



engro fertilizers

together we grow

THIRD QUARTER REPORT 2020



engro fertilizers

company information

Board of Directors

Mr. Ghias Khan (Chairman)
Mr. Nadir Salar Qureshi (Chief Executive)
Mr. Abdul Samad Dawood
Mr. Asad Said Jafar
Mr. Asim Murtaza Khan
Mr. Javed Akbar
Mr. Mazhar Hasnani

Chief Financial Officer

Mr. Imran Ahmed

Company Secretary

Ms. Schaane Ansari

Bankers

Conventional

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Citi Bank N.A
Deutsche Investitions und
Entwicklungsgesellschaft (DEG)
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
United Bank Limited

Shariah Compliant

Bank Islami Pakistan Limited
Al Baraka Islamic Bank (Pakistan) Limited
Dubai Islamic Bank (Pakistan) Limited
Meezan Bank Limited

Microfinance

Mobilink Microfinance Bank
Telenor Microfinance Bank

Auditors

A. F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C,
I. I. Chundrigar Road,
Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6 / 32426711-5
Fax: +92 (21) 32415007 / 32427938

Registered Office

7th & 8th Floor, The Harbor Front Building,
HC # 3, Marine Drive, Block 4, Clifton,
Karachi-75600, Pakistan
Tel: +92 (21) 35297501-10
Fax: +92 (21) 35810669
Website: www.engrofertilizers.com ; www.engro.com

Share Registrar

M/s. FAMCO Associates (Pvt) Limited
8-F, Near Hotel Faran, Block-6, PECHS,
Shahrah-e-Faisal, Karachi, Pakistan
Tel: +92 (21) 34380104-5, 34384621-3
Fax: +92 (21) 34380106

directors' report to the shareholders for the nine months ended september 30, 2020

On behalf of the Board of Directors of Engro Fertilizers Limited (the Company), we are pleased to present the unaudited consolidated financial statements for the nine months ended September 30, 2020.

Business Continuity Strategy during COVID 19

By the Grace of the Almighty, Pakistan has been able to come out of the 1st wave of COVID 19 with the number of daily positive cases of COVID 19 declining substantially over the past 3 months. Supported by a number of impactful initiatives taken by GoP, the economy is on a path to recovery easing restrictions on business operations.

Over the course of this challenging period, the Company has taken multiple steps that have ensured uninterrupted business operations. Strict adherence to SOPs has been implemented at our offices and plant sites to prevent the spread of virus. With health and safety of our employees being our utmost priority, the Company continues to operate a special medical help desk facility and on-site quarantine facilities. Furthermore, many initiatives have been introduced to manage the morale of employees, including special recognition for front line staff, counseling sessions for emotional well-being and online platforms for social interaction.

CSR Efforts to Combat COVID-19:

Hussain Dawood (HD) Pledge

To support the Country during these times, the Chairman of Engro Corporation and Dawood Hercules Corporation, Mr. Hussain Dawood announced a PKR 1 Bn pledge. By the end of Q3 2020, Engro Fertilizers Limited has made the following contributions under the HD pledge:

- PKR 95 Mn to Indus Hospital to expand COVID 19 testing capacity across Sindh;
- PKR 23 Mn to Shaukat Khanum Hospital for testing COVID 19 patients; and
- PKR 4.8 Mn to Sehat Kahani for promoting quality remote healthcare.

Initiatives in the Surrounding Communities

The Company has taken multiple steps to prevent the spread of COVID 19 in the surrounding communities. These initiatives include:

- Conversion of Technical Training Center at our Daharki plant site into a free of charge COVID 19 testing facility in collaboration with Indus Hospital;
- Installation of handwash stations at various locations in schools and colleges in Daharki;
- Awareness campaigns and distribution of basic health and safety accessories (masks, sanitizers, temperature guns, etc.) at government schools and colleges in Daharki and Ubaro; and
- Disinfection measures carried out in public areas; and
- Distribution of rations to affected families.

Furthermore, following the recent flooding in Sindh the company took additional measures to support flood affected communities in the Ghotki District.

International Fertilizer Market

International urea prices have increased to USD 289/T (landed equivalent PKR 2,895/bag) by the end of Q3 2020 from USD 237/T (landed equivalent of PKR 2,425/bag) prevailing at the end of Q2 2020 mainly on account of higher demand from India in Q3 2020. Domestic urea prices are at a discount of 42% to international prices, as they are currently hovering around PKR 1,668/bag as compared to PKR 2,040/bag at the start of the year.

DAP prices have seen rapid resurgence during the period with prices clocking in as high as USD 370/T.

Local Fertilizer Market

During the current monsoon season the country recorded 41% higher than average rainfall that resulted in severe damage to rain sensitive crops such as cotton. Whilst locust attacks were a key threat to crop output in Q2 2020, the condition has now been effectively managed with limited impact from infestations. The National Disaster Management Authority (NDMA) took timely actions to prevent further infestation in collaboration with Community World Service Asia (CWSA).

Local urea market demand stood at 4,173 KT vs 4,362 KT in 9M 2019, translating into a decline of 4% versus same period last year. This was mainly due to significant channel inventory at the start of the year. Indigenous gas-based urea production of the industry increased by 11% standing at 4,397 KT vs 3,972 KT last year. The increase in production is primarily attributable to the Company's record high 9-month production of 1,694KT – a surge of 17% versus comparable period last year. Total urea production in the industry including RLNG plants stood at 4,526 KT in 9MFY20 vs 4,587 KT in 9MFY19.

On the phosphates front, the industry demand stood at 1,376 KT vs 1,181 KT during the same period last year translating into a rise of 17% due to opportunistic buying in anticipation of further increase in DAP prices in the upcoming months.

Urea Prices

In January 2020, the Company welcomed the decision of the government to reduce Gas Infrastructure Development Cess (GIDC) for fertilizer manufacturers, by fully passing on the benefit via urea price reduction of PKR 160/bag. Subsequently, in the wake of COVID 19, the Company took a further price cut on urea of PKR 240/bag in March 2020.

It is evident that COVID 19 has not adversely impacted the agriculture sector and farm economics have improved. During the quarter, the price of urea has increased by PKR 25/bag .

Company's Operating Performance

The company has achieved highest ever 9-month urea production of 1,694 KT vs 1,451 KT last year. This is a result of our continued focus on plant efficiency and engineering excellence. This record production was achieved with zero Total Recordable Incident Rate (TRIR). This is a testament to the singular focus of our plant teams to health and safety and particularly commendable as this was achieved whilst following additional COVID 19 SOPs.

Sales during the current period stood at 1,451 KT compared to 1,331 KT last year, an increase of 9% primarily due to higher production. As a result, the Company was able to increase its urea market share to 35% vs 31% last year.

The Company's DAP and Zorawar sales witnessed an increase of 10% during the period (334 KT vs 303 KT last year).

Despite the significant price reduction taken by the Company earlier this year, putting a strain on margins, the Company has been able to sustain profitability on the back of improved production and stringent focus on managing costs.

On a standalone basis, our net profit stood at PKR 12.03 Bn compared to PKR 13.22 Bn last year, resulting in an EPS of PKR 9.01 as opposed to PKR 9.90 last year. On a consolidated basis, the net profit clocked in at PKR 11.49 Bn as opposed to PKR 10.5 Bn during the same period last year resulting in EPS of 8.61 as opposed to PKR 7.87 last year.

The Board is pleased to recommend a cash dividend of PKR 5 per share for the period ended September 30, 2020.

Decision on GIDC by the Supreme Court of Pakistan (SCP)

On August 13, 2020 the SCP decided the challenge to the constitutionality of the Gas Infrastructure Development Cess (GIDC) Act, 2015. The SCP held that the Act 2015 is constitutional and the cess payable by companies outstanding as at July 31, 2020 would be recovered through 24 equal monthly instalments. The SCP did, however, restrain the Federal Government from collecting any further cess from the date of the judgment.

The decision has impacted sectors that use gas as their input including the fertilizer industry. Total GIDC outstanding on non-concessionary gases for the fertilizer sector is estimated at around PKR 111 Bn (PKR 20 Bn for the Company). The Company has filed a review petition before the SCP.

As per the Fertilizer Policy 2001, the price of concessionary feed gas is fixed and is inclusive of all taxes, duties, levies, fees and charges whatsoever, whether local, provincial or federal. Accordingly, the Company has not recorded a provision for GIDC on concessionary gas. With respect to GIDC on this concessionary feed gas, the Company has filed suit before the Sindh High Court and obtained an interim stay order.

Other significant matters

The budgetary measures in 2020 introduced stringent tax regulations that have led to a significant increase in the cost of doing business for manufacturers selling to persons not registered under the sales tax regime. The fertilizer industry operates within a simple value chain where dealers operate on very limited margins of 2%-3% of sales price. Over ninety percent of industry dealers are filers for income tax purposes but are not registered under the sales tax regime. The tax rates applicable to the fertilizer dealers exceed their profit margins and therefore the dealers have been reluctant to get themselves registered for sales tax purposes. Nonetheless, the Company has carried out engagement sessions with dealers across Pakistan to encourage them to register for sales tax. In these sessions, dealers have shown a desire to get themselves registered provided the anomalies in the current tax regime are resolved. Engro Fertilizers has been playing an active role in advocating these changes with the relevant authorities as the Company has always supported the Government in its efforts to broaden the tax base. The industry has taken up the matter with FBR and is expecting an exemption. During the period, the Company had to bear a significant negative impact on its results due to these changes in the tax laws. In case the matter remains unresolved, the Company would contemplate a price increase to pass on the additional tax burden.

Awards, Recognitions & Key Initiatives

- The company has been awarded "Annual Environment Excellence Award 2020" by National Forum for Environment and Health (NFEH) for effective implementation of environmentally friendly policies at our Daharki and Zarkhez Plants.
- Our Daharki plant has been certified as ISO-45001 which is a certification on Occupational Health and Safety Management System.
- National Safety Council (USA) awarded Engro Fertilizers Limited with "National Safety Council Community Advancement Award 2020" for ensuring safety at work and in the surrounding community at Daharki Site.
- The Daharki Site of the company has been awarded "The Royal Society for Prevention of accidents (RoSPA) Health and Safety Silver Award 2020".
- The commercial division launched 2nd Soil Testing Mobile Laboratory dedicated for Sindh to assist farmers for better soil management.
- The finance division, in collaboration with MCB, launched the pilot phase for first ever Electronic Bank Guarantee (EBG) system in Pakistan.
- The company has launched "Humsafar – Dealer management system" which is a web and mobile based application that is targeted at improving overall customer experience.

Near Term Outlook

After the first wave of COVID 19, the economy is on an upward trajectory, which has also been reflected in the performance of the fertilizer market. On a full year basis, we expect the urea industry demand to remain in line with the 10-year historic average of 5.8MT.

The indigenous gas-based production has increased by 11% for 9-month FY20. However, the recent decision by the government to operate RLNG plants for 3 months will lead to excess inventory in the market.

With respect to GIDC, outcome of the review petition would have a significant impact on the financial position of the fertilizer companies. In case, GIDC is recovered over 24 equal instalments in the next 2 years, it would have dire effects on the overall industry rendering the players incapable of making further investment in the country.

The Company remains committed to continue to play its role in transforming the agricultural landscape of Pakistan. On behalf of the Board, the Company would like to thank all stakeholders for their continued trust and support.



Ghias Khan
Chairman



Nadir Salar Qureshi
Chief Executive Officer



engro fertilizers

consolidated condensed
interim financial statements
(unaudited) for the nine months
ended september 30, 2020

consolidated condensed interim statement of financial position as at september 30, 2020

(Amounts in thousand)

	Note	Unaudited September 30, 2020	Audited December 31, 2019
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment	3	64,559,200	65,924,426
Intangible assets		4,992,027	5,071,003
Long-term loans, advances and deposits		115,157	163,791
		69,666,384	71,159,220
Current assets			
Stores, spares and loose tools		7,321,438	5,301,092
Stock-in-trade	4	9,971,871	12,477,638
Trade debts	5	6,677,938	14,174,520
Short-term investments	6	19,212,909	5,511,544
Other receivables		8,342,710	9,412,251
Loans, advances, deposits and prepayments		1,586,724	2,948,706
Taxation - net		1,492,808	2,542,457
Cash and bank balances		1,548,898	3,413,473
Accrued income		232,910	105,910
		56,388,206	55,887,591
TOTAL ASSETS		126,054,590	127,046,811

(Amounts in thousand)

	Note	Unaudited September 30, 2020	Audited December 31, 2019
-----Rupees-----			
EQUITY & LIABILITIES			
Equity			
Share capital		13,352,993	13,352,993
Reserves			
Share premium		3,384,904	3,384,904
Remeasurement of post employment benefits		(56,639)	(56,639)
Remeasurement of investments		-	-
Unappropriated profit		30,077,087	26,598,202
		<u>33,405,352</u>	<u>29,926,467</u>
TOTAL EQUITY		46,758,345	43,279,460
Liabilities			
Non-current liabilities			
Borrowings	7	15,513,554	22,192,098
Deferred taxation		11,732,460	12,182,426
Deferred liabilities		257,411	257,403
		<u>27,503,425</u>	<u>34,631,927</u>
Current liabilities			
Current portion of:			
- borrowings	7	8,602,064	8,760,351
- deferred liabilities		52,630	56,036
Accrued interest / mark-up		372,424	587,866
Trade and other payables	8	42,104,177	37,685,215
Short-term borrowings	9	604,017	1,985,910
Unclaimed dividend		57,508	60,046
		<u>51,792,820</u>	<u>49,135,424</u>
TOTAL LIABILITIES		79,296,245	83,767,351
Contingencies and Commitments	10		
TOTAL EQUITY AND LIABILITIES		<u>126,054,590</u>	<u>127,046,811</u>

The annexed notes from 1 to 22 form an integral part of these consolidated condensed interim financial statements.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman

consolidated condensed interim statement of profit or loss (unaudited) for the nine months ended september 30, 2020

(Amounts in thousand except for earnings per share)

	Note	Quarter ended		Nine months ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
-----Rupees-----					
Net sales	11	37,435,226	27,106,187	78,138,036	77,749,136
Cost of sales		(26,592,361)	(18,266,649)	(53,900,431)	(52,794,633)
Gross profit		10,842,865	8,839,538	24,237,605	24,954,503
Selling and distribution expenses		(2,562,623)	(2,068,744)	(5,990,180)	(5,449,526)
Administrative expenses		(514,676)	(296,364)	(1,234,810)	(887,347)
		7,765,566	6,474,430	17,012,615	18,617,630
Other income	12	501,153	1,214,268	1,005,870	3,652,650
Other operating expenses		(408,303)	(502,558)	(1,148,896)	(1,489,298)
Finance cost		(655,214)	(1,209,649)	(2,762,935)	(3,228,796)
		(1,063,517)	(1,712,207)	(3,911,831)	(4,718,094)
Profit before taxation		7,203,202	5,976,491	14,106,654	17,552,186
Taxation	13	(169,360)	(2,650,011)	(2,615,972)	(7,041,530)
Profit for the period		7,033,842	3,326,480	11,490,682	10,510,656
Profit attributable to:					
- continuing operations		7,033,842	3,326,480	11,490,682	10,474,470
- discontinued operations		-	-	-	36,186
		7,033,842	3,326,480	11,490,682	10,510,656
Earnings per share (basic and diluted) from:					
- continuing operations		5.27	2.49	8.61	7.84
- discontinued operations		-	-	-	0.03
		5.27	2.49	8.61	7.87

The annexed notes from 1 to 22 form an integral part of these consolidated condensed interim financial statements.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman

consolidated condensed interim statement of comprehensive income (unaudited) for the nine months ended september 30, 2020

(Amounts in thousand)

	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees-----			
Profit for the period	7,033,842	3,326,480	11,490,682	10,510,656
Other comprehensive income:				
Items potentially re-classifiable to profit or loss				
Exchange differences on translation of foreign operations	-	-	-	275,754
Unrealised loss on remeasurement of investments classified as fair value through other comprehensive income (FVOCI) - net of tax	(44,802)	(2,532)	-	(2,532)
Total comprehensive income for the period	6,989,040	3,323,948	11,490,682	10,783,878
Total comprehensive income for the period attributable to:				
- continuing operations	6,989,040	3,323,948	11,490,682	10,471,938
- discontinued operations	-	-	-	311,940
	6,989,040	3,323,948	11,490,682	10,783,878

The annexed notes from 1 to 22 form an integral part of these consolidated condensed interim financial statements.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman

consolidated condensed interim statement of changes in equity for the nine months ended september 30, 2020

(Amounts in thousand)

	CAPITAL		RESERVES			Unappropriated profit	Total
	Share capital	Share premium	Exchange revaluation reserve	Remeasurement of post employment benefits	Remeasurement of investments		
	Rupees						
Balance as at January 1, 2020 (Audited)	13,352,993	3,384,904	-	(56,639)	-	26,598,202	43,279,460
Transaction with owners:							
Dividends:							
- Final 2019: Rs. 2.00 per share	-	-	-	-	-	(2,670,599)	(2,670,599)
- 1st interim dividend 2020: Rs. 4.00 per share	-	-	-	-	-	(5,341,198)	(5,341,198)
	-	-	-	-	-	(8,011,797)	(8,011,797)
Total comprehensive income for the nine months ended September 30, 2020							
Profit for the period	-	-	-	-	-	11,490,682	11,490,682
Balance as at September 30, 2020 (Unaudited)	13,352,993	3,384,904	-	(56,639)	-	30,077,087	46,758,345
Balance as at January 1, 2019 (Audited)	13,352,993	3,384,904	408,817	(44,729)	-	28,421,170	45,523,155
Transaction with owners:							
Dividends:							
- Final 2018: Rs. 3.00 per share	-	-	-	-	-	(4,005,898)	(4,005,898)
- 1st interim dividend 2019: Rs. 5.00 per share	-	-	-	-	-	(6,676,497)	(6,676,497)
	-	-	-	-	-	(10,682,395)	(10,682,395)
Total comprehensive income for the nine months ended September 30, 2019							
Profit for the period	-	-	-	-	-	10,510,656	10,510,656
Other comprehensive income for the period:							
- exchange revaluation	-	-	275,754	-	-	-	275,754
- un-realised loss on remeasurement of FVOCI Investment- Net of tax	-	-	-	-	(2,532)	-	(2,532)
	-	-	275,754	-	(2,532)	10,510,656	10,783,878
Reclassification of exchange revaluation reserve to profit or loss on disposal of subsidy	-	-	(684,571)	-	-	684,571	-
Balance as at September 30, 2019 (Unaudited)	13,352,993	3,384,904	-	(44,729)	(2,532)	28,934,002	45,624,638

The annexed notes from 1 to 22 form an integral part of these consolidated condensed interim financial statements.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman

consolidated condensed interim statement of cash flows (unaudited) for the nine months ended september 30, 2020

(Amounts in thousand)

Note	Nine months ended	
	September 30, 2020	September 30, 2019
-----Rupees-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
	14	
Cash generated from operations	34,322,276	30,890,543
Retirement and other service benefits paid	(56,795)	(60,848)
Taxes paid	(1,591,230)	(7,364,321)
Long-term loans and advances - net	48,634	(60,780)
Net cash generated from operating activities	32,722,885	23,404,594
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangibles	(2,571,604)	(3,336,888)
Proceeds from disposal of property, plant and equipment	22,104	733,819
Proceeds from disposal of subsidiary - net	-	1,927,286
Purchase of short-term investments	(11,206,174)	(25,003,576)
Proceeds from sale of short-term investments	4,726,257	28,685,553
Income on government securities, term deposit certificates and bank deposits	874,841	1,480,758
Net cash (utilised) / generated in investing activities	(8,154,576)	4,486,952
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(8,014,335)	(4,006,885)
Finance cost paid	(2,814,919)	(2,314,390)
Repayments of long-term borrowings	(7,000,289)	(3,092,042)
Net cash utilised in financing activities	(17,829,543)	(9,413,317)
Net increase in cash and cash equivalents	6,738,766	18,478,229
Cash and cash equivalents at beginning of the period	4,029,957	(190,032)
Exchange gain translation on foreign operations	-	275,754
Cash and cash equivalents at end of the period	15 10,768,723	18,563,951

The annexed notes from 1 to 22 form an integral part of these consolidated condensed interim financial statements.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman

notes to the consolidated condensed interim financial statements (unaudited) for the nine months ended september 30, 2020

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

Engro Fertilizers Limited ('the Holding Company') is a public company, incorporated in Pakistan on June 29, 2009 as a wholly owned subsidiary of Engro Corporation Limited (the Parent Company), which is a subsidiary of Dawood Hercules Corporation (the Ultimate Parent Company). The Company is listed on Pakistan Stock Exchange Limited (PSX).

The Holding Company is engaged in the manufacturing, purchasing and marketing of fertilizers, seeds and pesticides and providing logistics services. The registered head office of the Company is situated at 7th and 8th floors, The Harbour Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi.

1.1 The 'Group' consists of:

Holding Company: Engro Fertilizers Limited

Subsidiary Company: EFert Agritrade (Private) Limited (EAPL) which is a wholly owned subsidiary of the Holding Company.

- 1.1.1 EAPL was incorporated on July 06, 2017 to carry out trading and distribution of imported fertilizer as part of the business reorganization. The Holding Company has transferred its business of trading and distribution of imported fertilizer to the new subsidiary and holds 10,000 ordinary shares of Rs. 10 each in EAPL.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 or 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 consolidated condensed interim financial statements do not include all the information required for annual consolidated financial statements and therefore should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2019.
- 2.3 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are same as those applied in the preparation of the audited financial statements of the Group for the year ended December 31, 2019.

(Amounts in thousand)

2.4 Initial application of standards, amendments or an interpretation to existing standards

Standards, amendments and interpretations to accounting and reporting standards that became effective during the period

- IAS 1, 'Presentation of financial statements and IAS 8, 'Accounting Policies, changes in accounting estimates and errors (effective for the accounting periods, beginning on and after January 1, 2020)

These amendments and consequential amendments to other IFRSs: (i) use a consistent definition of materiality throughout IFRSs and Conceptual Framework for Financial Reporting; (ii) clarify the explanation of definition of material; and (iii) incorporate some of the guidance in IAS 1 about immature information.

- 2.5 The preparation of these consolidated condensed interim financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement 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 and estimates made by the management are the same as those that were applied to audited financial statements of the Group for the year ended December 31, 2019.

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

2.7 IMPACT OF COVID-19 ON THE CONSOLIDATED FINANCIAL STATEMENTS

The World Health Organization declared COVID-19 (the virus) a global pandemic. The Government of Pakistan, in response to the virus and growing number of cases in Pakistan provided directions and implemented a country-wide lockdown during second quarter.

Later as the COVID situation improved, the Government of Pakistan gradually eased the lockdown to support economic revival.

Manufacturing, transportation, distribution and selling of essential commodities including Fertilizers, Seeds and Pesticides, however, remained permitted during the lockdown. Consequently, the Holding Company's Urea plant located at Daharki, District Ghotki, Sindh continued to operate. Zarkhez plant located at Port Qasim, Karachi though, was temporarily closed due to non-availability of steam.

The management believes that due to the pandemic the Holding Company's operation, consolidated financial position and results have been impacted only on a temporary basis. As per management's assessment, there are no significant effects of COVID-19 that require disclosure in these consolidated condensed interim financial statements.

The management continues to monitor the developing situation and would proactively manage any risk arising thereof.

3. PROPERTY, PLANT AND EQUIPMENT

Operating assets at net book value (note 3.1)
Capital work-in-progress (note 3.2)
Major spare parts and stand-by equipment

	Unaudited September 30, 2020	Audited December 31, 2019
-----Rupees-----		
	59,815,590	62,586,001
	3,890,781	2,572,476
	852,829	765,949
	<u>64,559,200</u>	<u>65,924,426</u>

(Amounts in thousand)

3.1 Additions to and disposals from operating assets during the period are as follows:

	Additions (Unaudited) (at cost)		Disposals (Unaudited) (at net book value)	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees-----			
Building on freehold land	34,477	87,646	-	-
Leasehold land	-	-	-	28,238
Plant and machinery	276,686	1,882,091	-	-
Catalyst	-	371,195	-	-
Office equipment	138,233	71,832	25,884	415
Vehicles	717,023	116,676	-	6,940
	<u>1,166,419</u>	<u>2,529,440</u>	<u>25,884</u>	<u>35,593</u>

The above disposals represent assets having a cost of Rs. 38,918 (September 30, 2019: Rs. 895,437) and net book value of Rs. 25,884. (September 30, 2019: Rs. 35,539), which were disposed off for Rs. 22,104 (September 30, 2019: Rs. 733,819).

3.2 **Capital work-in-progress**

	Unaudited September 30, 2020	Audited December 31, 2019
	-----Rupees-----	
Balance at beginning of the period / year	2,572,476	3,159,249
Add: Additions during the period / year	2,484,724	3,825,592
Transferred to:		
- Operating assets	(1,166,419)	(3,753,003)
- Intangible assets	-	(659,362)
Balance at end of the period / year	<u>3,890,781</u>	<u>2,572,476</u>

4. **STOCK-IN-TRADE**

Raw materials	921,550	980,126
Packing materials	295,665	135,070
Work-in-process	3,524	48,169
	<u>1,220,739</u>	<u>1,163,365</u>
Finished goods:		
- manufactured products	5,021,530	2,238,488
- purchased and packaged products	3,814,370	9,104,570
	<u>8,835,900</u>	<u>11,343,058</u>
Less: Provision for net realisable value of purchased and packaged products (note 4.1)	84,768	28,785
	<u>9,971,871</u>	<u>12,477,638</u>

4.1 **Provision for net realisable value of purchased and packaged products**

Balance at beginning of the period / year	28,785	30,000
Charge for the period / year	55,983	28,785
Written-off during the period / year	-	(30,000)
Balance at end of the period / year	<u>84,768</u>	<u>28,785</u>

(Amounts in thousand)

	Unaudited September 30, 2020	Audited December 31, 2019
	-----Rupees-----	
5. TRADE DEBTS		
Considered good		
- Secured (note 5.1)	6,367,605	13,275,370
- Unsecured	310,333	899,150
	6,677,938	14,174,520
Considered doubtful	50,299	48,799
	6,728,237	14,223,319
Less: Provision for impairment against trade debts (note 5.2)	50,299	48,799
	6,677,938	14,174,520
5.1	These debts are secured by way of bank guarantee and inland letter of credit.	
5.2	Provision for impairment against trade debts	
Balance at beginning of the period / year	48,799	18,230
Charge for the year	1,500	30,569
Balance at end of the period / year	50,299	48,799
6. SHORT-TERM INVESTMENTS		
Treasury Bills	11,505,650	5,305,337
Pakistan Investment Bonds	7,449,545	-
Term Deposit certificates	257,714	206,207
	19,212,909	5,511,544
7. BORROWINGS - Secured		
Long term finance utilised under mark-up arrangements (notes 7.1 and)	24,115,618	30,952,449
Less: Current portion shown under current liabilities	8,602,064	8,760,351
Balance at end of the period / year	15,513,554	22,192,098
7.1	All senior debts are secured by an equitable mortgage upon immovable property of the Holding Company and equitable charge over present and future fixed assets excluding immovable property of the Holding Company.	
7.2	During the period, principal repayments of long-term finances were made to MCB Bank Limited, Allied Bank Limited, United Bank Limited, Dubai Islamic Bank Limited, Local Syndicate and DEG amounting to Rs.2,000,000, Rs.1,000,000, Rs.2,000,000, Rs.200,000, Rs.1,522,042 and Rs.278,334 respectively.	

(Amounts in thousand)

8. TRADE AND OTHER PAYABLES

The Honorable Supreme Court of Pakistan ("SCP") through its judgment dated August 13, 2020 ("Judgment") declared that the levy imposed under the Gas Infrastructure Development Cess ("GIDC") Act, 2015 ("the Act") is valid and in accordance with the provisions of the Constitution of Pakistan 1973. The SCP in its Judgment stated that the Government has already collected Rs. 295 billion and this amount combined with the outstanding amount would be in the vicinity of Rs. 700 billion. The SCP, therefore, issued the following directions:

- It restrained the Federal Government from collecting further GIDC until such time that the GIDC already collected and accrued (but not yet collected), is expanded on the projects listed under the Act;
- As all industrial and commercial entities which consume gas for their business activities pass on the burden to their customers, therefore, GIDC that has become due upto 31.07.2020 and has not been recovered so far shall be recovered by the Companies responsible under the Act to recover from their consumers;
- Gas companies responsible to collect GIDC under the Act should collect the unpaid GIDC (which has accrued but yet not collected) in twenty-four equal monthly installments, without the component of Late Payment Surcharge ("LPS");
- LPS shall only become payable for the delays that may occur in the payment of any of the twenty-four installments; and
- The Federal Government shall take all steps to commence work on the laying of the pipelines. In case, no work is carried out on the pipelines (in the manner and/or time specified in the Judgment), the purpose of levying GIDC shall be deemed to have been frustrated and the Act would become completely in-operational and considered dead for all intents and purposes.

The Holding Company aggrieved by the Judgment has filed a review petition before the SCP. Further, after SNGPL issued an invoice for the first installment of GIDC on feed gas supplied to the Holding Company under a fixed price gas sale and purchase agreement dated April 11, 2007 ("GSPA"), the Holding Company also approached the Sindh High Court ("SHC") to challenge this imposition. The Holding Company has obtained a stay order in its favour and the SHC has restrained SNGPL from taking any coercive action against the Holding Company on collecting GIDC on feed stock gas supplied to the Holding Company under the GSPA.

As of September 30, 2020, the Holding Company carries a provision of Rs. 19,581,117 in respect of GIDC on supply of non-concessionary gas (i.e. gas other than the feed gas supplied under the GSPA). The management has made an assessment (and as also confirmed by the legal advisor) there are reasonable chances of a favourable outcome in relation to the legal proceedings filed against SNGPL for feed gas supplied under the GSPA. Hence no provision on account of GIDC has been recorded by the Holding Company in respect of feed gas received under the GSPA.

9. SHORT-TERM BORROWINGS

Holding Company

The Holding Company has funded facilities for short-term finances available from various banks and institutional investors amounting to Rs. 16,350,000 (December 31, 2019: Rs. 15,125,000) along with non-funded facilities of Rs. 3,827,000 (December 31, 2019: Rs. 3,827,000) for bank guarantees. The rates of markup on funded bank overdraft facilities ranged from 0.2% to 0.5% per annum over 1-month & 3-month KIBOR and all facilities are secured by floating charge upon all present and future stocks including raw and packaging materials, finished goods, stores and spares and other merchandise and on all present and future book debts, outstanding monies, receivable claims and bills of the Holding Company. The Holding Company has utilised Rs. 539,948 (December 31, 2019: Rs. 1,546,685) from funded facilities and Rs. 3,571,468 (December 31, 2019: 2,610,188) from the non-funded facilities as at the reporting date.

(Amounts in thousand)

Subsidiary Company

The facilities for short term running finances, available from various banks, aggregate to Rs. 12,725,000 (December 31, 2019: Rs. 12,725,000). The rates of markup on the funded bank overdraft facilities ranged from 0.2% to 0.5% per annum over 1-month KIBOR and 3-months KIBOR. These facilities are secured by floating charge upon all present and future stocks including raw and packaging materials, finished goods, stores and spares and other merchandise and on all present and future book debts, outstanding monies, receivable claims and bills of the Holding Company. The Company has utilised Rs. 64,069 (December 31, 2019: Rs. 439,225) out of the aforementioned facilities as at the reporting date.

10. CONTINGENCIES AND COMMITMENTS

Contingencies

- 10.1 As at September 30, 2020, bank guarantees of Rs.4,459,422 (December 31, 2019: Rs. 3,400,747) have been issued in favour of third parties.
- 10.2 As at September 30, 2020, claims, including pending lawsuits, against the Group not acknowledged as debts amount to Rs. 61,914 (December 31, 2019: Rs. 61,914).
- 10.3 In the year 2017, the High Court of Islamabad in its order dated June 8, 2017 declared that the income derived by a Contractor from its contract with the Holding Company, is subject to tax as per Clause 4 of Article 5 of Double Taxation Treaty between Pakistan and the Netherlands. Thus confirming demand order issued of Rs. 1,150,921. In respect thereof, the Contractor preferred an appeal in the Supreme Court of Pakistan (SCP) and the proceedings in relation thereto are currently pending. It is expected that on adjudication on the merits of the case, the exposure will not exceed Rs. 200,000 for the Holding Company.

Although certain implications arise under the terms of the Contract, the chances of any obligation crystallising on part of the Holding Company given the time lines of any separate proceedings under the Income Tax Ordinance, 2001 are remote. Accordingly, no provision has been made in respect of the demand order issued by the tax department.

- 10.4 Except as mentioned above, as at September 30, 2020, there is no material change in the status of matters reported as contingencies in note 21 of the audited consolidated financial statements of the Group for the year ended December 31, 2019.

	Unaudited September 30, 2020	Audited December 31, 2019
10.5 Commitments	-----Rupees-----	
Commitments in respect of capital expenditure and other operational items	9,338,069	7,364,808

(Amounts in thousand)

11. NET SALES

	Unaudited			
	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees-----			
Gross sales:				
- manufactured product	22,424,748	18,595,440	53,689,823	53,034,429
- purchased and packaged product	15,695,980	9,062,246	25,757,634	26,345,372
- services	46,532	10,429	352,823	10,429
	38,167,260	27,668,115	79,800,280	79,390,230
Less: sales tax	732,034	561,928	1,662,244	1,641,094
	<u>37,435,226</u>	<u>27,106,187</u>	<u>78,138,036</u>	<u>77,749,136</u>

12. OTHER INCOME

On financial assets

Income on government securities, term deposit certificates and bank deposits

	500,523	1,058,041	1,001,841	1,728,358
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On non-financial assets

Gain on disposal of property, plant and equipment

	-	4,019	-	698,227
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Rental income

	-	-	-	2,899
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Reversal of liability for workers' welfare fund

	-	-	-	999,423
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Gain on disposal of spares / scrap

	-	12,892	1,347	43,675
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Others

	630	139,316	2,682	180,068
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	630	156,227	4,029	1,924,292
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	<u>501,153</u>	<u>1,214,268</u>	<u>1,005,870</u>	<u>3,652,650</u>
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13. TAXATION

- 13.1 In previous years, the income tax department amended the assessment filed by the Holding Company for the tax years 2015, 2016 and 2017. The Holding Company filed appeals there against before the Commissioner Inland Revenue Appeals (CIRA) for disallowances made in the orders which mainly included proration of expenses to exempt / FTR incomes, exchange loss disallowances, loss on derivatives and losses purchased from Engro Eximp Agriproducts Limited under section 59B of the Income Tax Ordinance, 2001, resulting in cumulative addition of Rs. 16,173,826 to taxable income of these tax years. Last year, CIRA passed an order for tax years 2015, 2016 and 2017 maintaining most of the additions made by taxation officer in the amendment order, whilst allowing deletion of expenses on allocation basis to exempt income and claim of exchange losses on realised basis. The Holding Company as well as the tax department has filed appeals against the order of CIRA before the Appellate Tribunal, Inland Revenue (ATIR). The matter was heard by the ATIR for tax year 2015 and 2016 on January 7, 2020.

During the period, ATIR passed an order for tax year 2015 and 2016 and decided all matters in favor of the Holding Company, except for disallowance of provisions on inventories that was maintained. The department has proceeded to file review application thereagainst before the Sindh High Court.

The Holding Company is confident of a favorable outcome on these amendments and therefore no provision has been recognised in this respect in these consolidated condensed interim financial statements.

(Amounts in thousand)

- 13.2 In FY 2019, the Holding Company received recovery notice from income tax department for payment of Super Tax in respect of tax year 2018 against which the Holding Company filed a constitutional petition before High Court of Sindh (HCS) and obtained stay therefrom.

On July 21, 2020, the HCS confirmed the levy of Super Tax as intra vires to the Constitution. Aggrieved by this, the Holding Company filed a Constitutional Petition for Leave to Appeal (CPLA) before the Honorable Supreme Court of Pakistan. Subsequent to the HCS decision, the tax department passed an order against the Holding Company for tax years 2015 and 2016 having demand in aggregate of Rs. 1,202,703 and raised show cause notices for all relevant tax years (TY 2015-2019). The Holding Company is in the process of filing appeal against the said orders.

Adequate provision for Super Tax for the respective tax years is being maintained in these consolidated condensed interim financial statements.

- 13.3 During the period, the management has re-assessed its tax provisions based on the finalization of its assessment of prior tax years with the department. In this regard, management has recognized reversal of tax provisions amounting in aggregate to Rs. 2,116,622 in these consolidated interim financial statements.
- 13.4 Except as mentioned above, as at September 30, 2020, there is no material change in the tax related matters reported in note 29 of the audited consolidated financial statements of the Group for the year ended December 31, 2019.

14. CASH GENERATED FROM OPERATIONS

	Unaudited	
	Nine months ended	
	September 30, 2020	September 30, 2019
	-----Rupees-----	
Profit before taxation	14,106,654	17,552,186
Adjustment for non-cash charges and other items:		
Depreciation	3,910,945	4,249,884
Amortisation of intangibles	78,976	25,512
Amortisation of deferred income	(2,899)	(2,891)
Loss / (Gain) on disposal of property, plant and equipment	3,780	(698,227)
Gain on disposal of subsidiary	-	(120,002)
Provision for retirement and other service benefits	56,296	61,994
Income on government securities, term deposit certificates and bank deposits	(1,001,841)	(1,728,358)
Finance cost	2,599,477	2,946,059
Exchange loss on revaluation of long-term borrowings	159,345	267,600
Amortisation of transaction cost	4,113	15,137
Provision for impairment against receivables	3,294	13,371
Provision for net realisable value of purchased and packaged products	55,983	28,591
Provision for surplus and slow moving stores and spares	20,295	7,550
Provision against input tax disallowance	1,098,443	-
Working capital changes (note 14.1)	13,229,415	8,272,137
	34,322,276	30,890,543

(Amounts in thousand)

		Unaudited	
		Nine months ended	
		September 30, 2020	September 30, 2019
		-----Rupees-----	
14.1	Working capital changes		
	Decrease in current assets		
	- Stores, spares and loose tools	(2,040,641)	(162,612)
	- Stock-in-trade	2,449,784	2,205,832
	- Trade debts	7,495,082	4,374,175
	- Loans, advances, deposits and prepayments	935,130	(2,375,485)
	- Other receivables	(28,902)	(1,690,605)
		<u>8,810,453</u>	<u>2,351,305</u>
	Increase trade and other payables	4,418,962	5,920,832
		<u>13,229,415</u>	<u>8,272,137</u>
15.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	1,548,898	727,604
	Short-term investments	9,823,842	19,986,244
	Short-term borrowings	(604,017)	(2,149,897)
		<u>10,768,723</u>	<u>18,563,951</u>

16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

16.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: 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 during the period, consequently these consolidated condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

16.2 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within 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)

Assets	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Short-term investments				
Fair value through other comprehensive income	-	18,955,195	-	18,955,195
	<u>-</u>	<u>18,955,195</u>	<u>-</u>	<u>18,955,195</u>

Level 2 - The fair valued financial instruments comprise Government Securities which are valued using discounted cash flow model. There were no transfers amongst the levels during the period.

(Amounts in thousand)

16.3 Fair value of financial assets and liabilities

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

17. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Parent 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	
	September 30, 2020	September 30, 2019
	-----Rupees-----	
Parent Company		
Purchases and services received	483,332	401,786
Services provided	51,746	49,417
Royalty charged to the Company	790,891	778,579
Reimbursements made:		
- to the Company	174,091	61,179
- by the Company	27,650	141,603
Dividend paid by the Company	4,507,872	2,253,936
Expenses incurred on behalf of the Company	-	7,906
Associated companies		
Purchases and services received	120,426	124,349
Proceeds against sale of products	-	1,736
Proceeds against sale of land	-	705,600
Services provided by the Company	79,108	60,356
Reimbursements		
- by the Company	38,030	47,550
- to the Company	9,295	11,874
Dividend paid to trustees of Engro Foods Limited Gratuity Fund	434	237
Contribution to Engro Foundation under Corporate Social Responsibility	68,800	53,500
Contribution to staff retirement benefits		
Pension fund	5,672	7,582
Gratuity fund	106,385	97,880
Provident fund	117,283	108,051
Dividend paid to staff retirement benefits		
Pension fund	101	267
Gratuity fund	1,420	974
Provident fund	2,078	1,836
Others		
Remuneration of key management personnel	185,613	214,651
Director's fee	9,944	400

18. OPERATING SEGMENT RESULTS

	Urea		Phosphates		Specialty Fertilizers Business		Others		Total	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Rupees --									
Sales	46,508,215	46,661,236	22,095,223	22,301,969	9,843,543	9,541,366	1,353,299	885,659	79,800,280	79,390,230
Intersegment sales	1,350,517	1,162,371	-	-	-	-	689,495	27,404	2,040,012	1,189,775
Sales tax	(926,813)	(914,162)	(433,101)	(442,861)	(296,441)	(278,017)	(5,989)	(6,054)	(1,662,244)	(1,641,094)
	46,931,919	46,909,445	21,662,122	21,859,108	9,547,102	9,263,349	2,036,905	907,009	80,178,048	78,938,911
Profit/(Loss) before tax	13,223,139	16,054,558	653,245	1,303,435	387,397	641,062	(157,127)	(446,869)	14,106,654	17,552,186
Depreciation & Amortization	3,694,370	4,090,234	-	-	28,612	64,084	266,939	121,018	3,989,921	4,275,396
Capital Expenditure	790,102	1,538,104	-	-	10,647	25,168	1,683,975	1,581,040	2,484,724	3,144,312
Segment Assets	87,684,897	98,547,728	4,679,970	12,408,536	2,534,891	4,942,794	10,160,115	2,116,826	105,059,873	118,015,884
Unallocated assets	-	-	-	-	-	-	-	-	20,994,717	9,030,927
Total Assets	87,684,897	98,547,728	4,679,970	12,408,536	2,534,891	4,942,794	10,160,115	2,116,826	126,054,590	127,046,811

19. SEASONALITY

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.

20. CORRESPONDING FIGURES

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

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

21. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors in its meeting held on October 21, 2020 has approved an interim cash dividend of Rs.5 per share for the year ending December 31, 2020 amounting to Rs. 6,676,496. These consolidated condensed interim financial statements do not include the effect of the said interim dividend.

22. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 21, 2020 by the Board of Directors of the Holding Company.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman



engro fertilizers

condensed interim financial
statements (unaudited)
for the nine months ended
september 30, 2020

condensed interim statement of financial position as at september 30, 2020

(Amounts in thousand)

	Note	Unaudited September 30, 2020	Audited December 31, 2019
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment	3	64,559,200	65,924,426
Intangible assets		4,992,027	5,071,003
Long-term loans, advances and deposits		112,506	162,852
Investment in subsidiary		100	100
		69,663,833	71,158,381
Current assets			
Stores, spares and loose tools		7,321,438	5,301,092
Stock-in-trade	4	6,673,327	3,568,895
Trade debts	5	4,104,270	10,009,934
Working capital loan to subsidiary	6	5,769,581	16,245,774
Short-term investments	7	19,203,309	5,501,944
Other receivables		7,881,403	8,639,451
Loans, advances, deposits and prepayments		1,176,626	1,735,337
Taxation - net		1,761,645	2,757,547
Cash and bank balances		1,542,660	3,409,674
Accrued income		370,864	779,897
		55,805,123	57,949,545
TOTAL ASSETS		125,468,956	129,107,926

(Amounts in thousand)

	Note	Unaudited September 30, 2020	Audited December 31, 2019
-----Rupees-----			
EQUITY & LIABILITIES			
Equity			
Share capital		13,352,993	13,352,993
Reserves			
Share premium		3,384,904	3,384,904
Reserve on amalgamation		(304,027)	(304,027)
Remeasurement of post employment benefits		(56,993)	(56,993)
Unappropriated profit		30,495,227	26,475,684
		33,519,111	29,499,568
TOTAL EQUITY		46,872,104	42,852,561
Liabilities			
Non-current liabilities			
Borrowings	8	15,513,554	22,192,098
Deferred taxation		11,732,460	12,182,426
Deferred liabilities		254,590	254,538
		27,500,604	34,629,062
Current liabilities			
Current portion of:			
- borrowings	8	8,602,064	8,760,351
- deferred liabilities		52,179	55,585
Trade and other payables		41,474,918	40,648,651
Short-term borrowings	10	539,949	1,546,685
Accrued interest / mark-up		369,630	554,985
Unclaimed dividend		57,508	60,046
		51,096,248	51,626,303
TOTAL LIABILITIES		78,596,852	86,255,365
Contingencies and Commitments	11		
TOTAL EQUITY & LIABILITIES		125,468,956	129,107,926

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman

condensed interim statement of profit or loss (unaudited) for the nine months ended september 30, 2020

(Amounts in thousand except for earnings per share)

	Note	Quarter ended		Nine Months ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		-----Rupees-----			
Net sales	12	22,421,084	18,539,344	53,832,974	52,881,187
Cost of sales		(13,342,231)	(11,143,959)	(32,463,924)	(31,778,305)
Gross profit		9,078,853	7,395,385	21,369,050	21,102,882
Selling and distribution expenses		(2,025,947)	(1,606,959)	(5,063,039)	(4,375,948)
Administrative expenses		(510,531)	(290,394)	(1,211,490)	(853,767)
		6,542,375	5,498,032	15,094,521	15,873,167
Other income	13	869,163	2,886,498	2,521,476	7,697,082
Other operating expenses		(451,672)	(502,195)	(1,145,309)	(1,487,409)
Finance cost		(674,230)	(886,085)	(2,786,855)	(2,922,258)
		(1,125,902)	(1,388,280)	(3,932,164)	(4,409,667)
Profit before taxation		6,285,636	6,996,250	13,683,833	19,160,582
Taxation	14	354,560	(2,288,080)	(1,652,493)	(5,935,926)
Profit for the period		6,640,196	4,708,170	12,031,340	13,224,656
Earnings per share - basic and diluted		4.97	3.53	9.01	9.90

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman

condensed interim statement of comprehensive income (unaudited) for the nine months ended september 30, 2020

(Amounts in thousand)

	Quarter ended		Nine Months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees-----			
Profit for the period	6,640,196	4,708,170	12,031,340	13,224,656
Other comprehensive income:				
Items potentially re-classifiable to profit or loss				
Unrealised loss on remeasurement of investment classified as fair value through other comprehensive income (FVOCI) - net of tax	(44,802)	(2,532)	-	(2,532)
Total comprehensive income for the period	<u>6,595,394</u>	<u>4,705,638</u>	<u>12,031,340</u>	<u>13,222,124</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman

condensed interim statement of changes in equity for the nine months ended september 30, 2020

(Amounts in thousand)

	CAPITAL			RESERVES		Unappropriated profit	Total
	Share capital	Share premium	Reserve on amalgamation	Remeasurement of post employment benefits	Remeasurement of investments		
	-----Rupees-----						
Balance as at January 1, 2020 (Audited)	13,352,993	3,384,904	(304,027)	(56,993)	-	26,475,684	42,852,561
Transaction with owners:							
Dividends:							
- Final 2019: Rs. 2.00 per share	-	-	-	-	-	(2,670,599)	(2,670,599)
- 1st interim dividend 2020: Rs. 4.00 per share	-	-	-	-	-	(5,341,198)	(5,341,198)
	-	-	-	-	-	(8,011,797)	(8,011,797)
Total comprehensive income for the nine months ended September 30, 2020							
Profit for the period	-	-	-	-	-	12,031,340	12,031,340
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	-	12,031,340	12,031,340
Balance as at September 30, 2020 (Unaudited)	13,352,993	3,384,904	(304,027)	(56,993)	-	30,495,227	46,872,104
Balance as at January 1, 2019 (Audited)	13,352,993	3,384,904	(304,027)	(45,083)	-	26,606,961	42,995,748
Transaction with owners:							
Dividends:							
- Final 2018: Rs. 3.00 per share	-	-	-	-	-	(4,005,898)	(4,005,898)
- 1st interim dividend 2019: Rs. 5.00 per share	-	-	-	-	-	(6,676,497)	(6,676,497)
	-	-	-	-	-	(10,682,395)	(10,682,395)
Total comprehensive income for the nine months ended September 30, 2019							
Profit for the period	-	-	-	-	-	13,224,656	13,224,656
Other comprehensive income for the period	-	-	-	-	(2,532)	-	(2,532)
	-	-	-	-	(2,532)	13,224,656	13,222,124
Balance as at September 30, 2019 (Unaudited)	13,352,993	3,384,904	(304,027)	(45,083)	(2,532)	29,149,222	45,535,477

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman

condensed interim statement of cash flows (unaudited) for the nine months ended september 30, 2020

(Amounts in thousand)

	Note	Nine Months ended	
		September 30, 2020	September 30, 2019
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	21,300,097	23,597,448
Retirement and other service benefits paid		(56,254)	(59,544)
Taxes paid		(1,106,560)	(6,470,107)
Long-term loans, advances and deposits - net		50,346	(62,146)
Net cash generated from operating activities		20,187,629	17,005,651
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangibles		(2,571,604)	(3,336,888)
Proceeds from disposal of property, plant and equipment		22,104	733,819
Disbursement of working capital loan to subsidiary		(7,664,370)	(26,699,600)
Payment received against working capital loan to subsidiary		18,140,564	30,617,800
Purchase of short-term investments		(11,206,174)	(25,003,576)
Proceeds from sale of short-term investments		4,726,257	28,580,593
Proceeds from sale of subsidiary		-	1,972,505
Dividend received		426,470	1,724,975
Income on government securities, term deposit certificates and bank deposits		2,123,757	2,529,941
Net cash generated from investing activities		3,997,004	11,119,569
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(8,014,335)	(4,006,885)
Finance cost paid		(2,808,752)	(2,249,513)
Repayments of long-term borrowings		(7,000,376)	(3,092,042)
Net cash utilised in financing activities		(17,823,463)	(9,348,440)
Net increase in cash and cash equivalents		6,361,170	18,776,780
Cash and cash equivalents at beginning of the period		4,465,383	95,182
Cash and cash equivalents at end of the period	16	10,826,553	18,871,962

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman

notes to the condensed interim financial statements (unaudited) for the nine months ended september 30, 2020

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

Engro Fertilizers Limited ('the Company') is a public company, incorporated in Pakistan on June 29, 2009 as a wholly owned subsidiary of Engro Corporation Limited (the Holding Company), which is a subsidiary of Dawood Hercules Corporation (the Ultimate Parent Company). The Company is listed on Pakistan Stock Exchange Limited (PSX).

The Company is engaged in the manufacturing, purchasing and marketing of fertilizers, seeds and pesticides and providing logistics services. The registered head office of the Company is situated at 7th and 8th floors, The Harbour Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 or 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 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 are presented separately. These 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 financial statements of the Company for the year ended December 31, 2019.

2.3 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the audited financial statements of the Company for the year ended December 31, 2019.

2.4 Initial application of standards, amendments or an interpretation to existing standards

Standards, amendments and interpretations to accounting and reporting standards that became effective during the period

- IAS 1, 'Presentation of financial statements and IAS 8, 'Accounting Policies, changes in accounting estimates and errors (effective for the accounting periods, beginning on and after January 1, 2020)

These amendments and consequential amendments to other IFRSs: (i) use a consistent definition of materiality throughout IFRSs and Conceptual Framework for Financial Reporting; (ii) clarify the explanation of definition of material; and (iii) incorporate some of the guidance in IAS 1 about immature information.

(Amounts in thousand)

- 2.5 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards 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 condensed interim financial statements, the significant judgements and estimates made by the management are the same as those that were applied to audited financial statements of the Company for the year ended December 31, 2019.

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

2.7 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

The World Health Organization declared COVID-19 (the virus) a global pandemic. The Government of Pakistan, in response to the virus and growing number of cases in Pakistan provided directions and implemented a country-wide lockdown during second quarter.

Later as the COVID situation improved, the Government of Pakistan gradually eased the lockdown to support economic revival.

Manufacturing, transportation, distribution and selling of essential commodities including Fertilizers, Seeds and Pesticides however remained permitted during the lockdown. Consequently, the Company's Urea plant located at Daharki, District Ghotki, Sindh continued to operate. Zarkhez plant located at Port Qasim, Karachi though, was temporarily closed due to non-availability of steam.

The management believes that due to the pandemic the Company's operation, financial position and results have been impacted only on a temporary basis. As per management's assessment, there are no significant effects of COVID-19 that require disclosure in these condensed interim financial statements.

The management continues to monitor the developing situation and would proactively manage any risk arising thereof.

	Unaudited September 30, 2020	Audited December 31, 2019
-----Rupees-----		
3. PROPERTY, PLANT AND EQUIPMENT		
Operating assets at net book value (note 3.1)	59,815,590	62,586,001
Capital work-in-progress (note 3.2)	3,890,781	2,572,476
Major spare parts and stand-by equipment	852,829	765,949
	64,559,200	65,924,426

(Amounts in thousand)

3.1 Additions to and disposals from operating assets during the period are as follows:

	Unaudited (Additions at cost)		Unaudited (Disposals at net book value)	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees-----			
Building on freehold land	34,477	87,646	-	-
Leasehold land	-	-	-	28,238
Plant and machinery	276,686	1,882,091	-	-
Catalyst	-	371,195	-	-
Office equipment	138,233	71,832	25,884	415
Vehicles	717,023	116,676	-	6,940
	<u>1,166,419</u>	<u>2,529,440</u>	<u>25,884</u>	<u>35,593</u>

The above disposals represent assets having a cost of Rs. 38,918 (September 30, 2019: Rs. 895,437) and net book value of Rs. 25,884 (September 30, 2019: Rs. 35,593), which were disposed off for Rs. 22,104 (September 30, 2019: Rs. 733,819).

	Unaudited September 30, 2020	Audited December 31, 2019
	-----Rupees-----	
3.2 Capital work-in-progress		
Balance at beginning of the period / year	2,572,476	3,159,249
Add: Additions during the period / year	2,484,724	3,825,592
Transferred to:		
- operating assets	(1,166,419)	(3,753,003)
- intangible assets	-	(659,362)
Balance at end of the period / year	<u>3,890,781</u>	<u>2,572,476</u>
4. STOCK-IN-TRADE		
Raw materials	921,550	980,126
Packing materials	161,963	53,569
Work-in-process	3,524	48,169
	<u>1,087,037</u>	<u>1,081,864</u>
Finished goods:		
- manufactured products	5,021,530	2,238,488
- purchased and packaged products	649,528	277,328
	<u>5,671,058</u>	<u>2,515,816</u>
Less: Provision for net realisable value of purchased and packaged products (note 4.1)	84,768	28,785
	<u>6,673,327</u>	<u>3,568,895</u>

(Amounts in thousand)

	Unaudited September 30, 2020	Audited December 31, 2019
-----Rupees-----		
4.1 Provision for net realisable value of purchased and packaged products		
Balance at beginning of the period / year	28,785	30,000
Charge for the period / year	55,983	28,785
Written-off during the period / year	-	(30,000)
Balance at end of the period / year	84,768	28,785

5. TRADE DEBTS

Considered good		
- Secured (note 5.1)	3,899,397	9,515,258
- Unsecured	204,873	494,676
	4,104,270	10,009,934
Considered doubtful	50,299	48,799
	4,154,569	10,058,733
Less: Provision for impairment against trade debts (note 5.2)	50,299	48,799
	4,104,270	10,009,934

5.1 These debts are secured by way of bank guarantee and inland letter of credit.

	Unaudited September 30, 2020	Audited December 31, 2019
-----Rupees-----		
5.2 Provision for impairment against trade debts		
Balance at beginning of the period / year	48,799	18,230
Charge for the year	1,500	30,569
Reversal during the year	-	-
Balance at end of the period / year	50,299	48,799

6. WORKING CAPITAL LOAN TO SUBSIDIARY

Represents unsecured loan given to EFERT Agritrade (Private) Limited (EAPL), wholly owned subsidiary of the Company, amounting to Rs. 5,769,581 (December 31, 2019: Rs. 16,245,774). The mark-up on this loan is receivable on quarterly basis at the rate of 1 month KIBOR + 0.5%. The repayment of the loan is made at mutually agreed terms between the Company and EAPL.

(Amounts in thousand)

	Unaudited September 30, 2020	Audited December 31, 2019
-----Rupees-----		
7. SHORT-TERM INVESTMENTS		
Treasury Bills	11,505,650	5,305,337
Pakistan Investment Bonds	7,449,545	-
Term Deposit Certificates	248,114	196,607
	<u>19,203,309</u>	<u>5,501,944</u>
8. BORROWINGS - Secured		
Long-term finance utilised under mark-up arrangements (notes 8.1 and 8.2)	24,115,618	30,952,449
Less: Current portion shown under current liabilities	8,602,064	8,760,351
Balance at end of the period / year	<u>15,513,554</u>	<u>22,192,098</u>

9. TRADE AND OTHER PAYABLES

The Honorable Supreme Court of Pakistan (“SCP”) through its judgment dated August 13, 2020 (“Judgment”) declared that the levy imposed under the Gas Infrastructure Development Cess (“GIDC”) Act, 2015 (“the Act”) is valid and in accordance with the provisions of the Constitution of Pakistan 1973. The SCP in its Judgment stated that the Government has already collected Rs. 295 billion and this amount combined with the outstanding amount would be in the vicinity of Rs. 700 billion. The SCP, therefore, issued the following directions:

- It restrained the Federal Government from collecting further GIDC until such time that the GIDC already collected and accrued (but not yet collected), is expanded on the projects listed under the Act;
- As all industrial and commercial entities which consume gas for their business activities pass on the burden to their customers, therefore, GIDC that has become due upto 31.07.2020 and has not been recovered so far shall be recovered by the Companies responsible under the Act to recover from their consumers;
- Gas companies responsible to collect GIDC under the Act should collect the unpaid GIDC (which has accrued but yet not collected) in twenty-four equal monthly installments, without the component of Late Payment Surcharge (“LPS”);
- LPS shall only become payable for the delays that may occur in the payment of any of the twenty-four installments; and
- The Federal Government shall take all steps to commence work on the laying of the pipelines. In case, no work is carried out on the pipelines (in the manner and/or time specified in the Judgment), the purpose of levying GIDC shall be deemed to have been frustrated and the Act would become completely in-operational and considered dead for all intents and purposes.

The Company aggrieved by the Judgment has filed a review petition before the SCP. Further, after SNGPL issued an invoice for the first installment of GIDC on feed gas supplied to the Company under a fixed price gas sale and purchase agreement dated April 11, 2007 (“GSPA”), the Company also approached the Sindh High Court (“SHC”) to challenge this imposition. The Company has obtained a stay order in its favour and the SHC has restrained SNGPL from taking any coercive action against the Company on collecting GIDC on feed stock gas supplied to the Company under the GSPA.

(Amounts in thousand)

As of September 30, 2020, the Company carries a provision of Rs. 19,581,117 in respect of GIDC on supply of non-concessionary gas (i.e. gas other than the feed gas supplied under the GSPA). The management has made an assessment (and as also confirmed by the legal advisor) there are reasonable chances of a favourable outcome in relation to the legal proceedings filed against SNGPL for feed gas supplied under the GSPA. Hence no provision on account of GIDC has been recorded by the Company in respect of feed gas received under the GSPA.

10. SHORT-TERM BORROWINGS

The Company has funded facilities for short-term finances available from various banks and institutional investors amounting to Rs. 16,350,000 (December 31, 2019: Rs. 15,125,000) along with non-funded facilities of Rs. 3,827,000 (December 31, 2019: Rs. 3,827,000) for bank guarantees. The rates of markup on funded bank overdraft facilities ranged from 0.2% to 0.5% per annum over 1-month & 3-month KIBOR and all facilities are secured by floating charge upon all present and future stocks including raw and packaging materials, finished goods, stores and spares and other merchandise and on all present and future book debts, outstanding monies, receivable claims and bills of the Company. The Company has utilised Rs. 539,949 (December 31, 2019: Rs. 1,546,685) from funded facilities and Rs. 3,571,468 (December 31, 2019: Rs. 2,610,188) from the non-funded facilities as at the reporting date.

11. CONTINGENCIES AND COMMITMENTS

Contingencies

- 11.1 As at September 30, 2020, bank guarantees of Rs. 3,571,468 (December 31, 2019: Rs. 2,610,188) have been issued in favour of third parties.
- 11.2 As at September 30, 2020, claims, including pending lawsuits, against the Company, not acknowledged as debts amount to Rs. 61,914 (December 31, 2019: Rs. 61,914).
- 11.3 In the year 2017, the High Court of Islamabad in its order dated June 8, 2017 declared that the income derived by a Contractor from its contract with the Company, is subject to tax as per Clause 4 of Article 5 of Double Taxation Treaty between Pakistan and the Netherlands. Thus confirming demand order issued of Rs. 1,150,921. In respect thereof, the Contractor preferred an appeal in the Supreme Court of Pakistan (SCP) and the proceedings in relation thereto are currently pending. It is expected that on adjudication on the merits of the case, the exposure will not exceed Rs. 200,000 for the Company.

Although certain implications arise under the terms of the Contract, the chances of any obligation crystallising on part of the Company given the time lines of any separate proceedings under the Income Tax Ordinance, 2001 are remote. Accordingly, no provision has been made in respect of the demand order issued by the tax department.

- 11.4 Except as mentioned above, as at September 30, 2020, there is no material change in the status of matters reported as contingencies in note 23 of the audited financial statements of the Company for the year ended December 31, 2019.

11.5 Commitments

Commitments in respect of capital expenditure and other operational items

Unaudited September 30, 2020	Audited December 31, 2019
-----Rupees-----	
8,938,996	6,565,922

(Amounts in thousand)

12. NET SALES

	Unaudited			
	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees-----			
Gross sales:				
- manufactured product	22,424,748	18,595,440	53,689,823	53,034,429
- purchased and packaged product	278,028	299,149	715,330	880,060
- services	124,577	13,069	500,691	13,069
	22,827,353	18,907,658	54,905,844	53,927,558
Less: sales tax	406,269	368,314	1,072,870	1,046,371
	22,421,084	18,539,344	53,832,974	52,881,187

13. OTHER INCOME

	Unaudited			
	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees-----			
On financial assets				
Dividend income	-	178,241	426,470	1,724,976
Income from working capital loan to EAPL	138,134	87,115	713,808	727,851
Income on government securities, term deposit certificates and bank deposits	500,320	1,058,041	1,000,917	1,703,010
	638,454	1,323,397	2,141,195	4,155,837
On non-financial assets				
Commission income from EAPL	211,973	118,685	343,634	350,878
Sub-licensing income from EAPL	18,107	-	32,620	-
Rental income	-	-	-	2,899
Gain on disposal of property, plant and equipment	-	4,019	-	698,227
Reversal of liability for workers' welfare fund	-	-	-	999,423
Gain on disposal of subsidiary	-	1,412,189	-	1,412,189
Gain on disposal of spares / scrap	-	12,892	1,347	43,675
Others	629	15,316	2,680	33,954
	230,709	1,563,101	380,281	3,541,245
	869,163	2,886,498	2,521,476	7,697,082

(Amounts in thousand)

14. TAXATION

- 14.1 In previous years, the income tax department amended the assessment filed by the Company for the tax years 2015, 2016 and 2017. The Company filed appeals there against before the Commissioner Inland Revenue Appeals (CIRA) for disallowances made in the orders which mainly included proration of expenses to exempt / FTR incomes, exchange loss disallowances, loss on derivatives and losses purchased from Engro Eximp Agriproducts Limited under section 59B of the Income Tax Ordinance, 2001, resulting in cumulative addition of Rs. 16,173,826 to taxable income of these tax years. Last year, CIRA passed an order for tax years 2015, 2016 and 2017 maintaining most of the additions made by taxation officer in the amendment order, whilst allowing deletion of expenses on allocation basis to exempt income and claim of exchange losses on realised basis. The Company as well as the tax department has filed appeals against the order of CIRA before the Appellate Tribunal, Inland Revenue (ATIR). The matter was heard by the ATIR for tax year 2015 and 2016 on January 7, 2020.

During the period, ATIR passed an order for tax year 2015 and 2016 and decided all matters in favor of the Company, except for disallowance of provisions on inventories that was maintained. The department has proceeded to file review application thereagainst before the Sindh High Court.

The Company is confident of a favorable outcome on these amendments and therefore no provision has been recognised in this respect in these condensed interim financial statements.

- 14.2 In FY 2019, the Company received recovery notice from income tax department for payment of Super Tax in respect of tax year 2018 against which the Company filed a constitutional petition before High Court of Sindh (HCS) and obtained stay therefrom.

On July 21, 2020, the HCS confirmed the levy of Super Tax as intra vires to the Constitution. Aggrieved by this, the Company filed a Constitutional Petition for Leave to Appeal (CPLA) before the Honorable Supreme Court of Pakistan. Subsequent to the HCS decision, the tax department passed an order against the Company for tax years 2015 and 2016 having demand in aggregate of Rs. 1,202,703 and raised show cause notices for all relevant tax years (TY 2015-2019). The Company is in the process of filing appeal against the said orders.

Adequate provision for Super Tax for the respective tax years is being maintained in these condensed interim financial statements.

- 14.3 During the period, the management has re-assessed its tax provisions based on the finalization of its assessment of prior tax years with the department. In this regard, management has recognized reversal of tax provisions amounting in aggregate to Rs. 2,116,622 in these condensed interim financial statements.

- 14.4 Except as mentioned above, as at September 30, 2020, there is no material change in the tax related matters reported in note 31 of the audited financial statements of the Company for the year ended December 31, 2019.

(Amounts in thousand)

	Unaudited	
	Nine months ended	
	September 30, 2020	September 30, 2019
	-----Rupees-----	
15. CASH GENERATED FROM OPERATIONS		
Profit before taxation	13,683,833	19,160,582
Adjustment for non-cash charges and other items:		
Depreciation	3,910,945	4,249,884
Amortisation of intangibles	78,976	25,512
Amortisation of deferred income	(2,899)	(2,891)
Loss / (Gain) on disposal of property, plant and equipment	3,780	(698,227)
Provision for retirement and other service benefits	55,889	59,277
Income on government securities, term deposit certificates and bank deposits	(1,714,724)	(2,430,861)
Gain on disposal of subsidiary	-	(1,412,188)
Finance cost	2,623,397	2,639,521
Exchange loss on revaluation of long-term borrowings	159,345	267,600
Amortisation of transaction cost	4,113	15,137
Dividend received	(426,470)	(1,724,975)
Provision for impairment against receivables	3,294	13,371
Provision for net realisable value of purchased and packaged products	55,983	28,591
Provision for surplus and slow moving stores and spares	20,295	7,550
Provision against input tax disallowance	893,727	-
Working capital changes (note 15.1)	1,950,613	3,399,565
	21,300,097	23,597,448
	September 30, 2020	September 30, 2019
	-----Rupees-----	
15.1 Working capital changes		
Decrease / (Increase) in current assets		
- Stores, spares and loose tools	(2,040,641)	(162,612)
- Stock-in-trade	(3,160,415)	(2,222,856)
- Trade debts	5,904,164	258,216
- Loans, advances, deposits and prepayments	556,917	(92,143)
- Other receivables	(135,679)	(1,631,073)
	1,124,346	(3,850,468)
Increase in trade and other payables	826,267	7,250,033
	1,950,613	3,399,565

(Amounts in thousand)

	Nine months ended	
	September 30, 2020	September 30, 2019
-----Rupees-----		
16. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,542,660	723,799
Short-term investments	9,823,842	19,628,710
Short-term borrowings	(539,949)	(1,480,547)
	<u>10,826,553</u>	<u>18,871,962</u>

17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

17.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: 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 during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

17.2 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within 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-----				
Assets				
Short-term investments				
Fair value through other comprehensive income	-	18,955,195	-	18,955,195
	<u>-</u>	<u>18,955,195</u>	<u>-</u>	<u>18,955,195</u>

Level 2 - The fair valued financial instruments comprise Government Securities which are valued using discounted cash flow model. There were no transfers amongst the levels during the period.

17.3 Fair value of financial assets and liabilities

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

(Amounts in thousand)

18. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Holding 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 condensed interim financial statements, are as follows:

	Unaudited	
	Nine months ended	
	September 30, 2020	September 30, 2019
	-----Rupees-----	
Holding company		
Purchases and services received	483,332	401,789
Services provided	51,746	49,417
Reimbursements made:		
- to the Company	174,091	61,179
- by the Company	27,650	141,603
Royalty charged to the Company	790,891	778,579
Dividend paid by the Company	4,507,872	2,253,936
Subsidiary company		
Payment of funds collected against sales made on behalf of subsidiary	28,952,735	28,467,410
Mark-up received on working capital loan to subsidiary	713,807	727,851
Disbursements of working capital loan to subsidiary	7,664,370	22,781,400
Repayment received against working capital loan to subsidiary	18,140,564	26,699,600
Services provided by the Company	110,329	-
Reimbursements made:		
- by the Company	13,264	3,097
- to the Company	47	22,235
Dividend received by the Company	426,470	1,724,975
Commission income earned from subsidiary	343,634	350,878
Sub-licensing income from subsidiary	32,620	-
Purchase of product from subsidiary	30,649	-
Associated companies		
Purchases and services received	120,426	124,349
Services provided by the Company	79,108	60,356
Reimbursements made:		
- by the Company	38,030	47,550
- to the Company	9,295	11,874
Proceeds against sale of products	-	1,736
Proceeds against sale of land	-	705,600
Donation to Engro Foundation under Corporate Social Responsibility	68,800	53,500
Dividend paid to trustees of Engro Foods Limited Gratuity Fund	434	237

(Amounts in thousand)

	Unaudited	
	Nine months ended	
	September 30, 2020	September 30, 2019
-----Rupees-----		
Contribution to staff retirement benefits		
Pension fund	5,672	7,582
Gratuity fund	105,458	96,793
Provident fund	116,169	106,733
Dividend paid to staff retirement benefits		
Pension fund	101	267
Gratuity fund	1,420	974
Provident fund	2,078	1,836
Others		
Remuneration of key management personnel	171,524	198,107
Director's fee	9,794	-

19. OPERATING SEGMENT RESULTS

	Urea		Specialty Fertilizers Business		Others		Total	
	Unaudited		Unaudited		Unaudited		Unaudited	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
-----Rupees-----								
Sales	46,508,215	46,661,236	6,896,463	6,380,663	1,501,166	885,659	54,905,844	53,927,558
Intersegment sales	1,350,517	1,162,371	-	-	541,627	27,404	1,892,144	1,189,775
Sales tax	(926,813)	(914,162)	(140,168)	(126,154)	(5,889)	(6,055)	(1,072,870)	(1,046,371)
	46,931,919	46,909,445	6,756,295	6,254,509	2,036,904	907,008	55,725,118	54,070,962
Profit/(loss) before tax	13,649,607	19,185,535	125,328	388,115	(91,102)	(413,068)	13,683,833	19,160,582
Depreciation & Amortization	3,694,370	4,090,294	28,612	64,084	266,939	121,018	3,989,921	4,275,396
Capital Expenditure	790,102	1,538,104	10,647	25,168	1,683,975	1,581,040	2,484,724	3,144,312
Segment Assets	86,404,795	96,776,647	2,534,892	4,205,998	15,412,436	18,433,765	104,352,123	119,416,410
Unallocated assets	-	-	-	-	-	-	21,116,833	9,691,515
Total assets	86,404,795	96,776,647	2,534,892	4,205,998	15,412,436	18,433,765	125,468,956	129,107,925

20. SEASONALITY

The Company'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 Company manages seasonality in the business through appropriate inventory management.

(Amounts in thousand)

21. CORRESPONDING FIGURES

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

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

22. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors in its meeting held on October 21, 2020 has approved an interim cash dividend of Rs.5 per share for the year ending December 31, 2020 amounting to Rs. 6,676,496. These condensed interim financial statements do not include the effect of the said interim dividend.

23. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 21, 2020 by the Board of Directors of the Company.



Imran Ahmed
Chief Financial Officer



Nadir Salar Qureshi
Chief Executive Officer



Ghias Khan
Chairman

مستقبل قریب کا جائزہ

COVID-19 کی پہلی لہر گزرنے کے بعد، معیشت بحالی کی طرف گامزن ہے اور یہی صورتحال فریڈلائزر مارکیٹ کو درپیش ہے۔ پورے سال کی بنیاد پر، ہم امید کرتے ہیں کہ یوریا انڈسٹری کی طلب 10 سال کی تاریخی سطح 5.8 MT کے برابر ہے گی۔

خالصاً گیس سے حاصل ہونے والی پیداوار میں مالی سال 20 کے 9 ماہ کے دوران 11 فیصد اضافہ ہوا ہے۔ تاہم 3 ماہ کے لیے RLNG پلانٹس کو چلانے کے حالیہ حکومتی فیصلے سے مارکیٹ میں اضافی انویسٹری کی صورتحال پیدا ہوگی۔

GIDC سے متعلق، دوبارہ جائزہ لینے کی پٹیشن کے فیصلے سے فریڈلائزر کمپنیوں کے مالی حالات پر واضح اثرات مرتب ہوں گے۔ اگر GIDC اگلے 2 سال میں 24 مساوی اقساط میں وصول کیا جاتا ہے تو ایسی صورت میں پوری انڈسٹری پختی اثرات مرتب ہوں گے اور ملک میں مزید سرمایہ کاری کے فیصلوں میں رکاوٹ پیدا ہوگی۔

کمپنی پاکستان کے زرعی شعبے میں بہتری لانے میں اپنا کردار ادا کرنے کے لیے پرعزم ہے۔ بورڈ کی جانب سے، کمپنی اپنے تمام اسٹیک ہولڈرز کا ان کے اعتماد اور تعاون کے لیے شکریہ ادا کرتی ہے۔



نادرسالا قریشی
چیف ایگزیکٹو آفیسر



غیاث خان
چیرمین

دیگر نمایاں امور

حالیہ بجٹ میں سخت ٹیکس ریگولیشنز متعارف کرانے سے ایسے مینوفیکچررز کی کاروباری لاگت میں اضافہ ہوا ہے جو ان لوگوں کے ساتھ کاروبار کر رہے ہیں جن کا اندراج سیلز ٹیکس نظام میں نہیں ہے۔ فریٹلائزر انڈسٹری ایسی سادہ سی ویلیو چین میں کام کرتی ہے جہاں ڈیلرز 2 یا 3 فیصد کے بہت محدود منافع کے ساتھ کام کرتے ہیں۔ اس انڈسٹری کے 90 فیصد ڈیلرز انکم ٹیکس کے لیے فاکرز کا درجہ رکھتے ہیں لیکن ان کا اندراج سیلز ٹیکس نظام میں نہیں ہے۔ جو شرح ٹیکس فریٹلائزر ڈیلرز پر لاگو ہوتا ہے وہ ان کے منافع سے زیادہ ہے لہذا ڈیلرز سیلز ٹیکس کے اندراج سے ستراتے ہیں اس کے باوجود کمپنی نے پاکستان بھر میں بیٹھک رکھ کر انہیں سیلز ٹیکس میں اندراج کروانے کا حوصلہ دیا۔ ان بیٹھکوں میں ڈیلرز نے موجودہ ٹیکس نظام میں تفرکات ختم ہونے پر نظام میں اپنے اندراج کی خواہش ظاہر کی ہے۔ اینگری فریٹلائزر ان تبدیلیوں کو متعلقہ حکام تک پہنچانے میں اہم کردار ادا کرتا رہا ہے۔ کمپنی نے ہمیشہ ٹیکس میں بڑھانے میں حکومت کی مدد کی ہے۔ انڈسٹری نے معاملے کو ایف بی آر کے سامنے اٹھایا ہے اور وہاں سے استثنیٰ کی امید ہے۔ اگر یہ معاملہ حل نہیں ہوتا، تو کمپنی کو مستقبل قریب میں مزید ٹیکسوں کے بوجھ کی تلافی کے لئے قیمتوں میں اضافے کا سوچنا پڑے گا۔

ایوارڈز، اعزاز اور اہم اقدامات

- کمپنی کو نیشنل فورم فار انوارمنٹ اینڈ ہیلتھ (NFEH) کی جانب سے اپنے ڈھری اور زرخیز پلانٹس پر ماحول دوست پالیسیوں پر موثر عمل درآمد کرنے پر ”سالانہ انوارمنٹ ایکسی لینس ایوارڈ 2020“ نوازا گیا۔
- ہمارے ڈھری پلانٹ کو ISO-45001 شٹیکٹ سے نوازا گیا جو آکیوپیشنل ہیلتھ اور سیفٹی مینجمنٹ سسٹم سے متعلق مایہ ناز سرٹیفیکیشن ہے۔
- نیشنل سیفٹی کونسل (امریکہ) نے اینگری فریٹلائزرز لمیٹڈ کو ڈھری سائٹ اور اس کے ملحقہ علاقوں میں حفاظت کو یقینی بنانے کے اعزاز میں ”نیشنل سیفٹی کونسل کیے نوٹی ایڈ وائمنٹ ایوارڈ 2020“ سے نوازا۔
- کمپنی کے ڈھری سائٹ کو ”دی رائل سوسائٹی فار پروموشن آف ایکسٹنس (RoSPA) ہیلتھ اینڈ سیفٹی سلور ایوارڈ 2020“ سے نوازا گیا۔
- کمرشل ڈویژن نے، بہتر سوائل مینجمنٹ کے لیے کسانوں کی معاونت کے پیش نظر سندھ کے لیے مخصوص دوسری سوائل ٹیسٹنگ موبائل لیباریٹری کا آغاز کیا۔
- فنانس ڈویژن نے، ایم سی بی کے ساتھ مل کر پاکستان میں اپنی نوعیت کے پہلے الیکٹرانک بینک گارنٹی (EBG) سسٹم کے پہلے فیزک آغاز کیا۔
- کمپنی نے ”ہمسفر، ڈیلر مینجمنٹ سسٹم“ کا آغاز کیا ہے یہ ایک ویب اور موبائل پر کام کرنے والی ایپلی کیشن ہے جو صارفین کے ساتھ تعلق کو مزید بہتر بنانے کے لیے ترتیب دی گئی ہے۔

زیر جائزہ مدت کے دوران کمپنی کی ڈی اے پی اور زور آور کی سٹیل گزشتہ سال کے 303 KT کے مقابلے میں 334 KT رہی جس کے مطابق 10 فیصد اضافہ سامنے آیا۔

سال کے آغاز میں کمپنی کی جانب سے قیمتوں میں کمی کے فیصلے سے منافع میں کمی کے باوجود، کمپنی پیداوار میں قابل قدر اضافے اور اخراجات پر قابو سے منافع کی شرح برقرار رکھنے میں کامیاب رہی۔

انفرادی طور پر خالص منافع گزشتہ سال کے 13.22 بلین روپے کے مقابلے میں 12.03 بلین روپے رہا، نتیجے میں ای پی ایس 9.01 روپے بنتا ہے جو کہ گزشتہ سال 9.90 روپے تھا۔ مجموعی طور پر کمپنی کا خالص منافع گزشتہ سال کے 10.5 بلین روپے کے مقابلے میں 11.49 بلین روپے رہا، نتیجے میں ای پی ایس 8.67 روپے بنتا ہے جبکہ گزشتہ سال کا ای پی ایس 7.87 روپے تھا۔

بورڈ 30 ستمبر 2020 کو ختم ہونے والی مدت کے لیے ہر ایک شیئر پر 5 روپے نقد ڈیویڈنڈ تجویز کرتے ہوئے خوشی محسوس کرتا ہے۔

سپریم کورٹ آف پاکستان کی جانب سے GIDC سے متعلق فیصلہ

بتاریخ 13 اگست 2020 سپریم کورٹ آف پاکستان نے GIDC ایکٹ 2015 کی آئینیت پر فیصلہ کیا کہ ایکٹ 2015 آئینی ہے اور 31 جولائی 2020 تک CESS بقایا جات کمپنیوں سے 24 مساوی ماہانہ اقساط میں حاصل کئے جائیں گے تاہم اس فیصلے کی تاریخ سے سپریم کورٹ آف پاکستان نے وفاق حکومت کو پابند کیا ہے کہ مزید CESS وصول نہ کرے۔

مذکورہ بالا فیصلے نے گیس کو ان پٹ کے طور پر استعمال کرنے والی صنعتوں بشمول فریٹلائزر رانڈسٹری کو اثر انداز کیا ہے۔ فریٹلائزر رانڈسٹری کے لیے غیر رعایتی گیسز کے ٹول GIDC بقایات کا تخمینہ تقریباً 111 بلین روپے ہے (کمپنی پر 20 بلین روپے)۔ کمپنی نے سپریم کورٹ آف پاکستان میں دوبارہ جائزہ لینے سے متعلق پٹیشن دائر کر دی ہے۔

فریٹلائزر پالیسی 2001 کے مطابق، رعایتی فیڈ گیس کی قیمت متعین ہے اور اس میں تمام ٹیکسز، ڈیویڈنڈ، لیویز، فیس اور چارجز شامل ہیں چاہے وہ مقامی ہوں، صوبائی ہوں یا وفاقی، اس طرح کمپنی نے کنسٹیبلٹی گیس پے GIDC ریکارڈ نہیں کیا۔ کنسٹیبلٹی فیڈ گیس پے GIDC پر کمپنی نے سندھ ہائی کورٹ میں کیس دائر کر کے اسٹے آرڈر لے لیا ہے۔

مقامی یوریا کی طلب 2019 کے 9 ماہ میں 4,173 KT کے مقابلے میں 4,362 KT رہی جس کے مطابق گزشتہ سال کی اسی مدت کے مقابلے میں 4 فیصد کمی واقع ہوئی۔ کیونکہ سال کے آغاز میں واضح چینل انوینٹری شامل ہوگئی۔ خالصتاً گیس پر حاصل ہونے والی پیداوار 11 فیصد اضافے کے ساتھ 4,397 KT رہی جو کہ گزشتہ سال کی اسی مدت میں 3,972 KT تھی۔ پیداوار میں اس اضافے کی وجہ کمپنی کی 9 ماہ کے دوران ریکارڈ پیداوار 1,694 KT ہے، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 17 فیصد اضافے کا ثبوت ہے۔ 2020 کے 9 ماہ میں انڈسٹری کی کل پیداوار بشمول RLNG پلانٹس 4,526 KT رہی جو کہ 2019 کے 9 ماہ کے دوران 4,587 KT تھی۔

اسی طرح انڈسٹری میں فاسفیٹس کی طلب گزشتہ سال کی اسی مدت کے دوران 1,181 KT کے مقابلے میں 1,376 KT رہی جس سے 17 فیصد اضافہ سامنے آتا ہے کیونکہ آنے والے مہینوں میں ڈی اے پی کی قیمت میں مزید اضافے کی امید میں وقتی خریداری میں اضافہ دیکھنے میں آ رہا ہے۔

یوریا کی قیمتیں

جنوری 2020 میں، کمپنی نے فریٹلائزر مینوفیکچررز کے لیے گیس انفراسٹرکچر ڈیولپمنٹ سیس (GIDC) کو کم کرنے کے حکومتی فیصلے کا خیر مقدم کرتے ہوئے اس سہولت کو مکمل طور پر منتقل کرتے ہوئے یوریا کی فی بوری قیمت میں 160 روپے کی کمی کی۔ اس کے ساتھ، کمپنی نے Covid-19 کے پیش نظر، مارچ 2020 میں 240 روپے فی بوری کی مزید کمی کی۔

یہ ایک حقیقت ہے کہ Covid-19 نے زرعی شعبے پر کسی طرح کے منفی اثرات مرتب نہیں کئے ہیں اور زرعی معیشت کو ترقی ملی ہے۔ اسی کے پیش نظر سہ ماہی کے دوران یوریا کی قیمتوں میں 25 روپے فی بوری تک اضافہ کیا گیا ہے۔

کمپنی کی عملی کارکردگی

کمپنی کی یوریا پیداوار گزشتہ سال کے 1,451 KT کے مقابلے میں اس سال کے دوران 1,694 KT رہی جو کہ 9 ماہ کی بلند ترین پیداوار ہے۔ یہ شاندار نتیجہ پلانٹ کی فعالیت پر بھرپور اور مسلسل توجہ کے ساتھ انجینئرنگ مہارتوں کی مرہون منت ہے۔ یہ ریکارڈ پیداوار صفر ٹول ریکارڈ ایٹیل انیڈنٹ ریٹ (TRIR) کے ساتھ حاصل کی گئی۔ یہ نتیجہ ہماری پلانٹس ٹیموں کے صحت و تحفظ کی جانب بھرپور توجہ کا ثبوت ہے اور قابل تعریف ہے کہ یہ سطح اس وقت حاصل کی گئی جب Covid-19 کی وجہ سے SOPs پر بھی عمل درآمد جاری تھا۔

حالیہ مدت کے دوران سبزی 1,451 KT تک پہنچی جو کہ گزشتہ سال کی اسی مدت کے دوران 1,331 KT تھی، اس 9 فیصد اضافے کی وجہ زائد پیداوار ہے۔ نتیجے میں کمپنی زائد پیداوار کی بدولت اپنے یوریا مارکیٹ کے حصے میں 35 فیصد تک اضافہ کرنے میں کامیاب رہی جو کہ گزشتہ سال 31 فیصد تھا۔

متعلقہ علاقہ جات میں دیگر اقدامات

- کمپنی نے اس وباء سے تحفظ کے لیے مختلف اقدامات اٹھائے اور متعلقہ علاقوں میں فلاحی امور انجام دیئے ہیں جن میں شامل ہیں:
- انڈس ہسپتال کے ساتھ اشتراک عمل سے ڈہری میں اسپے ٹیکنیکل ٹریننگ سینٹر کو مفت Covid-19 ٹیسٹنگ سہولت میں تبدیل کیا؛
- ڈہری میں مختلف اسکولز اور کالجوں کے مختلف مقامات پر ہاتھ دھونے کے اسٹیشن قائم کئے؛
- ڈہری اور اباوڑ کے سرکاری اسکولز اور کالجوں میں آگے ہم چلانے کے ساتھ صفائی اور تحفظ سے متعلق ضروری سامان (ماسک، سینٹائزرز، نمبر پچر گن وغیرہ) تقسیم کیا؛
- عوامی مقامات پر جراثیم کش اقدامات اٹھائے؛ اور
- متاثرہ خاندانوں میں راشن کی تقسیم کی گئی۔

مزید برآں، سندھ میں حالیہ سیلاب کے بعد کمپنی نے ضلع گھوگئی کے سیلاب متاثرین کی امداد کے اضافی اقدامات بھی اٹھائے ہیں۔

فریٹلائزر کی عالمی مارکیٹ

یورپا کی عالمی قیمتیں 2020 کی تیسری سہ ماہی کے آخر میں بھارت سے زائد طلب کے سبب 2020 کی دوسری سہ ماہی کے امریکی ڈالر 237/T (2,425 روپے فی بوری کے مساوی پہنچ) سے بڑھ کر امریکی ڈالر 289/T (2,895 روپے فی بوری کے مساوی پہنچ) تک پہنچ گئیں۔ مقامی یورپا کی قیمت عالمی قیمت سے 42 فیصد خصوصی رعایت کے ساتھ برقرار ہے جس کے مطابق سال کے آغاز میں 2,040 روپے فی بوری قیمت 1,668 روپے فی بوری تک کم ہو چکی ہے۔

اس مدت کے دوران ڈی اے پی کی قیمتیں تیزی کے ساتھ بحال ہوتی دکھائی دیں اور امریکی ڈالر 370/T کی انتہائی حد تک پہنچنے میں کامیاب ہوئیں۔

مقامی فریٹلائزر مارکیٹ

ملک میں حالیہ مون سون کی بارشوں کے دوران اوسط بارشوں سے 41 فیصد زائد بارشوں کا ریکارڈ قائم ہوا اور نتیجے میں بارش سے زیادہ متاثر ہونے والی فصلوں خاص کر کپاس کو شدید نقصان لاحق ہوا ہے۔ 2020 کی دوسری سہ ماہی کے دوران ٹڈی دل کے حملوں سے فصلوں کو شدید خطرات لاحق تھے، لیکن اب اس خطرے پر قابو پانے میں بڑی حد تک کامیابی حاصل ہوئی ہے۔ نیشنل ڈزاسٹر مینجمنٹ اتھارٹی (NDMA) کی جانب سے کمیونٹی ورلڈ سروس ایسیا (CWSA) کے ساتھ اشتراک عمل سے مزید حملوں سے بچاؤ کے بروقت اقدامات اٹھائے گئے۔

اینگرو فertilizers رزلیمیٹڈ ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز برائے 9 ماہ ختم شدہ 30 ستمبر، 2020

ہم، اینگرو فertilizers رزلیمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے غیر آڈٹ شدہ مجموعی مالی گوشوارے برائے 9 ماہ ختم شدہ 30 ستمبر، 2020 پیش کرنے پر مسرت محسوس کر رہے ہیں۔

COVID-19 کے دوران کاروبار جاری رکھنے کی منصوبہ بندی

خداوند تعالیٰ کے فضل و کرم سے پاکستان Covid-19 کی پہلی لہر سے بڑی حد تک محفوظ رہا ہے اور ملک میں گزشتہ تین ماہ کے دوران اس وباء کے مثبت کیسز میں روزانہ کی بنیاد پر واضح کمی واقع ہو رہی ہے۔ حکومت کی جانب سے کئی موثر اقدامات کے نتیجے میں، معیشت کی بحالی کے ساتھ بزنس آپریشنز پر پابندیاں ختم ہو رہی ہیں۔

اس مشکل وقت میں، کمپنی نے کئی اقدامات کی بدولت آپریشنز کو کسی تعطل کے بغیر جاری رکھا۔ وائرس کے پھیلاؤ کو روکنے کے لیے ہماری آفیسز اور پلانٹ سائٹس پر SOPs پر عمل درآمد کو یقینی بنایا گیا۔ اپنے ملازمین کی صحت اور تحفظ کو اولین ترجیح دیتے ہوئے، کمپنی نے اسٹیشن میڈیکل ہیلتھ ڈیسک اور آن سائٹ قرنٹین سہولیات جاری رکھی ہوئی ہیں۔ مزید برآں، اپنے ملازمین کے حوصلہ کو بلند رکھنے کے لیے بھی کئی اقدامات اٹھائے گئے ہیں جن میں فرنٹ لائن اسٹاف کی خصوصی حوصلہ افزائی، فکری صحت و تحفظ کے لیے کونسلنگ سیشن اور سوشل انٹرکشن کے لیے آن لائن پلیٹ فارمز کی فراہمی شامل ہے۔

COVID-19 سے مقابلے کے لیے ہمارے سماجی بہبود کے اقدامات

حسین داؤد پلچ

ان مشکل حالات میں ملک کے شانہ بشانہ کھڑے ہونے کے پیش نظر، اینگرو کارپوریشن اور داؤد ہرکولس کارپوریشن کے چیئرمین جناب حسین داؤد نے ایک بلین روپے پلچ کا اعلان کیا۔ 2020 کی تیسری سہ ماہی کے اختتام تک، اینگرو فertilizers رزلیمیٹڈ نے حسین داؤد پلچ کے تحت درج ذیل امور انجام دیئے ہیں:

- انڈس ہسپتال کو 95 بلین روپے تعاون کیا تاکہ پورے سندھ میں COVID-19 کی ٹیسٹنگ صلاحیت کو بڑھایا جائے۔
- COVID-19 کی ٹیسٹنگ کے لیے شوکت خانم ہسپتال کو 23 بلین روپے تعاون کیا؛ اور
- دور دراز کے پسماندہ علاقوں میں علاج معالجہ سے متعلق آگے کے لیے صحت کہانی کو 4.8 بلین روپے تعاون کیا گیا۔

+92-21-111-211-211
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