
Balance as at March 31, 2021 (unaudited)	5,761,633	13,068,232	4,429,240	(16,375)	67,344,497	90,587,227
Profit for the nine months ended December 31, 2021	-	-	-	-	14,929,827	14,929,827
Other comprehensive loss for the nine months ended December 31, 2021	-	-	-	(2,109)	-	(2,109)
				(2,109)	14,929,827	14,927,718
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 ended December 31, 2021 @ Rs. 12.00 per share	-	-	-	-	(6,913,959)	(6,913,959)
Second interim cash dividend for the year ended December 31, 2021 @ Rs. 7.00 per share	-	-	-	-	(4,033,142)	(4,033,142)
Third interim cash dividend for the year ended December 31, 2021 @ Rs. 5.00 per share	-	-	-	-	(2,880,888)	(2,880,888)
	-	-	-	-	(14,980,316)	(14,980,316)
Balance as at December 31, 2021 (audited)	5,761,633	13,068,232	4,429,240	(18,484)	67,294,008	90,534,629
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	6,877,183	6,877,183
Transactions with owners						
Final cash dividend for the year ended December 31, 2021 @ Rs. 1.00 per share	-	-	-	-	(576,163)	(576,163)
	-	-	-	-	(576,163)	(576,163)
Balance as at March 31, 2022 (unaudited)	5,761,633	13,068,232	4,429,240	(18,484)	73,595,028	96,835,649

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer

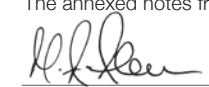

Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of cash flows (unaudited)
for the three months ended march 31, 2022

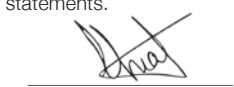
(Amounts in thousand)

Note	Three months ended		
	March 31, 2022	March 31, 2021	
	------(Rupees)-----		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	12	(1,412,812)	(1,647,395)
Royalty received		317,693	265,738
Taxes paid		(169,889)	(218,797)
Retirement and other service benefits paid		(27,960)	(108,088)
Long term loans and advances - net		(48,252)	29,067
Net cash utilized in operating activities		(1,341,219)	(1,679,475)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		297,450	4,184,060
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries		1,135,892	692,119
Loan disbursed to subsidiary companies		(4,300,000)	(1,500,000)
Repayment of loan by subsidiary companies		8,537,000	-
Purchase of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds		(187,015,755)	(9,586,403)
Proceeds from sale of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds		187,309,135	14,389,059
Purchases of property, plant and equipment		(43,361)	(126,265)
Sale proceeds on disposal of property, plant and equipment		3,198	4,000
Net cash generated from investing activities		5,923,558	8,056,570
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of financial charges		(857)	(5,700)
Lease rentals paid		(76,988)	(75,499)
Dividends paid		(579,847)	(1,695)
Net cash utilized in financing activities		(657,692)	(82,894)
Net increase in cash and cash equivalents		3,924,647	6,294,201
Cash and cash equivalents at beginning of the period		41,101,610	19,970,314
Cash and cash equivalents at end of the period	13	45,026,257	26,264,515

The annexed notes from 1 to 18 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 the three months ended march 31, 2022

(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, food, 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. 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, 2021.

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, 2021.

(Amounts in thousand)

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, 2021.

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.

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)	(Audited)
March 31, 2022	December 31, 2021
------(Rupees)-----	

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets (note 4.1)	659,043	703,970
Capital work-in-progress	104,030	67,053
	763,073	771,023

4.1 Additions to operating assets during the period / year amounted to Rs. 6,361 (December 31, 2021: Rs. 410,855). Operating assets costing Rs. 4,255 (December 31, 2021: Rs. 14,499) having a net book value of Rs. 3,283 (December 31, 2021: Rs. 7,051), were disposed off during the period / year for Rs. 3,198 (December 31, 2021: Rs. 10,314).

5. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS

This primarily includes loan and accrued interest thereon due from subsidiary companies aggregating to Rs. 6,797,232 (December 31, 2021: Rs. 10,827,611). Disbursements / repayments of loan during the period are as follows:

- loan amounting to Rs. 2,300,000 was further disbursed to Engro Fertilizers Limited, a subsidiary Company, pursuant to agreement entered into on October 01, 2021. The loan carries mark-up at the rate of 3-month KIBOR plus 0.1%. Out of the outstanding balance, Rs. 6,500,000 was repaid during the period. The balance outstanding as at March 31, 2022 aggregated to Rs. 1,000,000 (December 31, 2021: Rs. 5,200,000);

(Amounts in thousand)

10. TAXATION

	(Unaudited)	
	Three months ended	
	March 31, 2022	March 31, 2021
	------(Rupees)-----	
Current	1,258,495	769,901
Deferred	(15,415)	(15,411)
	<u>1,243,080</u>	<u>754,490</u>

10.1 As at March 31, 2022, there is no material change in the status of the taxation matters reported in Note 26 to the financial statements of the Company for the year ended December 31, 2021.

11. EARNINGS PER SHARE

As at March 31, 2022, there is no dilutive effect on the basic earnings per share of the Company, which is based on the following:

	(Unaudited)	
	Three months ended	
	March 31, 2022	March 31, 2021
	------(Rupees)-----	
Profit for the period	6,877,183	3,586,326
	-----Number of shares-----	
Weighted average number of ordinary shares (in thousand)	<u>576,163</u>	<u>576,163</u>

(Amounts in thousand)

12. CASH UTILIZED IN OPERATIONS

Profit before taxation	8,120,263	4,340,816
Adjustment for non-cash charges and other items:		
Depreciation	46,971	34,058
Amortization	12,942	7,202
Depreciation on right-of-use assets	58,961	56,991
Rent concession on lease liability	(12,729)	-
Provision for retirement and other service benefits	10,580	86,261
Dividend income	(7,702,898)	(3,432,992)
Royalty income	(336,452)	(328,419)
Income on bank deposits and other financial assets	(1,326,507)	(1,139,717)
Loss / (gain) on disposal of property, plant and equipment	85	(2,009)
Financial charges	17,401	20,948
Working capital changes (note 12.1)	(301,429)	(1,290,534)
	<u>(1,412,812)</u>	<u>(1,647,395)</u>

12.1 Working capital changes

Increase in current assets		
- Loans, advances, deposits and prepayments	(30,589)	(6,004)
- Other receivables (net)	(119,039)	(556,784)
	<u>(149,627)</u>	<u>(562,788)</u>
Decrease in current liabilities		
- Trade and other payables including other service benefits (net)	(151,801)	(727,746)
	<u>(301,429)</u>	<u>(1,290,534)</u>

13. CASH AND CASH EQUIVALENTS

Short term investments (note 7)	43,338,301	26,117,012
Cash and bank balances	1,687,956	147,503
	<u>45,026,257</u>	<u>26,264,515</u>

(Unaudited)	
Three months ended	
March 31, 2022	March 31, 2021
------(Rupees)-----	

	8,120,263	4,340,816
	46,971	34,058
	12,942	7,202
	58,961	56,991
	(12,729)	-
	10,580	86,261
	(7,702,898)	(3,432,992)
	(336,452)	(328,419)
	(1,326,507)	(1,139,717)
	85	(2,009)
	17,401	20,948
	(301,429)	(1,290,534)
	<u>(1,412,812)</u>	<u>(1,647,395)</u>

	(30,589)	(6,004)
	(119,039)	(556,784)
	<u>(149,627)</u>	<u>(562,788)</u>
	(151,801)	(727,746)
	<u>(301,429)</u>	<u>(1,290,534)</u>

	43,338,301	26,117,012
	1,687,956	147,503
	<u>45,026,257</u>	<u>26,264,515</u>

(Amounts in thousand)

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

14.1 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.

14.2 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 March 31, 2022 (Unaudited)				
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	689,714	-	689,714
As at December 31, 2021 (Audited)				
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	950	-	950

14.3 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.

14.4 Fair value of financial assets and liabilities

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

(Amounts in thousand)

15. 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)	
	Three months ended	
	March 31, 2022	March 31, 2021
	----- (Rupees) -----	
Parent Company		
Dividend paid	214,470	-
Reimbursement of expenses	3,370	-
Subsidiary companies		
Mark-up from subsidiaries	273,025	312,759
Disbursement of loan to subsidiaries	4,300,000	1,500,000
Repayment of loan by subsidiaries	8,537,000	-
Dividend income	7,405,448	3,005,492
Royalty income	336,452	328,419
Reimbursements made by the subsidiaries	620,807	688,519
Reimbursements to the Company	45,310	-
Associated companies		
Purchases and services	8,101	26,835
Contribution for Corporate Social Responsibility	-	7,200
Dividend paid	15,431	-
Purchase of fixed income placements	29,950,000	-
Proceeds from fixed income placements	17,150,000	-
Reimbursements made by the associates	50,905	52,173
Reimbursements made to the Company	27	-
Joint venture		
Dividend income	297,450	427,500
Reimbursements from joint venture	31,331	51,636
Others		
Remuneration of key management personnel	122,146	141,213
Reimbursements to key management personnel	-	185
Contribution to staff retirement benefit funds	51,421	47,291
Advisory agreement	21,000	-
Dividend paid	36,176	-
Directors' Fee	31,890	23,503

(Amounts in thousand)

16. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

- 16.1 The Board of Directors of Engro Polymer and Chemicals Limited, a subsidiary company, in its meeting held on April 18, 2022 has proposed an interim cash dividend of Rs. 5 per share for the period ended March 31, 2022, amounting to Rs. 4,544,616 of which the proportionate share of the Company amounts to Rs. 2,553,667.
- 16.2 The Board of Directors of Engro Fertilizers Limited, a subsidiary company, in its meeting held on April 19, 2022 has proposed an interim cash dividend of Rs. 5.5 per share for the period ended March 31, 2022, amounting to Rs. 7,344,147 of which the proportionate share of the Company amounts to Rs. 4,132,551.
- 16.3 The Board of Directors of Elengy Terminal Pakistan Limited, a subsidiary company, in its meeting held on March 18, 2022 has approved an interim cash dividend of Rs. 7.4 per share for the period ended March 31, 2022, amounting to Rs. 1,499,779 of which the proportionate share of the Company amounts to Rs. 839,854.
- 16.4 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on April 20, 2022 has proposed an interim cash dividend of Rs. 5 per share for the period ended March 31, 2022, amounting to Rs. 450,000 of which the proportionate share of the Company amounts to Rs. 225,500.

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

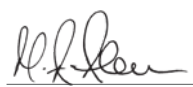
- 16.5 The Board of Directors of the Company in its meeting held on April 21, 2022 has proposed a interim cash dividend of Rs.12 per share for the period ended March 31, 2022 amounting to Rs. 6,913,959. These unconsolidated condensed interim financial statements do not reflect the effect of dividend payable.

17. CORRESPONDING FIGURES

- 17.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.
- 17.2 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.

18. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 21, 2022 by the Board of Directors of the Company.


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive



engro corp

consolidated condensed
interim financial statements (unaudited)
for the three months ended march 31, 2022

consolidated condensed interim statement of
financial position (unaudited)
as at march 31, 2022

(Amounts in thousand)	Note	(Unaudited) March 31, 2022	(Audited) December 31, 2021
------(Rupees)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	288,946,178	282,154,538
Right-of-use assets		10,064,577	9,819,009
Intangible assets		2,359,558	2,398,324
Long term investments	7	34,835,247	34,217,070
Deferred taxation		102,023	80,346
Financial assets at amortized cost		2,640,482	3,592,784
Derivative financial instruments	8	165,971	92,805
Net investment in lease		45,901,866	45,203,623
Long term loans, advances and other receivables		2,928,240	2,616,236
		387,944,142	380,174,735
Current assets			
Stores, spares and loose tools		9,737,027	9,310,131
Stock-in-trade		28,456,830	31,513,007
Trade debts		61,939,998	59,563,366
Loans, advances, deposits and prepayments		4,826,075	4,711,522
Other receivables		27,821,898	25,780,784
Accrued income		618,603	633,633
Contract assets		5,081,922	5,452,510
Current portion of net investment in lease		4,273,053	4,004,522
Short term investments		91,218,545	82,372,051
Cash and bank balances		47,085,750	40,804,784
		281,059,701	264,146,310
TOTAL ASSETS		669,003,843	644,321,045


Muhammad Abdul Aleem
Director



Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive


consolidated condensed interim statement of
financial position (unaudited)
as at march 31, 2022

(Amounts in thousand)	Note	(Unaudited) March 31, 2022	(Audited) December 31, 2021
------(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	2,678
Maintenance reserve		156,301	156,301
Exchange revaluation reserve		951,864	937,769
Hedging reserve		138,982	66,031
General reserve		4,429,240	4,429,240
Remeasurement of investments		22,944	39,248
Remeasurement of post-employment benefits		(108,064)	(108,064)
Unappropriated profit		144,781,506	137,385,981
		163,443,683	155,977,416
		169,205,315	161,739,048
Non-controlling interest		82,237,007	81,060,639
Total Equity		251,442,322	242,799,687
Liabilities			
Non-Current liabilities			
Borrowings	9	142,422,780	139,818,216
Government grant		1,174,090	1,079,703
Deferred taxation		17,026,126	16,256,649
Lease liabilities		54,137,563	53,163,136
Deferred liabilities		2,845,594	2,845,835
Long term provisions		7,177,471	8,172,253
		224,783,624	221,335,792
Current Liabilities			
Trade and other payables		103,439,266	96,256,676
Accrued interest / mark-up		3,234,337	1,366,497
Current portion of:			
- borrowings		22,737,108	23,110,031
- Government grant		238,653	183,624
- lease liabilities		6,188,849	6,111,288
- deferred liabilities		642,338	736,953
- long term provisions		19,906,382	18,510,399
Taxes payable		13,307,686	9,298,370
Short term borrowings		22,099,629	23,270,314
Dividend payable		675,540	-
Unclaimed dividends		308,109	1,341,414
		192,777,897	180,185,566
Total Liabilities		417,561,521	401,521,358
Contingencies and Commitments	10		
TOTAL EQUITY AND LIABILITIES		669,003,843	644,321,045

The annexed notes from 1 to 21 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 three months ended march 31, 2022


(Amounts in thousand except for earnings per share)

	Note	Three months ended	
		March 31, 2022	March 31, 2021
------(Rupees)-----			
CONTINUING OPERATIONS			
Net revenue		88,333,240	70,866,193
Cost of revenue		(61,115,604)	(46,050,048)
Gross profit		27,217,636	24,816,145
Selling and distribution expenses		(1,888,654)	(1,656,524)
Administrative expenses		(1,670,585)	(1,261,150)
Other income		3,986,005	2,438,052
Other operating expenses		(2,699,740)	(1,131,788)
Operating profit		24,944,662	23,204,735
Finance cost		(5,127,664)	(3,589,096)
Share of income from joint ventures and associates		988,329	1,018,656
Profit before taxation		20,805,327	20,634,295
Taxation	11	(5,907,862)	(5,855,604)
Profit from continuing operations		14,897,465	14,778,691
DISCONTINUED OPERATIONS			
Profit from discontinued operations (attributable to Owners of the Holding Company)		238	302
Profit for the period		14,897,703	14,778,993
Profit attributable to:			
- Owners of the Holding Company		7,971,688	8,336,665
- Non-controlling interest		6,926,015	6,442,328
		14,897,703	14,778,993
Earnings / (loss) per share - basic and diluted			
- continuing operations		13.84	14.47
- discontinued operations		-	-
	12	13.84	14.47

The annexed notes from 1 to 21 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 three months ended march 31, 2022

(Amounts in thousand)

	Three months ended	
	March 31, 2022	March 31, 2021
------(Rupees)-----		
Profit for the period	14,897,703	14,778,993
Other comprehensive income:		
Items that may be reclassified to subsequently to profit or loss		
Continuing operations' loss on long-term investment on remeasurement at fair value through other comprehensive income	(16,304)	-
Hedging reserve - cash flow hedges		
Profit arising during the period	73,166	-
Less: Reclassification adjustments for profit included in statement of profit or loss	(215)	(215)
	72,951	(215)
Revaluation reserve on business combination	-	(5,251)
Exchange differences on translation of foreign operations	14,162	(104,272)
	70,809	(109,738)
Income tax relating to:		
- Revaluation reserve on business combination	-	1,680
	-	1,680
Other comprehensive income / (loss) for the period, net of tax	70,809	(108,058)
Total comprehensive income for the period	14,968,512	14,670,935
Total comprehensive income attributable to:		
- Owners of the Holding Company	8,042,430	8,229,694
- Non-controlling interest	6,926,082	6,441,241
	14,968,512	14,670,935
Total comprehensive income attributable to:		
- continuing operations	14,968,274	14,670,633
- discontinued operations	238	302
	14,968,512	14,670,935

The annexed notes from 1 to 21 form an integral part of these consolidated condensed interim financial statements.


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer

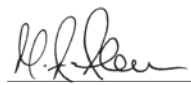

Ghias Khan
President and Chief Executive

consolidated condensed interim
statement of cash flows (unaudited)
for the three months ended march 31, 2022

(Amounts in thousand)

Note	Three months ended	
	March 31, 2022	March 31, 2021
------(Rupees)-----		
Cash flows from operating activities		
Cash generated from operations	29,848,051	17,633,788
Retirement and other service benefits paid	(187,565)	(147,229)
Finance cost paid on lease liability	(948,384)	(895,559)
Taxes paid	(1,198,070)	(836,711)
Proceeds from net investment in leases	896,834	701,614
Repayment of lease liability	(1,009,292)	(809,065)
Finance income received on net investment in lease	1,340,045	1,250,778
Other finance cost paid	(1,803,380)	(1,807,574)
Long term loans and advances - net	(123,294)	148,510
Discontinued operations	204	-
Net cash generated from operating activities	26,815,149	15,238,552
Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles assets	(7,180,684)	(3,761,233)
Sale proceeds on disposal of property, plant and equipment	14,562	11,982
Investment made during the period	(291,503,546)	(19,586,403)
Proceed from investment sold during the period	297,400,689	44,701,473
Income on deposits / other financial assets earned	2,471,604	1,606,288
Dividends received	297,450	427,500
Net cash generated from investing activities	1,500,075	23,399,607
Cash flows from financing activities		
Proceeds from borrowings - net	(1,714,234)	(2,167,741)
Lease rentals paid	(681,735)	(557,736)
Dividends paid	(10,485,968)	(4,890)
Net cash utilized in financing activities	(12,881,937)	(2,730,367)
Net increase in cash and cash equivalents	15,433,287	35,907,792
Cash and cash equivalents at beginning of the period	91,662,651	51,425,511
Cash and cash equivalents at end of the period	107,095,938	87,333,303

The annexed notes from 1 to 21 form an integral part of these consolidated condensed interim financial statements.


Muhammad Abdul Aleem
Director

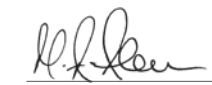

Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

consolidated condensed interim
statement of changes in equity (unaudited)
for the three months ended march 31, 2022

(Amounts in thousand)

	Attributable to Owners of the Holding Company										Sub total	Non-controlling interest	Total
	Capital reserves					Revenue reserves							
	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			
------(Rupees)-----													
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 three months ended March 31, 2021													
Profit for the period	-	-	(2,551)	-	(104,272)	(148)	-	-	8,336,665	-	8,336,665	6,442,328	14,778,993
Other comprehensive income / (loss)	-	-	(2,551)	-	(104,272)	(148)	-	-	-	-	(106,971)	(1,087)	(108,058)
Transactions with owners													
Dividend by subsidiary allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(2,335,703)	(2,335,703)
Balance as at March 31, 2021 (Unaudited)	5,761,632	13,068,232	127	156,301	578,668	(26,321)	4,429,240	-	132,761,448	(83,754)	156,645,573	75,284,314	231,929,887
Total comprehensive income for the nine months ended December 31, 2021													
Profit for the period	-	-	2,551	-	359,101	92,352	-	39,248	19,604,849	-	19,604,849	18,227,917	37,832,766
Other comprehensive income / (loss)	-	-	2,551	-	359,101	92,352	-	39,248	-	(24,310)	468,942	(16,440)	452,502
Transactions with owners													
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(12,433,262)	(12,433,262)
Share issuance cost	-	-	-	-	-	-	-	-	-	-	-	(1,890)	(1,890)
Final cash dividend for the year ended December 31, 2020 @ Rs. 2.00 per share	-	-	-	-	-	-	-	-	(1,152,327)	-	(1,152,327)	-	(1,152,327)
Interim cash dividends for the year ended December 31, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-
- 1st interim @ Rs. 12.00 per share	-	-	-	-	-	-	-	-	(6,913,959)	-	(6,913,959)	-	(6,913,959)
- 2nd interim @ Rs. 7.00 per share	-	-	-	-	-	-	-	-	(4,033,142)	-	(4,033,142)	-	(4,033,142)
- 3rd interim @ Rs. 5.00 per share	-	-	-	-	-	-	-	-	(2,880,888)	-	(2,880,888)	-	(2,880,888)
Balance as at December 31, 2021 (Audited)	5,761,632	13,068,232	2,678	156,301	937,769	66,031	4,429,240	39,248	137,385,981	(108,064)	161,739,048	81,060,639	242,799,687
Balance as at January 1, 2021 (Audited)	5,761,632	13,068,232	2,678	156,301	937,769	66,031	4,429,240	39,248	137,385,981	(108,064)	161,739,048	81,060,639	242,799,687
Total comprehensive income for the three months ended March 31, 2021													
Profit for the period	-	-	-	-	-	-	-	-	7,971,688	-	7,971,688	6,926,015	14,897,703
Other comprehensive income / (loss)	-	-	-	-	14,095	72,951	-	(16,304)	-	-	70,742	67	70,809
Transactions with owners													
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	14,095	72,951	-	(16,304)	7,971,688	-	8,042,430	6,926,082	14,968,512
Final cash dividend for the year ended December 31, 2021 @ Rs. 1.00 per share	-	-	-	-	-	-	-	-	(576,163)	-	(576,163)	-	(576,163)
Balance as at March 31, 2022 (Unaudited)	5,761,632	13,068,232	2,678	156,301	951,864	138,982	4,429,240	22,944	144,781,506	(108,064)	169,205,315	82,237,007	251,442,322


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 three months ended march 31, 2022

(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, PVC resin manufacturing and marketing, food, energy, LNG terminals, telecommunication infrastructure and chemical terminal and storage businesses.. 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.

	Percentage of direct share holding	
	March 31, 2022	December 31, 2021
- Engro Energy Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Connect (Private) Limited	100	100
- Engro Infiniti (Private) Limited (note 1.3)	100	100
- Engro Eximp FZE	100	100
- Engro Fertilizers Limited	56.27	56.27
- Engro Polymer and Chemicals Limited	56.19	56.19
- Elengy Terminal Pakistan Limited	56	56
Joint Venture Company:		
- Engro Vopak Terminal Limited	50	50
Associated Company:		
- FrieslandCampina Engro Pakistan Limited	39.9	39.9

1.3 The Board of Engro Infiniti (Private) Limited (Elnfiniti) in its meeting held on February 16, 2022, has decided to amalgamate Engro Digital Limited (EDL), a wholly owned subsidiary, with and into Elnfiniti, in accordance with the Scheme of Amalgamation with effect from March 31, 2022.

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:

(Amounts in thousand)

- 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 three months ended March 31, 2022 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, 2021.

3. BASIS OF CONSOLIDATION

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

3.2 Non-controlling interest has been presented as a separate item in these consolidated condensed interim financial statements. All material intercompany balances and transactions have been eliminated.

3.3 The Group's interest in jointly controlled and associated entities 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, 2021.

There are certain amendments to accounting and reporting standards that are mandatory for the financial year beginning on January 1, 2022. 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.

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

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, 2021.

(Amounts in thousand)

	(Unaudited) March 31, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value (note 6.1)	263,828,144	257,997,137
Capital work in progress (CWIP) - Expansion and other projects	21,809,408	20,747,744
Capital spares and standby equipment	3,308,626	3,409,657
	<u>288,946,178</u>	<u>282,154,538</u>

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

	72,021	39,140
Land	72,021	39,140
Building	2,554,730	4,854,043
Pipelines	171,195	150,047
Plant and machinery	18,878,200	16,953,999
Furniture, fixture and equipment	2,764,984	6,087,067
Vehicles	505,902	951,501
Aircraft	2,991,875	-
Jetty	9,724	-
Dredging	179,093	-
	<u>28,127,724</u>	<u>29,035,797</u>

7. LONG TERM INVESTMENTS

	(Unaudited) March 31, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
Balance at beginning of the period / year	34,217,070	32,045,438
Add:		
- Investment made during the period / year in associates	-	474,839
- Revaluation (loss) / gain on investments	(16,304)	39,248
- Share of profit for the period / year (note 7.1)	988,329	3,216,931
Less:		
- Dividend received during the period / year	(297,450)	(1,155,000)
- Provision adjustment against tax contingency	(56,398)	(20,457)
- Impairment recognised	-	(383,929)
Balance at end of the period / year	<u>34,835,247</u>	<u>34,217,070</u>

(Amounts in thousand)

	(Unaudited) March 31, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
7.1 Details of share of profit for the period / year are as follows:		
- Sindh Engro Coal Mining Company Limited	385,613	1,331,413
- FrieslandCampina Engro Pakistan Limited	256,848	710,061
- Engro Vopak Terminal Limited	345,868	1,175,457
	<u>988,329</u>	<u>3,216,931</u>

8. DERIVATIVE FINANCIAL INSTRUMENTS

As at March 31, 2022, the Company has outstanding interest rate swap agreements with Standard Chartered Bank for notional amounts aggregating to notional amount of Rs 5,000 million to hedge its interest rate exposure on floating rate borrowings from various lenders. Under the swap agreements, the Company would receive three month KIBOR on respective notional amounts and will pay fix rates. Details of these swap agreements are as follows:

				Fair value as at		
	National Amount	Effective date	Termination date	Fixed rate	(Unaudited) March 31, 2022	(Audited) December 31, 2021
	------(Rupees)-----				------(Rupees)-----	
	1,000,000	July 2, 2021	June 3, 2026	9.85%	50,566	28,313
	4,000,000	July 2, 2022	June 3, 2026	10.35%	<u>115,405</u>	<u>64,492</u>
					<u>165,971</u>	<u>92,805</u>

9. BORROWINGS

As at March 31, 2022, there is no material change in the status of borrowings reported as in note 24 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2021, except as follows:

Engro Fertilizers Limited (EFert)

- 9.1 During the period, EFERT made principal repayment of long-term finances to MCB Bank Limited amounting to Rs. 750,000 respectively.
- 9.2 During the period, EFERT acquired long term borrowings from Habib Bank Limited and MCB Bank Limited amounting to Rs. 744,186 (December 31, 2021: nil) and Rs. 249,807 (December 31, 2021: nil) respectively under "Temporary Economic Refinance Facility" (TERF) introduced by the State Bank of Pakistan in 2020. These borrowings have the same charge as the borrowings from other Senior Lenders on operating assets. Mark-up on the newly acquired loans is chargeable at the rates ranging from 1.50% to 2.00% and is payable in quarterly or semi-annual installments starting from January 2023.

In accordance with IFRS 9 Financial Instruments, EFERT has recognised these loans at their fair value and the differential markup as deferred government grant income which will be amortised and set off against finance cost over the period of the facilities.

(Amounts in thousand)

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

As at March 31, 2022, 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, 2021, except as follows:

The Holding Company

10.1.1 During the period, the charge over receivables provided by the Company against the Standby Letters of Credit (SBLC), issued by Engro Elengy Terminal (Private) Limited, a subsidiary company, as explained in note 19.1.3 of the audited annual financial statements of the Company for the year ended December 31, 2021 has been released and stands discharged in its entirety.

10.2 Commitments

10.2.1 Commitments in respect of open purchase orders and capital and revenue expenditure including contracted but not incurred amounts to Rs. 16,250,091 (December 31, 2021: Rs 14,777,771).

11. TAXATION

As at March 31, 2022, there is no material change in the status of matters reported in note 41 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2021.

12. EARNINGS PER SHARE - BASIC AND DILUTED

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

	(Unaudited)	
	Three months ended	
	March 31, 2022	March 31, 2021
	------(Rupees)-----	
Profit for the period, attributable to:		
- continuing operations	7,971,450	8,336,363
- discontinued operations	238	302
	<u>7,971,688</u>	<u>8,336,665</u>
	-----Number of shares-----	
Weighted average number of ordinary shares (in thousand)	<u>576,163</u>	<u>576,163</u>
Earnings per share - basic and diluted		
- continuing operations	13.84	14.47
- discontinued operations	-	-
	<u>13.84</u>	<u>14.47</u>

(Amounts in thousand)

13. CASH GENERATED FROM OPERATIONS

(Unaudited)

Three months ended

March 31,
2022

March 31,
2021

------(Rupees)-----

Profit before taxation from:

- continuing operations
- discontinued operations

20,805,327	20,634,295
238	302
<u>20,805,565</u>	<u>20,634,597</u>

Adjustment for non-cash charges and other items:

Depreciation and amortization
Loss on disposal of property, plant and equipment
Rent concession on lease liability
Provision for retirement and other service benefits
Provisions - net
Income on deposits / other financial assets
Finance income on net investment in lease
Finance cost on lease liability
Loss on remeasurement of GIDC provision
Reversal of ECL on subsidy receivable from GoP
Exchange (gain) / loss on lease liability
Exchange (gain) / loss on net investment in lease
Share of income from joint venture and associates
Finance cost
Foreign currency translations
Working capital changes (note 13.1)

3,716,284	3,668,986
6,868	3,399
(12,729)	-
134,000	125,905
(192,998)	134,878
(2,656,657)	(1,995,857)
(1,330,364)	(1,250,778)
1,010,209	895,559
400,285	393,226
85,578	(100,784)
1,888,194	(1,938,496)
(1,894,673)	1,987,482
(988,329)	(1,018,656)
3,980,209	3,793,283
464,674	239,966
4,431,935	(7,938,922)
<u>29,848,051</u>	<u>17,633,788</u>

13.1 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

(426,896)	(376,823)
3,056,177	453,888
(2,376,632)	(6,230,363)
(114,553)	(501,762)
(2,776,159)	(323,747)
<u>(2,638,063)</u>	<u>(6,978,807)</u>

Increase / (decrease) in current liabilities

- Trade and other payables

7,069,998	(960,115)
<u>4,431,935</u>	<u>(7,938,922)</u>

14. CASH AND CASH EQUIVALENTS

Cash and bank balances
Short term investments
Short term borrowings

47,073,458	20,458,255
78,824,746	75,039,198
(18,802,266)	(8,164,150)
<u>107,095,938</u>	<u>87,333,303</u>

(Amounts in thousand)

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

15.1 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.

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 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).

	----- (Rupees) -----			
	Level 1	Level 2	Level 3	Total
As at March 31, 2022 (Unaudited)				
Financial assets at fair value through profit or loss	-	6,713,430	-	6,713,430
Financial assets at fair value through other comprehensive income	122,912	11,000,000	-	11,122,912
As at December 31, 2021 (Audited)				
Financial assets at fair value through profit or loss	-	20,005,901	-	20,005,901
Financial assets at fair value through other comprehensive income	139,244	97,805	-	237,049

15.3 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.

(Amounts in thousand)

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

16. 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:

	(Unaudited)	
	Three months ended	
	March 31, 2022	March 31, 2021
	----- (Rupees) -----	
Parent Company		
Dividend paid	214,470	-
Reimbursements to Parent Company	3,370	-
Associated companies and joint ventures		
Purchases and services	24,487,256	11,472,474
Dividend income	297,450	427,500
Dividends paid	17,832	991
Contribution for Corporate Social Responsibility	45,207	41,194
Reimbursements from associates	205,716	268,529
Reimbursements to the Company	30,128	640,660
Loan repaid	-	500,000
Mark-up on borrowings	760,459	521,686
Directors		
Directors paid	36,176	-
Directors' fees	31,890	23,503
Advisory agreement	21,000	-
Others		
Remuneration paid to key management personnel	371,488	323,290
Reimbursement of expenses	-	185
Contribution to retirement benefit funds	237,505	196,686

(Amounts in thousand)

17. SEGMENT REPORTING

17.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined the operating segments based on the information that is presented to the Board of Directors of the Group for allocation of resources and assessment of performance. Based on internal management reporting structure and products produced and sold, the Group is organized into the following operating segments:

Type of segments	Nature of business
Fertilizer	This part of the business manufactures, purchases and markets fertilizers. The operations of this segment includes a wide range of fertilizer brands, besides urea, which primarily comprises of Engro Zarkhez, Zingro and 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.
Connectivity and telecom	This part of the business includes buying, building, maintaining and operating telecommunication infrastructure and ancillary products and services.
Other operations	It includes management of investments in associates and joint ventures by the Holding Company. It also includes investments made in the foods.

Management monitors the operating results of the abovementioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from profit or loss in the consolidated financial statements. Segment results and assets include items directly attributable to a segment.

(Amounts in thousand)

Revenue for the period

Fertilizer
Polymer
Terminal
Power and mining
Connectivity and telecom
Other operations
Elimination - net
Consolidated

Profit for the period

Fertilizer
Polymer
Terminal
Power and mining
Connectivity and telecom
Other operations
Elimination - net
Consolidated

Assets

Fertilizer
Polymer
Terminal
Power and mining
Connectivity and telecom
Other operations
Elimination - net
Consolidated

Liabilities

Fertilizer
Polymer
Terminal
Power and mining
Connectivity and telecom
Other operations
Elimination - net
Consolidated

(Unaudited)

Three months ended

March 31, 2022 March 31, 2021
------(Rupees)-----

Fertilizer	36,813,078	29,443,723
Polymer	23,126,868	15,671,459
Terminal	3,650,499	3,163,887
Power and mining	20,940,081	21,322,583
Connectivity and telecom	1,578,735	805,760
Other operations	10,263,328	5,174,064
Elimination - net	(8,039,350)	(4,715,283)
Consolidated	<u>88,333,239</u>	<u>70,866,193</u>
Fertilizer	7,088,689	5,741,427
Polymer	4,713,583	4,142,970
Terminal	722,694	1,021,745
Power and mining	4,172,662	4,018,685
Connectivity and telecom	(13,734)	(181,814)
Other operations	8,696,206	3,565,236
Elimination - net	(10,461,397)	(3,529,256)
Consolidated	<u>14,918,703</u>	<u>14,778,993</u>
Fertilizer	137,378,492	132,818,383
Polymer	78,658,413	77,985,743
Terminal	66,800,461	64,339,032
Power and mining	258,189,398	250,094,260
Connectivity and telecom	44,329,340	44,859,768
Other operations	120,600,971	110,893,807
Elimination - net	(32,364,264)	(36,669,948)
Consolidated	<u>673,592,811</u>	<u>644,321,045</u>
Fertilizer	81,507,567	85,731,575
Polymer	52,002,810	48,017,833
Terminal	56,677,028	56,715,706
Power and mining	174,159,407	178,169,148
Connectivity and telecom	26,987,245	27,071,529
Other operations	38,319,776	17,079,156
Elimination - net	(7,524,344)	(11,263,590)
Consolidated	<u>422,129,489</u>	<u>401,521,357</u>

(Amounts in thousand)

18. NON-ADJUSTING EVENT AFTER REPORTING DATE

- 18.1 The Board of Directors of the Company in its meeting held on April 21, 2022 has proposed a interim cash dividend of Rs.12 per share for the period ended March 31, 2022 amounting to Rs. 6,913,959. These consolidated condensed interim financial statements does not include the effect of the said interim dividend.
- 18.2 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on April 20, 2022 has proposed an interim cash dividend of Rs. 5 per share for the period ended March 31, 2022, amounting to Rs. 450,000 of which the proportionate share of the Company amounts to Rs. 225,500.

19. SEASONALITY

- 19.1 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.
- 19.2 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 Company manages seasonality in the business through appropriate inventory management.

20. CORRESPONDING FIGURES


- 20.1 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.
- 20.2 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material.

21. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements were authorized for issue on April 21, 2022 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

سہ ماہی کے دوران، برنس نے ایکسپورٹس کے ذریعے 10.2 ملین امریکی ڈالر آمدنی حاصل کی، ایکسپورٹس گزشتہ سال کی اسی مدت کے 9 KT کے مقابلے میں 13 KT رہیں۔ 2022 کی پہلی سہ ماہی کا بعد از ٹیکس منافع 2021 کی پہلی سہ ماہی کے 31 ملین روپے کے مقابلے میں 85 ملین روپے رہا۔ عالمی مارکیٹ میں سپلائی چین کے مسائل کے پیش نظر، کمپنی نے مقامی مارکیٹ میں سپلائی جاری رکھتے ہوئے دوران سال 40 فیصد اضافے سے 4 KT مقامی سیلز حاصل کی جو گزشتہ سال کی اسی مدت میں 3 KT تھی۔

انرجی (توانائی)

کوئلے کی کان: سہ ماہی کے دوران کان کنی کے آپریشن بہترین انداز میں جاری رہے اور اینگرو پاور جن تھر کو ایک ملین ٹن کوئلہ فراہم کیا گیا۔ کان کی توسیع کے 7.6 ملین ٹن سالانہ والے فیز ii توسیعی منصوبہ کی تکمیل 2022 کی چوتھی سہ ماہی تک ہونے کی توقع ہے۔ فیز iii کے ذریعے 12.2 ملین ٹن سالانہ ماٹن کی توسیع کا کام 2021 میں منظور ہو چکا ہے جس کا فنانسنگ کلوز 2022 میں حاصل ہو جائے گا۔

تھر پاور پلانٹ: اینگرو پاور جن تھر لمیٹڈ نے 86 فیصد کلیشن کا ریکارڈ قائم کیا جو شروع سے اب تک کوئلے پر چلنے والے آئی پی بیگز سے مثالی رہی۔ سہ ماہی کے دوران پلانٹ سے 47 فیصد لوڈ فیکٹر کے ساتھ 48 فیصد فراہمی کا ہدف حاصل کیا گیا اور دوران سہ ماہی نیشنل گرڈ کو 610 GWh فراہم کیا۔ کوئلے کے کنویئر بلٹ پر حادثے کے بعد جبری بندش کے نتیجے میں پلانٹ کی موجودگی میں کمی آئی۔ تفتیش جاری ہے اور 2022 کی دوسری سہ ماہی کے دوران 2 یونٹس شروع ہونے کی توقع کی جا رہی ہے۔

قادر پور پاور پلانٹ: سہ ماہی کے دوران پلانٹ سے نیشنل گرڈ کو 124 GWh بجلی فراہم کی اور اس طرح گزشتہ سال کے 37 فیصد کے مقابلے میں 27 فیصد لوڈ فیکٹر حاصل کرنے میں کامیاب رہے کیونکہ بجلی خریداری کی جانب سے کم بجلی خریدی گئی۔ برنس کا موجودہ مدت کے لیے بعد از ٹیکس منافع 2021 کی پہلی سہ ماہی میں 399 ملین روپے کے مقابلے میں 151 ملین روپے رہا کیونکہ بڑی انسپیکشن کے لیے پلانٹ کو بند کیا گیا تھا۔

ٹریٹمنٹ آپریشنز

اٹلٹی ٹریٹمنٹ پر 2021 کی پہلی سہ ماہی کی طرح 19 کارگو ہینڈل کئے گئے۔ اس سے bcf 54 ری گیسفائیڈ ایل این جی کو سوئی سدرن گیس کمپنی کے نیٹ ورک میں شامل کیا گیا۔ کیمیکلز ٹریٹمنٹ نے گزشتہ سال کے 281 KT کے مقابلے میں 381 KT کی مقدار وصول کی۔ کیمیکلز کی مقدار میں اضافہ سے ایل پی جی ہینڈلنگ میں کمی کی تلافی کی گئی۔

شیرم ہولڈرز کو حصص کی تقسیم

بورڈ زیادہ سے زیادہ منافع دینے کے لیے پر عزم ہے اور 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے لیے ہر ایک شیر پر 12 روپے کا عبوری نقد منافع منقسمہ تجویز کرنے پر بے حد خوش ہے۔

مستقبل قریب کا جائزہ

2022 میں، ہم اپنے ملک اور اسٹیک ہولڈرز کے لیے حقیقی منافع کمانے کے ساتھ اپنے کاروباری شعبہ جات کو ترقی دینے کے لیے کوشاں رہیں گے۔

فریٹلائزرز

پاکستان کے زرعی شعبہ میں حکومتی تعاون، زرعی معیشت کی ترقی اور عالمی سطح کے مقابلے میں یوریا کی رعایتی قیمت پر دستیابی سے فائدہ اٹھاتے ہوئے ترقی کی امید ہے۔ اینگرو فریٹلائزرز کی جانب سے مستحکم پیداوار مقامی مارکیٹ میں فریٹلائزرز کی طلب کو پورا کرے گی۔ ملک میں یوریا پیداوار کی اضافی صلاحیت ہونے کے سبب، انڈسٹری حکومتی منظوری کے ساتھ مشروط یوریا کی برآمدات سے بیرونی زرمبادلہ کما سکتی ہے۔

پیٹر و کیمیکلز

توسیع کے بعد 295 KT کی صلاحیت کی موجودگی کے ساتھ، برنس درآمدات میں کمی کے ایجنڈا کو پورا کرنے کے لیے بہترین انداز میں تیار ہے جبکہ پاکستان میں پی وی سی کی بڑھتی ہوئی طلب کو بھی پورا کر رہا ہے۔ اینگرو پالی مرائنڈ کیمیکلز شاندار انتظامی کارکردگی دکھانے اور پاکستان کے ہر فرد کی جانب سے پی وی سی کھپت میں تیزی لانے کی کوششوں کے ذریعے مارکیٹ کی بہتری کے لیے پر عزم ہے۔

ٹیلی کمیونیکیشن انفراسٹرکچر

انفراسٹرکچر کاروباری جائزہ موبائل ڈیٹا کے بڑھتے ہوئے استعمال اور موبائل ہینڈ سیٹ کی مقامی پیداوار کے آغاز کی بدولت شاندار ہے، اسی کے پیش نظر موبائل نیٹ ورک آپریٹرز کو معیار اور فراہمی میں بہتری لانی ہوگی۔

انفراسٹرکچر آرگینک اور ان آرگینک ترقی کے مواقع حاصل کرنے سے ایک آزاد ناورد کمپنی کے طور پر، مارکیٹ میں رہنما کی حیثیت برقرار رکھنے کے لیے کوشاں ہے۔ انفراسٹرکچر سال 2025 تک +5000 ٹاورز کے ساتھ 1.3x کا زبردست کرایہ داری منافع حاصل کرنے کی پوزیشن میں ہے۔

فوڈز

برنس FrieslandCampina کی عالمی مہارت کو استعمال کرتے ہوئے نئے پروڈکٹس اور مستقبل کی کاروباری ترقی کے پیش نظر جدت کے حصول میں کوشاں ہے۔ برنس نے ڈیری چیز کے شعبے میں شراکت داری کی ہے اور کراچی اور لاہور میں پائلٹس بھی شروع کر دیئے ہیں۔ کنزیومر کی آگہی پر توجہ دیتے ہوئے ڈیری شعبے میں تبدیلی اور رسائی کے لیے، برنس اپنے سپلائی چین اور خام مال کے اخراجات میں کمی سے منافع میں بہتری کا منصوبہ رکھتا ہے۔

انرجی

انرجی برنس ریگولیشنز اور انڈسٹری کے اسٹیک ہولڈرز کے ساتھ مشترکہ کوششوں کے ذریعے دو طرفہ بجلی کی مارکیٹ تیار کرنے کے لیے پر عزم ہے تاکہ بجلی کے شعبے کی ازسرنو بحالی کی جاسکے۔ برنس متبادل مارکیٹ میں اپنا حصہ حاصل کرنے کے لیے بھرپور کوششیں جاری رکھے گا۔ اینگرو انرجی نے 400 میگا واٹ والا متبادل ہابزڈ انرجی پارک بنانے کے لیے حکومت سندھ کے ساتھ ایم او پور دستخط کئے ہیں اور حال ہی میں بجلی کی فروخت کے لیے اہم کسٹمرز کے ساتھ شرائط والی دستاویز پر دستخط کئے ہیں۔

ملک کو مقامی طور پر تیار ہونے والی سستی بجلی فراہم کرنے کے مقصد سے، ہم اپنے کول ماٹن کے کام کو توسیع دیتے رہیں گے جس میں 2022 تک 7.6 ملین ٹن سالانہ کی توسیع متوقع ہے جبکہ 2023 تک یہ سالانہ 12.2 ملین ٹن تک پہنچ جائے گی۔

ٹریٹمنٹ سروسز

ایل این جی ٹریٹمنٹ ملک کو درپیش توانائی کے بحران پر قابو پانے میں اپنا کردار ادا کر رہا ہے۔ کیمیکل انڈسٹری کی مارکیٹ کے حالات مستحکم ہیں اور اینگرو ووپاک نے مارکیٹ لیڈر کی اپنی پوزیشن برقرار رکھی ہوئی ہے۔ البتہ، تاققان اور ”پوسٹ 250“ کے کھلنے سے زمینی راستے کے ذریعے امپورٹ کے نتیجے میں ایل پی جی میرین امپورٹس میں کمی واقع ہوئی ہے۔

اظہار تشکر

ڈائریکٹرز اپنے شیرم 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 خیرات پیش کرنے پر مشکور و ممنون ہیں اور پر اعتماد ہیں کہ مستقبل میں بھی یہ لوگ ایسی کوشش جاری رکھیں گے۔



حسین داؤد
چیئرمین



غیاث خان
صدر اور چیف ایگزیکٹو

اینٹروکارپوریشن لمیٹڈ

ڈائریکٹرز رپورٹ

اینٹروکارپوریشن لمیٹڈ کے ڈائریکٹرز 31 مارچ 2022 کو ختم شدہ پہلی سہ ماہی کے لیے اپنی رپورٹ اور کمپنی کے منجملہ عبوری مالیاتی گوشوارے جمع کراتے ہوئے خوش محسوس کر رہے ہیں۔

سال 2022 کی پہلی سہ ماہی کے دوران عالمی معیشت نے طلب کی بحالی کا سفر کرتے ہوئے سپلائی چین کے مسائل سے ایشیائے خورد و نوش میں مہنگائی کا سامنا کیا۔ اس بحالی پر روس اور یوکرین کی جنگ کے سبب عسکری و سیاسی تناؤ کے ماحول نے منفی اثرات مرتب کئے، اس صورتحال کے نتیجے میں افراط زر بڑھنے کے ساتھ ایشیائے خورد و نوش کی قیمتوں میں تاریخی اضافہ دیکھا جا رہا ہے۔ نتیجتاً بڑی عالمی معیشتوں کی جانب سے مہنگائی کو روکنے کے لیے مالی سست روی کی پالیسی اپنائی جا رہی ہے۔

علاوہ ازیں، عالمی سیاسی اور اقتصادی صورتحال سے پاکستان کی مقامی معیشت پر اثرات مرتب ہو رہے ہیں۔ بین الاقوامی سیاسی و عسکری مسائل کے نتیجے میں ایشیائے خورد و نوش کی قیمتوں میں اضافہ اور مالی / اقتصادی محرکات مقامی معیشت میں مہنگائی کا سبب بن رہے ہیں اور ایسی صورتحال میں مقامی طلب سست روی کا شکار بھی ہو سکتی ہے۔

اس مشکل وقت کے باوجود، اینٹروکارپورٹ فولیو ان بیرونی منفی حالات کے مقابلے میں مستحکم پوزیشن برقرار رکھنے کے قابل ہے۔ ہمارے پورٹ فولیو کی تشکیل زرمبادلہ میں اتار چڑھاؤ کے منفی اثرات سے بچانے کی صلاحیت کو سامنے رکھ کر کی گئی ہے۔

کاروباری جائزہ

انفرادی طور پر کمپنی نے مدت کے لیے 3,586 ملین روپے کے مقابلے میں بعد از ٹیکس منافع 6,877 ملین روپے اپنے نام کیا جس کے مطابق ہر ایک شیئر پر منافع 11.94 روپے بنتا ہے۔ منافع میں 92 فیصد کا یہ شاندار اضافہ بنیادی طور پر

ہمارے ذیلی اداروں، فریٹلائزر اور پیٹرو کیمیکلز بزنسز کی جانب سے زیادہ ڈیولپمنٹ فراہم ہونا ہے۔

کمپنی کی مشترکہ آمدنی 2021 کی پہلی سہ ماہی کے 70,866 ملین روپے کے مقابلے میں 88,333 ملین روپے کے ساتھ 24.6 فیصد زائد رہی۔ سہ ماہی کے لیے مشترکہ بعد از ٹیکس منافع (PAT) پاکستانی 14,897 ملین روپے بنتا ہے جبکہ شیئر ہولڈرز میں تقسیم ہونی والا بعد از ٹیکس منافع 7,972 ملین روپے رہا جو گزشتہ سال کی اسی مدت میں 8,337 ملین روپے تھا، نتیجے میں ہر ایک شیئر پر منافع گزشتہ سال کی اسی مدت کے 14.47 روپے کے مقابلے میں 13.84 روپے بنتا ہے۔

ہمارے کاروباری شعبہ جات سے متعلق تفصیل درج ذیل ہے:

فریٹلائزرز

2022 کی پہلی سہ ماہی میں، فریٹلائزر بزنس نے شاندار کارکردگی کے ساتھ 36,813 ملین روپے کی آمدنی حاصل کی جو گزشتہ سال کی اسی مدت کے دوران 29,443 ملین روپے تھی، جبکہ بعد از ٹیکس منافع گزشتہ سال کی اسی مدت کے 5,741 ملین روپے کے مقابلے میں 5,511 ملین روپے تھا۔

مقامی سطح پر، گزشتہ سال سے جاری صورتحال کے عین مطابق بہتر پیداوار اور اچھی قیمتوں کے باعث زرعی معیشت ترقی کرتی رہی۔ زیر جائزہ مدت کے دوران یوریا کی سیلز گزشتہ سال کے 601 KT کے مقابلے میں اس سال 549 KT رہی۔ 2021 میں اضافی سیلز زیادہ انویسٹری کھولنے کے سبب تھی۔ فاسفیٹ کی سیلز گزشتہ سال کے 74 KT کے مقابلے میں 79 KT رہی۔

بین الاقوامی سطح پر، یوریا کی قیمتیں عالمی طور پر سیاسی و عسکری صورتحال کے باعث اتار چڑھاؤ کے نتیجے میں 2022 کے اختتام تک امریکی ڈالر / 1,005 T (11,741 روپے کے مساوی فی بوری پنچ) تک پہنچ گئیں، جبکہ مقامی فریٹلائزر انڈسٹری کسانوں کو 84 فیصد رعایتی قیمت پر یوریا کی فراہمی سے فائدہ پہنچاتی رہی۔ ڈی اے پی کی عالمی اور مقامی قیمتوں میں تیزی رہی اور سہ ماہی کے دوران قیمتوں میں 12 فیصد اضافہ دیکھا گیا جس میں 2022 کے اختتام تک 11,025/T امریکی ڈالر تک آفر دی جا رہی ہے۔

2022 کی پہلی سہ ماہی میں مقامی طور پر یوریا مینوفیکچرنگ انڈسٹری کی موجودگی سے اسپورٹ میں کمی کو یقینی بناتے ہوئے 1.2 بلین ڈالر کی بچت حاصل ہوئی جبکہ اینٹرو فریٹلائزر اس ضمن میں 35 فیصد کے ساتھ 0.4 بلین امریکی ڈالر کی بچت کا سبب بنی۔

پیٹرو کیمیکلز

پالیمیر بزنس نے 23,126 ملین روپے کی آمدنی حاصل کی جو گزشتہ سال 15,671 ملین روپے تھی، جبکہ گزشتہ سال کے بعد از ٹیکس منافع 4,143 ملین روپے کے مقابلے میں اس سال کا بعد از ٹیکس منافع 4,714 ملین روپے بنتا ہے۔ آمدنی میں اضافہ پی وی سی کی قیمتیں بڑھنے کے سبب ہوا، نارٹھ ایسٹ ایشیا میں سپلائی کے تعطل کے نتیجے میں 1,339/T امریکی ڈالر کی اوسط پر ہیں۔ البتہ، پی وی سی کی زائد قیمتوں کو منافع سے دیکھا نہیں جاسکتا کیونکہ سہ ماہی کے دوران ایتھائلین کی قیمت بڑھنے سے کورڈیلٹا میں کمی ہوئی، ایتھائلین کی قیمت اوسطاً 1,176/T کے ساتھ کورڈیلٹا 751/T رہی۔ عالمی مارکیٹ میں پی وی سی کی سپلائی پر دباؤ کے باوجود، مقامی پی وی سی ڈاؤن اسٹریم مارکیٹ میں اینٹرو پالیمیر کی پروڈکشن کے سبب بلا تعطل فراہمی جاری رہی۔

بزنس نے 96 فیصد مارکیٹ شیئر کے ساتھ 62 KT کی مقامی سیلز حاصل کی، جو گزشتہ سال کے دوران 93 فیصد مارکیٹ شیئر کے ساتھ 53 KT تھی۔ نتیجتاً، پالیمیر بزنس نے 37 ملین امریکی ڈالر کی درآمدات میں کمی لانے میں معاونت کی۔

کمپنی نے تعمیری شعبے کے اسٹیک ہولڈرز کے ساتھ ’’تھنک پی وی سی‘‘ آؤٹ لیٹ کے ذریعے آگہی اور شراکت داری کو جاری رکھا، جس میں پی وی سی ڈاؤن اسٹریم پروڈکٹس کی افادیت اور اعلیٰ ترین فزیکل خصوصیات پر روشنی ڈالتے ہوئے پاکستان کے تعمیری شعبے کے پس منظر کو تبدیل کرنے کا مقصد پیش کیا گیا۔

ٹیلی کمیونیکیشن انفراسٹرکچر

انفراسٹری نے ملکی سطح پر اپنی رسائی بڑھانے پر کام جاری رکھا اور سہ ماہی کے اختتام تک اس کے ٹاورز کی تعداد 2,557 ہو چکی ہے جن کا ٹینسی ریشو 1.13x ہے، جو پاکستان کی چاروں موبائل نیٹ ورک آپریٹرز کی ضروریات کو پورا کر رہا ہے۔ کمپنی نے سہ ماہی

کے اختتام تک 50 فیصد نئے سائٹس کو ایک آزاد ٹاور کمپنی کے طور پر حاصل کیا جس سے گزشتہ سال کی اسی مدت کے مقابلے میں 85 فیصد زائد آمدنی حاصل ہوگی۔

سہ ماہی کے دوران بزنس میں ترقی کی صلاحیت کو بروئے کار لاتے ہوئے مشترکہ لوکیشن کے مواقع سے فائدہ اٹھایا گیا، جس کے تحت مارچ 2022 میں 325 کو لوکیشن ٹینٹ حاصل ہو چکے ہیں جبکہ دسمبر 2021 میں 225 تھے اس طرح اضافے کی شرح 38 فیصد بنتی ہے۔ بزنس اس شعبے میں متوقع ترقی سے فائدہ اٹھانے کے لیے تیار ہے، جس میں حکومت پاکستان کی جانب سے پالیسی لیول کے نتائج میں اسمارٹ فون کی مقامی تیاری بھی شامل ہے۔

فوڈز اور چاول

فریز لینڈ کیمپنا اینٹرو پاکستان نے شاندار ترقی کا مظاہرہ کرتے ہوئے 21 فیصد اضافے کے ساتھ گزشتہ سال کی اسی مدت کے 11,577 ملین روپے کے مقابلے میں 13,971 ملین روپے کی آمدنی کمائی۔ بزنس کا بعد از ٹیکس منافع گزشتہ سال کی اسی مدت کے 547 ملین کے مقابلے میں 664 ملین روپے بنتا ہے۔

بزنس کی جانب سے ای کامرس چینلز کے استعمال سے مارکیٹ کی رسائی میں اضافہ ہوا جبکہ بزنس نے ملکی سطح پر اپنی سیلز اور ڈسٹری بیوشن کو ڈیجیٹائز کرنے کے لیے مایہ ناز فن ٹیکس کے ساتھ کاروباری شراکت داری کی۔ بزنس نے مارکیٹ کی رسائی اور توسیع، براڈ ایکٹیوٹی بڑھانے کے لیے مارکیٹنگ کے اخراجات میں اضافے کے ساتھ مارکیٹ میں اپنی رسائی بڑھانے پر بھی کام کیا۔

بزنس نے اپنے کنزیومر سے متعلق آگہی اور ڈیری کی ترقی کے پروگراموں میں توسیع کو جاری رکھا جس میں ڈیری پروڈکٹس پر 2021 میں ٹیکس خاتمے کی بحالی سے مزید فائدہ حاصل ہوگا۔

اینٹرو ایگزیمپ ایگری پروڈکٹس نے چاول کے درآمدی کاروباری میں مہارتوں کا استعمال جاری رکھا اور انہی کوششوں کی بدولت مقامی اور بین الاقوامی سطح پر پہچان میں اضافہ کیا۔ بزنس نے براؤن رائس کے شعبے میں 2 فیصد صنعتی ترقی حاصل کی گزشتہ سال کی اسی مدت کے مقابلے میں 65 فیصد ترقی ریکارڈ کروائی۔