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third quarter accounts 2022

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

About Us

Engro Corporation Limited is one of Pakistan's largest conglomerates with a business portfolio spanning across four verticals including food & agriculture, energy & related infrastructure, petrochemicals, and telecommunication infrastructure. At Engro, our ambition is to become the premier Pakistani enterprise with a global reach.

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

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

Our History

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

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

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

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

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

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

Engro Corporation Limited

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

Engro Fertilizers Limited

Engro Fertilizers Limited – a 56% owned subsidiary of Engro Corporation – is a premier fertilizer manufacturing and marketing company having a portfolio of fertilizer products with significant focus on balanced crop nutrition and increased yield. As one of the 50 largest fertilizer manufacturers of the world, we have close to 6 decades of operations as a world-class facility with a wide range of fertilizer brands, besides urea, which include some of the most trusted brand names by Pakistani farmers. These include brands like Engro Zarkhez, Zingro, and Engro DAP, amongst others.

Engro Polymer & Chemicals Limited

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

Engro Energy Limited

Engro Energy Limited is a wholly-owned subsidiary of Engro Corporation and it owns and operates Engro Powergen Qadirpur Limited, a 224-megawatt power plant and the group's first initiative in the power sector of Pakistan. Engro Powergen Qadirpur Limited was listed on the Karachi Stock Exchange in October 2014 where 25% of the shares were offered to the public. As of now, Engro Powergen Qadirpur Limited is 69% owned by Engro Energy Limited. Engro Energy Limited is also involved in the Thar Coal project. The project operates a coal mine under Sindh Engro Coal Mining Company (SECMC) and operations of two 330MW mine mouth power plants under Engro Powergen Thar Limited in the first phase. SECMC is a joint venture company formed in 2009 between the Government of Sindh (GoS) and Engro Energy Limited & Affiliates. SECMC's shareholders include Government of Sindh, Engro Energy Limited, Thal Limited, Habib Bank Ltd, CMEC Thar Mining Investment Limited, Huolinhe Open Pit Coal Investment Company Limited, and Hub Power Company Limited (HUBCO). The Sindh Coal Authority has awarded a 95.5 square kilometer area of the coalfield, known as Block II, to SECMC for exploration and development of coal deposits. Within this block, there is an estimated amount of exploitable lignite coal reserves of 1.57 billion tons. In 2010, SECMC completed the Bankable Feasibility Study for Thar Block II Coal Mining Project by engaging internationally renowned Consultants such as RWE-Germany, Sinocoal-China, SRK-UK, and HBP Pakistan, meeting all national/international standards. Thar Coal Project achieved its Commercial Operations Date (COD) in July 2019 and has since been providing low cost electricity to the national grid.

Elengy Terminal Pakistan Limited

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

terminal, at Port Qasim. The terminal – which is also one of the most cost-efficient terminals in the region – has a capacity for regasification of up to 600 mmcf/d.

Engro Vopak Terminal Limited

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

FrieslandCampina Engro Pakistan

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

Engro Enfrashare (Private) Limited

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

Engro Eximp Agri Products (Private) Limited

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

directors' report

The Directors of Engro Corporation Limited are pleased to submit their Report, along with the condensed interim financial statements of the Company, for the nine months ended on September 30, 2022.

Uncertainty regarding the global economy persists with central banks continuing monetary tightening to combat growing inflation, which is expected to extend into 2023. This monetary tightening, coupled with withdrawal of fiscal stimuli, has increased the possibility of a global recession.

Pakistan is also facing similar headwinds and, although the IMF program is providing temporary relief, unprecedented climate-induced floods have worsened the situation dramatically. Currently, over 33 million people are affected and damages of USD ~20 billion have been estimated. The floods have affected economic and agricultural activity in the Country as major crops including cotton (34%) and rice (19%) witnessed production losses. The textile sector, saw factories shutting down due to unavailability of cotton, while shortage of agricultural produce has resulted in increased prices of staple food items, further fueling rising inflation.

With this scenario, the Country's risk of default continues to be priced in by global markets. As of September 30, 2022, the Credit Default Swap rate traded at 24% and the Yield-To-Maturity on Pakistan's international bond maturing in 2024 was at 83%. To address the uncertainty and revert to a growth trajectory, the Country is in dire need of structural reforms, like expanding the tax net, incentivizing export sectors, installing favorable policies for the IT sector, and establishing talent development programs.

During these challenging times, Engro continues to play a vital role in helping solve some of the Country's most pressing issues. While the portfolio is partially hedged against PKR devaluation and interest rates, our businesses are working towards building a sustainable import substitution and export-oriented road map. We have exported rice and PVC worth USD 36 million and saved USD 2.5 billion through indigenous production of coal, PVC, and fertilizer.

The group continues to play an active role in creating a social impact for the community. The Company launched its flagship return-ship program "Break ke Baad" to make it easier for women to restart their careers after taking a break. Moreover, Engro has partnered with Karachi Biennale Trust on their third contemporary art event on the theme of art and technology. Lastly, due to our continuous effort in ensuring corporate governance and transparency, our companies

(Engro Fertilizers, Engro Polymer & Chemicals and Engro Corporation) won Top 25 Companies Award for 2021 from PSX.

Business Review

On a standalone basis, the Company posted a Profit After Tax (PAT) of PKR 15,560 million against PKR 16,015 million during the same period last year, translating into an EPS of PKR 27.01 per share. The 2.8% decline in profitability is primarily owing to Super Tax, which has been partially offset by higher interest income as well as higher dividends from the Polymer, Fertilizer and Energy businesses.

On a consolidated basis, the Company's revenue grew by 20%, to PKR 268,740 million compared to PKR 223,581 million during the same period last year. The consolidated PAT for the nine months stood at PKR 30,709 million against PKR 40,504 million during same period last year. Major variances were the additional Super Tax charge (PKR 10,093) and a one-off tariff true-up adjustment (PKR 2,911) at Engro Powergen Thar Limited (EPTL).

PAT attributable to the shareholders is PKR 15,431 million against PKR 23,173 million during same period last year, with Super Tax charge of PKR 6,406 million and one-off tariff true-up adjustment at EPTL of PKR 1,459 million. The Earnings per Share (EPS) is PKR 26.78, compared to PKR 40.22 in the same period last year.

A brief review of our business segments is as follows:

Fertilizers

Fertilizer business recorded a revenue of PKR 110,876 million compared to PKR 92,742 million in the same period last year, primarily driven by a rise in global commodity prices. Profitability of the Company stood at PKR 9,594 million versus PKR 14,921 million in the same period last year, mainly affected by the imposition of Super Tax amounting to PKR 5,500 million. Phosphate and other traded businesses benefitted from the commodity cycle upturn, adding PKR 5,115 million to the PAT versus PKR 3,647 million in the same period last year.

Urea sales during the period stood at 1,522 KT versus 1,744 KT for the comparative period; sales were higher in comparative period last year due to higher opening inventory resulting from timing difference. High price of phosphate and devastating floods reduced the sale of Phosphates to 212 KT versus 242 KT during the same period in 2021.

International Urea prices stood at USD 657/T (landed cost equivalent to PKR 9,874/bag) by the end of September 2022, amidst high hydrocarbon prices. However, fertilizer industry ensured availability of locally produced urea to farmers, translating into a discount of 77% over international prices. Phosphate's international prices took a dip during the quarter by 25% to USD 760/T on the back of normalization of commodity prices and slowdown in global demand.

Presence of domestic urea manufacturing industry enabled import substitution to the tune of USD 3.4 billion in 9M 2022, wherein Engro Fertilizers' contribution stood at USD 1.1 billion, equating to 32%.

Petrochemicals

The Polymer business recorded a revenue of PKR 62,308 million compared to PKR 49,323 million in the same period last year, on the back of higher PVC volumes. The Company's PAT stood at PKR 9,309 million against PKR 10,372 million in same period last year, primarily due to the Super Tax charge of PKR 2,100 million.

International PVC prices continued their declining trend on the back of global economic slowdown. However, the business is positively correlated against PKR devaluation whereas local demand started to increase again after a temporary halt due to monsoons and floods. Resultantly, the business recorded domestic sales of 171 KT versus 153 KT in the same period last year. Overall, the business has enabled import substitution of USD 95 million.

Telecommunication Infrastructure

Enfrashare continued to expand its national footprint and achieved a scale of 3,132 tower sites by the end of September with a 1.14x tenancy ratio, catering to all four Mobile Network Operators (MNOs) in Pakistan. The business captured a market share of 61% in Build-to-Suit (B2S) towers rollout during the period and captured 139% increase in colocation tenants (439 versus 183 in similar period last year). Resultantly, leading to a ~2x increase in revenue in comparison to 9M 2021.

Foods

FrieslandCampina Engro Pakistan demonstrated a topline growth of 37% and reported a revenue of PKR 52,827 million during nine months ended September 2022 against PKR 38,671 million in the same period last year. Gross margin reduced by ~2% primarily on account of high inflation and PKR devaluation. The business recorded a PAT of PKR 1,765 million against PKR

1,959 million for the comparative period, on the back of lower gross margins, higher interest rates and imposition of Super Tax.

Revenue growth was fueled by increase in volumes in Dairy & Beverages segment and Ice Cream & Frozen Desserts segment, mix improvement, and increase in pricing. Significant expansion was witnessed in the retail footprint and E-Commerce channel during the three quarters.

Engro Eximp Agriproducts continued its efforts in rice export business, recording 57% growth in volumes versus same period last year (42.1 KT versus 27.4 KT). During the nine months, rice business generated revenue of USD 28 million through export versus USD 15 million in the same period last year. The PAT stood at PKR 194 million versus PKR 13 million in the same period last year on the back of higher sales, better margins and PKR devaluation. The business continued developing foothold in the local market and increased domestic volumes by 8% to 10.0 KT during the period against 9.3 KT in similar period last year.

Energy

Coal Mine: Mining operations continued smoothly, supplying 2.4 million tons of coal to Engro Powergen Thar. The Mine successfully completed Phase II expansion, doubling its existing capacity to 7.6 million tons per annum with effect from October 1, 2022.

Thar Power Plant: The plant achieved 68% availability during the period compared with 85% in same period last year and dispatched 2,655 GWh to the national grid compared to 3,253 GWh in same period last year. Plant availability remained low due to an outage following an incident on the coal conveyor belt. After detailed inspection and necessary rehabilitation work, both units of the plant successfully came back online.

Qadirpur Power Plant: The plant dispatched a Net Electrical Output of 558 GWh to the national grid against 615 GWh in same period last year, low dispatch mainly due to shut down for planned major inspection. The business posted a PAT of PKR 1,377 million for the current period as compared to PKR 1,463 million during same period last year due higher finance cost.

Terminal Operations

The LNG terminal handled 37 cargoes in 9M 2022, delivering 111 bcf re-gasified LNG in to the SSGC network, accounting for ~13% of the total gas supply of the Country. The chemicals terminal had an actual throughput of 1,082 KT against 1,010 KT during the same period last year. The increase was primarily observed in chemical volumes offset by lower LPG handling.

Distribution to Shareholders

The Board of Directors of Engro Corporation Limited endeavors to maximize total shareholder returns and is pleased to propose an interim cash dividend of PKR 10.00 per share for the third quarter ended on September 30, 2022. This is in addition to the interim cash dividend of PKR 23.00 per share given during first half of 2022. The dividend for third quarter 2022 will take the total interim cash dividend to PKR 33.00 per share for the year ending December 31, 2022.

Near-Term Outlook

The global and local macro-economic situation is expected to remain volatile in the near term, however, our well diversified portfolio is expected to continue to remain resilient. Given the criticality of the infrastructure in which we operate and our contributions to the economy, we will continue to develop our verticals while making meaningful contributions to the Country and for our stakeholders at large. Engro will continue to evaluate expansions in existing portfolio and explore investments in new areas.

Fertilizer

Even post the devastating floods, local urea demand is expected to sustain owing to continued Government support, improved farmer economics, and availability of urea at significantly discounted prices compared to global levels.

To counter the headwinds of changes in tax, PKR devaluation, and inflationary pressure, the Company increased urea price by PKR 350/bag from July 1, 2022, in line with the industry. Even post this price increase, locally produced urea remains at a 77% discount compared with international prices. For long-term reliability and sustainable safe operations, one of our plants was temporarily shut down on September 27, 2022, and is scheduled to be back online in November.

The Management will continue to explore options for urea exports to generate valuable foreign exchange for the Country, subject to Government approval and required policy interventions.

Petrochemicals

Global PVC prices are currently witnessing a downward trend due to lack of demand in China following an economic slowdown which has resulted in the easing of supply chain pressures. On the domestic front, construction activity post floods is expected to rise resulting in an increase in PVC sales. The management will continue to evaluate exports of PVC and caustic to generate valuable foreign exchange for the Country.

Telecommunication Infrastructure

The business outlook for Engro Enfrashare remains strong on the back of growing data usage in the Country and increasing pressure on Mobile Network Operators to enhance availability and quality.

Engro Enfrashare will continue to maintain its market leadership as an Independent Tower Company through internal and external growth opportunities. To date, the business has secured orders of 3,900+ towers and is on track to become a 5,000+ Tower Company by 2024, ahead of its earlier-set target of 2025.

Foods

The business environment is expected to remain challenging on the back of rising inflation, currency devaluation and contractionary monetary policy & tightening fiscal measures. However, with an agile business model in place, the management is confident that it will be able to drive efficiencies across value chain and continue to deliver growth.

To promote the well-being of Pakistanis, the Company will continue to partner with the Pakistan Dairy Association (PDA) and the Government on various initiatives to educate the consumers on the potential health hazards of loose milk consumption and reinforce the positive characteristics of safe packaged milk.

Engro Eximp Agriproducts will focus on continuous improvement in operational efficiency and enhanced national & global footprint. With rice crop in Sindh damaged by floods, the cost of paddy has increased, which may put pressure on margins.

Energy

Engro is using indigenous resources to help alleviate the energy crisis and uplift economic growth of Pakistan. To reduce the Country's reliance on imported fuels, our mining business has successfully expanded the capacity to 7.6 million tons per annum and will continue to expand its capacity to 12.2 million tons per annum over the next couple of years. Moreover, the business is evaluating alternate buyers for the coal and has initiated an engagement with various industries to increase the reach of Thar Coal.

The Business is also making progress on feasibility of the 400 MW Renewable Energy Park (RE Park) in Jhimpir. The RE Park has received significant interest from bilateral buyers based in Karachi and Dhabeji, with MOUs of over 540 MW already signed with potential customers.



Hussain Dawood
Chairman

Terminal Operations

The LNG terminal continues to play its role in partially alleviating the energy shortage faced by the Country. Furthermore, market dynamics in the chemicals sector have been stable and Engro Vopak continues to retain its status as market leader in the chemical handling & storage business. However, marine LPG imports are expected to remain under pressure due to imports through Taftan border area. The businesses will continue to benefit from PKR devaluation as revenues are dollar-based.

Acknowledgment

The Directors would like to express their deep appreciation to our shareholders who have consistently demonstrated confidence in the Company. We would also like to place on record our sincere appreciation for the commitment, dedication, and innovative thinking put forth by each member of the Engro family and look forward to more mutual growth in the future.



Ghias Khan
President and Chief Executive



engro corp

unconsolidated condensed
interim financial statements (unaudited)
for the nine months ended september 30, 2022

unconsolidated condensed interim statement of financial position
as at september 30, 2022

(Amounts in thousand)	Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
		------(Rupees)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	950,667	771,023
Right-of-use assets		1,048,829	263,413
Intangible assets		162,540	194,686
Long term investments		46,835,094	46,835,094
Long term loans and advances		392,669	384,154
Deferred taxation		96,578	73,537
		<u>49,486,377</u>	<u>48,521,907</u>
Current assets			
Loans, advances, deposits and prepayments	5	7,947,934	11,346,072
Receivables	6	1,524,909	784,106
Short term investments	7	47,939,338	40,247,237
Cash and bank balances		375,066	855,323
		<u>57,787,247</u>	<u>53,232,738</u>
		<u>107,273,624</u>	<u>101,754,645</u>
TOTAL ASSETS			
EQUITY & LIABILITIES			
Equity			
Share capital		5,761,633	5,761,633
Share premium		13,068,232	13,068,232
General reserve		4,429,240	4,429,240
Remeasurement of post employment benefits - Actuarial loss		(18,484)	(18,484)
Remeasurement of investments		(187,581)	-
Unappropriated profit		69,026,450	67,294,008
		<u>92,079,490</u>	<u>90,534,629</u>
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations		72,706	59,220
Lease liabilities		997,393	17,673
		<u>1,070,099</u>	<u>76,893</u>
Current liabilities			
Trade and other payables		3,929,309	4,840,491
Current portion of lease liabilities		171,165	339,073
Taxes payable		9,787,412	5,721,720
Unclaimed dividends		236,149	241,839
		<u>14,124,035</u>	<u>11,143,123</u>
		<u>15,194,134</u>	<u>11,220,016</u>
Total liabilities			
Contingencies and commitments			
	8		
		<u>107,273,624</u>	<u>101,754,645</u>

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of profit or loss (unaudited)
for the nine months ended september 30, 2022

(Amounts in thousand except for earnings per share)

Note	Quarter ended		Nine-months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	------(Rupees)-----			
Dividend income	2,097,565	6,933,450	18,011,347	14,960,170
Royalty income	307,736	333,041	996,716	960,423
	<u>2,405,301</u>	<u>7,266,491</u>	<u>19,008,063</u>	<u>15,920,593</u>
Administrative expenses	(950,708)	(420,830)	(2,295,584)	(1,165,654)
	<u>1,454,593</u>	<u>6,845,661</u>	<u>16,712,479</u>	<u>14,754,939</u>
Other income	2,197,698	1,276,140	5,285,735	3,597,621
Other operating expenses	(306,806)	(520,155)	(2,338,785)	(1,043,167)
Operating profit	<u>3,345,485</u>	<u>7,601,646</u>	<u>19,659,429</u>	<u>17,309,393</u>
Finance cost	(56,913)	(15,226)	(107,784)	(58,254)
Profit before taxation	<u>3,288,572</u>	<u>7,586,420</u>	<u>19,551,645</u>	<u>17,251,139</u>
Taxation	(208,950)	(1,254,786)	(3,991,285)	(1,236,240)
	<u>3,079,622</u>	<u>6,331,634</u>	<u>15,560,360</u>	<u>16,014,899</u>
Profit for the period	<u>3,079,622</u>	<u>6,331,634</u>	<u>15,560,360</u>	<u>16,014,899</u>
Earnings per share - basic and diluted	5.35	10.99	27.01	27.80

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of
comprehensive income (unaudited)
for the nine months ended september 30, 2022

(Amounts in thousand)

	Quarter ended		Nine-months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees)			
Profit for the period	3,079,622	6,331,634	15,560,360	16,014,899
Other comprehensive income / (loss) for the period				
Items that may be subsequently reclassified to profit or loss				
Unrealised loss on remeasurement of investments classified as fair value through other comprehensive income (FVOCI)	(152,951)	(13,978)	(187,581)	(55,738)
Total comprehensive income for the period	<u>2,926,671</u>	<u>6,317,656</u>	<u>15,372,779</u>	<u>15,959,161</u>

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of
changes in equity
for the nine months ended september 30, 2022

(Amounts in thousand)

	Share capital	Capital Reserve Share premium	General reserve	Revenue Reserves		Unappropriated profit	Total
				Remeasurement of post employment benefits-Actuarial loss	Remeasurement of investments		
Balance as at January 01, 2021 (Audited)	5,761,633	13,068,232	4,429,240	(16,375)	-	63,758,171	87,000,901
Profit for the period	-	-	-	-	-	16,014,899	16,014,899
Other comprehensive loss	-	-	-	-	(55,738)	-	(55,738)
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	(55,738)	16,014,899	15,959,161
Transactions with owners							
Final cash dividend for the year ended December 31, 2020 @ Rs. 2.00 per share	-	-	-	-	-	(1,152,327)	(1,152,327)
First Interim cash dividend for the year ended December 31, 2021 @ Rs.12.00 per share	-	-	-	-	-	(6,913,959)	(6,913,959)
Second Interim cash dividend for the year ended December 31, 2021 @ Rs.7.00 per share	-	-	-	-	-	(4,033,142)	(4,033,142)
	-	-	-	-	-	(12,099,428)	(12,099,428)
Balance as at September 30, 2021 (Unaudited)	5,761,633	13,068,232	4,429,240	(16,375)	(55,738)	67,673,642	90,860,634
Profit for the period	-	-	-	-	-	2,501,254	2,501,254
Other comprehensive income / (loss)	-	-	-	(2,109)	55,738	-	53,629
Total comprehensive income for the quarter ended December 31, 2021	-	-	-	(2,109)	55,738	2,501,254	2,554,883
Transactions with owners							
Third Interim cash dividend for the year ended December 31, 2021 @ Rs. 5.00 per share	-	-	-	-	-	(2,880,888)	(2,880,888)
	-	-	-	-	-	(2,880,888)	(2,880,888)
Balance as at December 31, 2021 (Audited)	5,761,633	13,068,232	4,429,240	(18,484)	-	67,294,008	90,534,629
Profit for the period	-	-	-	-	-	15,560,360	15,560,360
Other comprehensive loss	-	-	-	-	(187,581)	-	(187,581)
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	(187,581)	15,560,360	15,372,779
Transactions with owners							
Final cash dividend for the year ended December 31, 2021 @ Rs. 1.00 per share	-	-	-	-	-	(576,163)	(576,163)
First Interim cash dividend for the year ending December 31, 2022 @ Rs. 12.00 per share	-	-	-	-	-	(6,913,959)	(6,913,959)
Second interim cash dividend for the year ending December 31, 2022 @ Rs. 11.00 per share	-	-	-	-	-	(6,337,796)	(6,337,796)
	-	-	-	-	-	(13,827,918)	(13,827,918)
Balance as at September 30, 2022 (Unaudited)	<u>5,761,633</u>	<u>13,068,232</u>	<u>4,429,240</u>	<u>(18,484)</u>	<u>(187,581)</u>	<u>69,026,450</u>	<u>92,079,490</u>

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

unconsolidated condensed interim statement of cash flows (unaudited)
for the nine months ended, september 30, 2022

(Amounts in thousand)

Note	Nine-months ended	
	September 30, 2022	September 30, 2021
------(Rupees)-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash utilized in operations	12 (6,213,898)	(1,440,291)
Royalty received	981,246	871,766
Taxes paid	(456,238)	(696,676)
Retirement and other service benefits paid	(33,569)	(45,418)
Long term loans and advances - net	(8,515)	34,889
Net cash utilized in operating activities	(5,730,974)	(1,275,730)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	18,011,347	12,136,348
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries	4,615,151	1,050,864
Investment in shares of subsidiary company	-	(20,362,982)
Loan disbursed to subsidiary companies	(16,400,000)	(5,950,000)
Repayment of loan by subsidiary companies	20,637,000	12,550,000
Purchase of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds	(645,726,931)	(216,052,871)
Proceeds from sale of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds	609,796,675	224,198,284
Purchases of property, plant and equipment	(305,907)	(270,860)
Sale proceeds on disposal of property, plant and equipment	18,092	8,006
Purchases of intangibles	(3,504)	(8,824)
Net cash (utilized) / generated from investing activities	(9,358,077)	7,297,965
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of financial charges	(42,146)	(17,397)
Lease rentals paid	(223,926)	(224,013)
Dividends paid	(13,833,608)	(8,091,948)
Net cash utilized in financing activities	(14,099,680)	(8,333,358)
Net decrease in cash and cash equivalents	(29,188,731)	(2,311,122)
Cash and cash equivalents at beginning of the period	41,101,610	19,970,314
Cash and cash equivalents at end of the period	11,912,879	17,659,192

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

notes to the unconsolidated
condensed interim financial statements (unaudited)
for the nine months ended september 30, 2022

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

Engro Corporation Limited (the Company), is a public listed company incorporated in Pakistan. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is a subsidiary of Dawood Hercules Corporation Limited (the Parent Company). The principal activity of the Company, is to manage investments in subsidiary companies, associated companies and joint venture, engaged in fertilizers, power generation, telecommunications infrastructure, petrochemicals, mining, food, LNG and chemical storages. The Company's registered office is situated at 6th and 8th floor, The Harbour Front Building, HC # 3, Marine Drive, Block 4, Clifton, Karachi.

2. BASIS OF PREPARATION

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

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

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

2.2 These unconsolidated condensed interim financial statements represent the condensed interim financial statements of the Company on a standalone basis. The consolidated condensed interim financial statements of the Company and its subsidiary companies are presented separately. These unconsolidated condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2021.

2.3 The preparation of these unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these unconsolidated condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to annual audited financial statements of the Company for the year ended December 31, 2021.

(Amounts in thousand)

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2021.
- 3.2 There are certain amendments to published International Financial Reporting Standards that are mandatory for the financial year beginning on January 1, 2022. These are considered not to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these unconsolidated condensed interim financial statements.
- 3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss of the Company.

4. PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
Operating assets (note 4.1)	650,545	703,970
Capital work-in-progress (note 4.3)	300,122	67,053
	<u>950,667</u>	<u>771,023</u>
4.1 Following additions including transfers from CWIP were made to operating assets during the period / year:		
Furniture, fixtures and equipment	30,081	197,659
Vehicles	79,842	213,196
	<u>109,923</u>	<u>410,855</u>
4.2 Operating assets costing Rs. 19,112 (December 31, 2021: Rs. 14,499) having a net book value of Rs. 8,891 (December 31, 2021: Rs. 7,051), were disposed off during the period / year for Rs. 18,092 (December 31, 2021: Rs. 10,314).		
4.3 Capital work in progress		
Balance at beginning of the period / year	67,053	104,306
Additions during the period / year	346,496	502,956
Transferred to:		
- operating assets	(109,923)	(410,855)
- intangible assets	(3,504)	(129,354)
Balance at end of the period / year	<u>300,122</u>	<u>67,053</u>

(Amounts in thousand)

5. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS

These primarily includes loan and accrued interest thereon due from subsidiary companies aggregating to Rs. 7,333,609 (December 31, 2021: Rs. 10,827,611). Significant movement in these loans during the period are as follows:

- loan amounting to Rs. 10,300,000 was further disbursed to Engro Fertilizers Limited, a subsidiary Company, pursuant to agreement entered into on October 01, 2021. The loan carries mark-up at the rate of 3-month KIBOR plus 0.1%. Out of the outstanding balance, Rs. 14,500,000 was repaid during the period. The balance outstanding as at September 30, 2022 aggregated to Rs. 1,000,000 (December 31, 2021: Rs. 5,200,000);
- loan amounting to Rs. 2,000,000 was disbursed to Engro Polymer and Chemicals Limited, a subsidiary Company, pursuant to agreement entered into on February 01, 2022. The loan carried mark-up at the rate of 3-month KIBOR plus 0.1% and the same was repaid during the period;
- loan amounting to Rs. 3,100,000 was disbursed to Engro Powergen Qadirpur Limited, an indirect subsidiary Company, pursuant to agreement entered into on April 01, 2022. The loan carried mark-up at the rate of 3-month KIBOR plus 0.2% or 12.39% and the same was repaid during the period;
- loan amounting to Rs. 1,000,000 was disbursed to Engro Connect (Private) Limited, a wholly owned subsidiary company, pursuant to agreement entered into on September 22, 2021. The loan carried mark-up at the rate of 3-month KIBOR plus 0.2% and the same was repaid during the period;
- loan to Engro Energy Limited, a wholly owned subsidiary Company, pursuant to agreement entered into on December 23, 2021, carries mark-up at the rate of 3-month KIBOR plus 0.1%. The balance outstanding as at September 30, 2022 aggregated to Rs. 4,975,000 (December 31, 2021: Rs. 4,975,000). There was no movement in the principal balance of loan during the period; and
- loan to Engro Infiniti (Private) Limited, a wholly owned subsidiary Company, pursuant to agreement entered into on June 26, 2019, carries mark-up at the rate of 3-month KIBOR plus 0.2%. Out of the outstanding balance, Rs. 37,000 was repaid during the period. The balance outstanding as at September 30, 2022 aggregated to Rs. 93,000 (December 31, 2021: Rs. 130,000).

6. RECEIVABLES

These include an amount of Rs. 131,212 (December 31, 2021: Rs. 115,742) on account of royalty receivable from Engro Fertilizers Limited, a subsidiary company.

7. SHORT TERM INVESTMENTS

Fair value through other comprehensive income
- Pakistan Investment Bonds (note 7.1)

(Unaudited) September 30, 2022	(Audited) December 31, 2021
------(Rupees)-----	
24,290,187	-

Fair value through profit or loss
- Mutual fund units

165,180	950
---------	-----

Amortized cost
- Treasury Bills (note 7.2)
- Fixed income placements (note 7.3)
- Pakistan Investment Bonds (note 7.1)

19,724,981	-
3,758,990	34,604,144
-	5,642,143
<u>23,483,971</u>	<u>40,246,287</u>
<u>47,939,338</u>	<u>40,247,237</u>

(Amounts in thousand)

7.1 These Bonds carries yield of 12.75% to 16.55% (December 31, 2021: 11.33%) per annum and have maturity terms ranging between two to nine years.

7.2 These bills carries yield of 14.70% to 15.99% per annum and will mature by September 21, 2023.

7.3 These represent placements with banks and carries interest at rates ranging from 13.8% to 16.4% per annum and will mature by October 31, 2022.

8. CONTINGENCIES AND COMMITMENTS

Contingencies

8.1 As at September 30, 2022, there is no material change in the status of matters reported as contingencies in note 19 of the audited annual financial statements of the Company for the year ended December 31, 2021, except as follows:

8.1.1 Standby Letters of Credit (Equity SBLC) provided by Engro Energy Limited (EEL), a wholly owned subsidiary, through National Bank of Pakistan, amounting to US Dollars 5,660 (December 31, 2021: US Dollars 8,635) for its equity commitments related to the Sindh Engro Coal Mining Company Limited (SECMC), its associated company in favour of the Intercreditor Agent (Habib Bank Limited) and the Project Company (i.e. SECMC). Equity SBLC will expire on earlier of (i) June 30, 2023; or (ii) fulfilment of sponsor obligations under Sponsor Support Agreements. This has been secured by the Company by pledging Pakistan Investment Bonds.

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

8.1.3 On March 28, 2022, and as supplemented from time-to-time Allied Bank Limited and Faysal Bank Limited have committed to provide Payment Service Reserve Account (PSRA) SBLCs amounting to US Dollars 23,316 and Rs. 1,029,044 respectively on behalf of EEL, a wholly owned subsidiary, for its PSRA commitments related to Engro Powergen Thar (Private) Limited in favour of their project lenders. These SBLCs are partially secured by pledging 36,657,842, 49,987,966 and 26,238,717 shares of Engro Fertilizers Limited, Engro Polymer and Chemicals Limited and FrieslandCampina Engro Pakistan Limited respectively.

8.1.4 Updates in respect of tax related matters are disclosed in note 10.

8.2 Commitments

Commitments in respect of capital expenditure and other operational items

(Unaudited)	(Audited)
September 30,	December 31,
2022	2021
------(Rupees)-----	

128,376	299,120
---------	---------

(Amounts in thousand)

(Unaudited)			
Quarter ended		Nine months ended	
September 30,	September 30,	September 30,	September 30,
2022	2021	2022	2021
------(Rupees)-----			

9. OTHER INCOME

Financial assets

Income on bank deposits and other financial assets (note 9.1)

2,197,450	1,173,719	5,273,052	3,447,062
248	(23)	9,201	2,386
-	102,444	3,482	148,196
248	102,421	12,683	150,582
2,197,698	1,276,140	5,285,735	3,597,621

Non-financial assets

Gain on disposal of property, plant and equipment

Others (note 9.2)

9.1 Includes Rs. 931,718 (2021: Rs. 1,028,663) in respect of profit earned on subordinated loans to subsidiary companies.

(Unaudited)			
Quarter ended		Nine month ended	
September 30,	September 30,	September 30,	September 30,
2022	2021	2022	2021
------(Rupees)-----			

10. TAXATION

Current

- for the period (note 10.2)

- for prior year (note 10.2)

724,823	1,250,255	3,657,329	2,917,389
-	-	864,601	(1,640,000)
724,823	1,250,255	4,521,930	1,277,389
(515,873)	4,531	(530,645)	(41,149)
208,950	1,254,786	3,991,285	1,236,240

10.1 As at September 30, 2022, there is no material change in the status of the taxation matters reported in note 26 to the audited annual financial statements of the Company for the year ended December 31, 2021.

10.2 This includes an amount of Rs. 864,601 and Rs 724,932 on account of provision made by the Company in accordance with section 4C 'Super tax on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through Finance Act, 2022 (the Act), whereby a super tax at four percent has been levied on income exceeding Rs. 300,000 for the year ended December 31, 2021 (tax year 2022), December 31, 2022 (tax year 2023) respectively and onwards.

10.3 Includes deferred tax expense arising on account of recognition of deferred tax asset / liability on the deductible / taxable temporary differences at the rate of 33% (including 4% super tax as explained in note 10.2 above) being the new rate substantively enacted at the balance sheet date and is expected to apply to the periods when the asset is realised or the liability is settled. Liability as at December 31, 2021 was recognised at 29% being the rate then enacted.

10.4 Includes deferred tax income arising on the surrender of taxable loss of the Company for tax year 2020 to Engro Fertilizers Limited under section 59B of the Income Tax Ordinance, 2001.

(Amounts in thousand)

11. EARNINGS PER SHARE

As at September 30, 2022, there is no dilutive effect on the basic earnings per share of the Company, which is based on the following:

	Quarter ended		Nine-months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Profit for the period	3,079,622	6,331,634	15,560,360	16,014,899
Weighted average number of ordinary shares (in thousand)	576,163	576,163	576,163	576,163

12. CASH UTILIZED IN OPERATIONS

	Nine-months ended	
	September 30, 2022	September 30, 2021
Profit before taxation	19,551,645	17,251,139
Adjustment for non-cash charges and other items:		
Depreciation	117,372	117,915
Amortization	35,650	22,799
Depreciation on right-of-use assets	197,413	188,698
Rent concession on lease liability	(12,729)	(18,185)
Provision for retirement and other service benefits	48,449	54,965
Dividend income	(18,011,347)	(14,960,170)
Royalty income	(996,716)	(960,423)
Income on bank deposits and other financial assets	(5,273,052)	(3,447,062)
Gain on disposal of property, plant and equipment	(9,201)	(2,363)
Financial charges	107,784	58,254
Working capital changes (note 12.1)	(1,969,166)	254,142
	<u>(6,213,898)</u>	<u>(1,440,291)</u>
12.1 Working capital changes		
Increase in current assets		
- Loans, advances, deposits and prepayments	(838,862)	1,168,673
- Other receivables (net)	(217,729)	(261,099)
	<u>(1,056,591)</u>	<u>907,574</u>
Decrease in current liabilities		
- Trade and other payables including other service benefits (net)	(912,575)	(653,432)
	<u>(1,969,166)</u>	<u>254,142</u>

(Amounts in thousand)

13. CASH AND CASH EQUIVALENTS

Short term investments
Cash and bank balances

(Unaudited)	
Nine-months ended	
September 30, 2022	September 30, 2021
11,537,813	17,390,834
375,066	268,358
<u>11,912,879</u>	<u>17,659,192</u>

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

14.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the financial risk management policies of the Company during the period, consequently these unconsolidated condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

14.2 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (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
As at September 30, 2022 (Unaudited)				
Financial assets at fair value through other comprehensive income				
- Pakistan Investment bonds	-	24,290,187	-	24,290,187
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	165,180	-	165,180
As at December 31, 2021 (Audited)				
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	950	-	950

(Amounts in thousand)

14.3 Valuation techniques used to determine fair values

Level 2 fair values have been determined using PKRV & PKFRV rates and closing Net Asset Values for government securities and mutual fund units, respectively.

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

14.4 Fair value of financial assets and liabilities

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

15. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of parent company, subsidiaries, joint venture company, associated companies, retirement benefit funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

	(Unaudited)	
	Nine-months ended	
	September 30, 2022	September 30, 2021
	------(Rupees)-----	
Parent Company		
Dividend paid	5,147,275	5,576,215
Reimbursement of expenses	14,660	-
Reimbursement under advisory agreement	14,617	-
Subsidiary companies		
Mark-up from subsidiaries	931,718	1,028,663
Disbursement of loan to subsidiaries	16,400,000	5,950,000
Repayment of loan by subsidiaries	20,637,000	12,550,000
Dividend income	17,308,897	14,082,670
Investment in subsidiary company	-	20,362,982
Royalty income	996,716	960,423
Reimbursements made by the subsidiaries	1,777,610	2,028,013
Reimbursements to the subsidiaries	445,562	52,434
Tax loss surrendered	507,604	-
Associated companies		
Purchases and services	100,493	139,706
Contribution for Corporate Social Responsibility	-	30,460
Dividend paid	371,709	402,483
Reimbursements made by the associates	137,193	165,330
Reimbursements to the associates	5,795	692

(Amounts in thousand)

Joint venture

Dividend income
Reimbursements from joint venture

Others

Remuneration of key management personnel
Reimbursements to key management personnel
Contribution to staff retirement benefit funds
Advisory agreement
Dividend paid to key management personnel
Dividend paid to directors
Directors' Fee

	(Unaudited)	
	Nine-months ended	
	September 30, 2022	September 30, 2021
	------(Rupees)-----	
Dividend income	702,450	877,500
Reimbursements from joint venture	86,915	133,024
Remuneration of key management personnel	579,299	491,136
Reimbursements to key management personnel	-	1,249
Contribution to staff retirement benefit funds	171,457	155,367
Advisory agreement	79,000	-
Dividend paid to key management personnel	8,250	-
Dividend paid to directors	885,289	821,052
Directors' Fee	96,420	73,425

16. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

- 16.1 The Board of Directors of Engro Polymer and Chemicals Limited, a subsidiary company, in its meeting held on October 12, 2022 has proposed an interim cash dividend of Rs. 2.5 per share for the period ending December 31, 2022, amounting to Rs. 2,272,308 of which the proportionate share of the Company amounts to Rs. 1,276,834.
- 16.2 The Board of Directors of Engro Fertilizers Limited, a subsidiary company, in its meeting held on October 12, 2022 has proposed an interim cash dividend of Rs. 3 per share for the period ending December 31, 2022, amounting to Rs. 4,200,000 of which the proportionate share of the Company amounts to Rs. 2,253,936.
- 16.3 The Board of Directors of Elengy Terminal Pakistan Limited, a subsidiary company, in its meeting held on September 2, 2022 has proposed an interim cash dividend of Rs. 1.24 per share for the period ending December 31, 2022, amounting to Rs. 251,314 of which the proportionate share of the Company amounts to Rs. 140,732.
- 16.4 The Board of Directors of Engro Energy Limited, a subsidiary company, in its meeting held on October 12, 2022 has proposed nil interim cash dividend for the period ending December 31, 2022.
- 16.5 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on October 10, 2022 has proposed an interim cash dividend of Rs. 5.11 per share for the period ending December 31, 2022, amounting to Rs. 460,000 of which the proportionate share of the Company amounts to Rs. 229,950.

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

- 16.6 The Board of Directors of the Company in its meeting held on October 18, 2022 has proposed an interim cash dividend of Rs. 10 per share for the period ending December 31, 2022 amounting to Rs. 5,761,632. These unconsolidated condensed interim financial statements do not reflect the effect of dividend payable.

(Amounts in thousand)

17. CORRESPONDING FIGURES

- 17.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.
- 17.2 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the balances in unconsolidated condensed interim statement of financial position have been compared with the balances of annual audited financial statements of the preceding financial year, whereas the amounts in unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

18. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 18 , 2022 by the Board of Directors of the Company.



Muhammad Abdul Aleem
Director



Mazhar Abbas Hasnani
Chief Financial Officer



Ghias Khan
President and Chief Executive



engro corp

consolidated condensed
interim financial statements (unaudited)
for the nine months ended september 30, 2022

consolidated condensed interim statement of
financial position (unaudited)
as at september 30, 2022

(Amounts in thousand)

	Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
------(Rupees)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	320,713,686	282,154,538
Right-of-use assets		13,192,702	9,819,009
Intangible assets		2,461,478	2,398,324
Long term investments	7	35,340,834	34,217,070
Deferred taxation		126,220	80,346
Financial assets at amortized cost		2,531,351	3,592,784
Derivative financial instruments		469,649	92,805
Net investment in leases		54,041,732	45,203,623
Long term loans, advances and other receivables		3,375,298	2,616,236
		432,252,950	380,174,735
Current assets			
Stores, spares and loose tools	8	10,426,800	9,310,131
Stock-in-trade	9	42,306,419	31,513,007
Trade debts		67,633,251	59,563,366
Loans, advances, deposits and prepayments		9,786,206	4,711,522
Other receivables		34,563,640	25,780,784
Accrued income		1,056,901	633,633
Contract assets		173,379	5,452,510
Current portion of net investment in leases		5,558,574	4,004,522
Short term investments		71,621,165	82,372,051
Cash and bank balances		54,645,093	40,804,784
		297,771,428	264,146,310
TOTAL ASSETS		730,024,378	644,321,045

consolidated condensed interim statement of
financial position (unaudited)
as at september 30, 2022

(Amounts in thousand)

	Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
------(Rupees)-----			
EQUITY & LIABILITIES			
Equity			
Share capital		5,761,632	5,761,632
Share premium		13,068,232	13,068,232
Revaluation reserve on business combination		2,678	2,678
Maintenance reserve		156,301	156,301
Exchange revaluation reserve		1,250,432	937,769
Hedging reserve		65,581	66,031
General reserve		4,429,240	4,429,240
Remeasurement of investments		163,097	39,248
Remeasurement of post-employment benefits		(108,064)	(108,064)
Unappropriated profit		138,988,648	137,385,981
		158,016,145	155,977,416
		163,777,777	161,739,048
Non-controlling interest		82,849,258	81,060,639
Total Equity		246,627,035	242,799,687
Liabilities			
Non-Current liabilities			
Borrowings	10	156,926,876	139,818,216
Government grant		1,334,628	1,079,703
Deferred taxation		12,105,300	16,256,649
Lease liabilities		65,000,370	53,163,136
Deferred liabilities		3,566,725	2,845,835
Long term provisions		5,632,932	8,172,253
		244,566,831	221,335,792
Current Liabilities			
Trade and other payables		120,918,442	96,256,676
Accrued interest / mark-up		5,125,795	1,366,497
Current portion of:			
- borrowings		26,365,283	23,110,031
- Government grant		333,217	183,624
- lease liabilities		8,283,014	6,111,288
- deferred liabilities		629,753	736,953
- long term provisions		22,164,379	18,510,399
Taxes payable		28,055,889	9,298,370
Short term borrowings		25,719,810	23,270,314
Unclaimed dividends		1,234,930	1,341,414
		238,830,512	180,185,566
		483,397,343	401,521,358
Total Liabilities		483,397,343	401,521,358
Contingencies and Commitments	11		
TOTAL EQUITY AND LIABILITIES		730,024,378	644,321,045

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

consolidated condensed interim statement
of profit or loss (unaudited)
for the nine months ended september 30, 2022

[Amounts in thousand except for earnings per share]

Note	Quarter ended		Nine-months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
----- (Rupees) -----				
CONTINUING OPERATIONS				
Net revenue	12 91,285,050	84,261,643	268,739,804	223,580,860
Cost of revenue	(64,642,118)	(61,269,002)	(187,924,029)	(152,941,601)
Gross profit	26,642,932	22,992,641	80,815,775	70,639,259
Selling and distribution expenses	(2,057,745)	(1,972,173)	(5,483,319)	(5,435,795)
Administrative expenses	(2,652,417)	(1,458,196)	(7,381,700)	(4,284,682)
Other income	4,129,679	2,429,284	13,753,094	9,145,142
Other operating expenses	(1,355,474)	(2,393,631)	(7,786,313)	(5,569,937)
Other Gains / (Losses):				
Remeasurement Loss on Provision for GIDC (Loss allowance) / reversal of loss allowance on subsidy receivable from GoP	(329,526)	(269,838)	(1,331,046)	(1,494,809)
	(26,808)	108,293	(415,981)	272,710
Operating profit	24,350,641	19,436,380	72,170,510	63,271,888
Finance cost	(7,111,964)	(3,590,805)	(19,113,900)	(11,342,697)
Share of income from joint venture and associates	818,054	531,391	2,090,173	2,408,679
Profit before taxation	18,056,731	16,376,966	55,146,783	54,337,870
Taxation	13 (4,159,807)	(4,983,033)	(24,437,356)	(13,832,920)
Profit from continuing operations	13,896,924	11,393,933	30,709,427	40,504,950
DISCONTINUED OPERATIONS				
Profit / (Loss) from discontinued operations (attributable to Owners of the Holding Company)	14 -	(655)	71	(1,091)
Profit for the period	13,896,924	11,393,278	30,709,498	40,503,859
Profit attributable to:				
- Owners of the Holding Company	8,016,616	6,119,218	15,430,584	23,172,575
- Non-controlling interest	5,880,308	5,274,060	15,278,914	17,331,284
	13,896,924	11,393,278	30,709,498	40,503,859
Earnings / (loss) per share - basic and diluted				
- continuing operations	13.91	10.62	26.78	40.22
- discontinued operations	-	-	-	-
	13.91	10.62	26.78	40.22

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

consolidated condensed interim statement
of comprehensive income (unaudited)
for the nine months ended september 30, 2022

(Amounts in thousand)

	Quarter ended		Nine-months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
----- (Rupees) -----				
Profit for the period	13,896,924	11,393,278	30,709,498	40,503,859
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Unrealized gain on remeasurement of investment classified at fair value through other comprehensive income (FVOCI)	(63,858)	(18,761)	123,849	(13,573)
Fair value (loss) / gain on derivative financial instruments	-	(6,181)	-	97,083
Hedging reserve - cash flow hedges				
Hedging reserve - reclassified to statement of profit or loss	(220)	(17)	(653)	(450)
Revaluation reserve on business combination	-	(203)	-	(4,109)
Exchange differences on translation of foreign operations	(43,198)	75,240	312,663	42,331
	(107,276)	50,078	435,859	121,282
Income tax relating to:				
- Revaluation reserve on business combination	-	-	-	2,047
Other comprehensive income for the period, net of tax	(107,276)	50,078	435,859	123,329
Total comprehensive income for the period	13,789,648	11,443,356	31,145,357	40,627,188
Total comprehensive income attributable to:				
- Owners of the Holding Company	7,909,408	6,171,370	15,866,646	23,297,335
- Non-controlling interest	5,880,240	5,271,986	15,278,711	17,329,853
	13,789,648	11,443,356	31,145,357	40,627,188
Total comprehensive income attributable to:				
- Continuing operations	13,789,648	11,444,011	31,145,286	40,628,279
- Discontinued operations	-	(655)	71	(1,091)
	13,789,648	11,443,356	31,145,357	40,627,188

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

consolidated condensed interim
statement of changes in equity
for the nine months ended september 30, 2022

(Amounts in thousand)

	Attributable to Owners of the Holding Company											Non-controlling interest	Total
	Capital reserves					Revenue reserves					Sub total		
	Share capital	Share premium	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Remeasurement of investment	Unappropriated profit	Remeasurement of post employment benefits			
Balance as at January 1, 2021 (Audited)	5,761,632	13,068,232	2,678	156,301	682,940	(26,173)	4,429,240	-	124,424,783	(83,754)	148,415,879	71,178,776	219,594,655
Total comprehensive income for the half year ended June 30, 2021													
Profit for the period	-	-	-	-	-	-	-	-	23,172,575	-	23,172,575	17,331,776	40,503,859
Other comprehensive income / (loss)	-	-	(2,678)	-	42,331	(450)	-	83,510	2,047	-	124,760	(1,431)	123,329
Transactions with owners	-	-	(2,678)	-	42,331	(450)	-	83,510	23,174,622	-	23,297,335	17,329,853	40,627,188
Dividend by subsidiaries allocable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(11,077,679)	(11,077,679)
Final cash dividend for the year ended December 31, 2020 @ Rs. 2.00 per share	-	-	-	-	-	-	-	-	(1,152,327)	-	(1,152,327)	-	(1,152,327)
First interim cash dividend for the year ended December 31, 2021 @ Rs. 12.00 per share	-	-	-	-	-	-	-	-	(6,913,959)	-	(6,913,959)	-	(6,913,959)
First interim cash dividend for the year ended December 31, 2021 @ Rs. 7.00 per share	-	-	-	-	-	-	-	-	(4,033,142)	-	(4,033,142)	-	(4,033,142)
Balance as at September 30, 2021 (Unaudited)	5,761,632	13,068,232	2,678	156,301	725,271	(26,623)	4,429,240	83,510	135,499,977	(83,754)	159,613,786	77,430,950	237,044,736
Total comprehensive income for the quarter year ended December 31, 2021													
Profit for the period	-	-	-	-	-	-	-	-	4,768,939	-	4,768,939	7,338,961	12,107,900
Other comprehensive income / (loss)	-	-	2,678	-	212,498	92,654	-	(44,262)	(2,047)	(24,310)	237,211	(16,096)	221,115
Transactions with owners	-	-	2,678	-	212,498	92,654	-	(44,262)	4,768,892	(24,310)	5,006,150	7,332,865	12,329,015
Dividend by subsidiaries allocable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(3,691,286)	(3,691,286)
Share issuance cost	-	-	-	-	-	-	-	-	-	-	-	(1,890)	(1,890)
Third interim cash dividend for the year ended December 31, 2021 @ Rs. 5.00 per share	-	-	-	-	-	-	-	-	(2,880,888)	-	(2,880,888)	-	(2,880,888)
Balance as at December 31, 2021 (Audited)	5,761,632	13,068,232	2,678	156,301	937,769	66,031	4,429,240	39,248	137,385,981	(108,064)	161,739,048	81,060,639	242,799,687
Total comprehensive income for the nine months ended September 30, 2022													
Profit for the period	-	-	-	-	-	-	-	-	15,430,584	-	15,430,584	15,278,914	30,709,498
Other comprehensive income / (loss)	-	-	-	-	312,663	(450)	-	123,849	-	-	436,062	(203)	435,859
Transactions with owners	-	-	-	-	312,663	(450)	-	129,849	15,430,584	-	15,866,646	15,278,711	31,145,357
Dividend by subsidiaries allocable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(13,490,092)	(13,490,092)
Final cash dividend for the year ended December 31, 2021 @ Rs. 1.00 per share	-	-	-	-	-	-	-	-	(576,163)	-	(576,163)	-	(576,163)
First interim cash dividend for the year ending December 31, 2022 @ Rs. 12.00 per share	-	-	-	-	-	-	-	-	(6,913,958)	-	(6,913,958)	-	(6,913,958)
Second interim cash dividend for the year ending December 31, 2022 @ Rs. 11.00 per share	-	-	-	-	-	-	-	-	(6,337,796)	-	(6,337,796)	-	(6,337,796)
Balance as at September 30, 2022 (Unaudited)	5,761,632	13,068,232	2,678	156,301	1,250,432	65,581	4,429,240	163,097	136,988,648	(108,064)	163,777,777	82,849,239	246,627,035

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

consolidated condensed interim
statement of cash flows (unaudited)
for the nine months ended september 30, 2022

(Amounts in thousand)

	Note	Nine-months ended	
		September 30, 2022	September 30, 2021
------(Rupees)-----			
Cash flows from operating activities			
Cash generated from operations	16	72,714,275	50,063,824
Retirement and other service benefits paid		(334,477)	(145,094)
Finance cost paid on lease liability		(3,171,644)	(2,692,509)
Taxes paid		(9,877,060)	(5,119,009)
Proceeds from net investment in leases		3,416,693	2,284,657
Repayment of lease liability		(2,344,021)	(2,592,506)
Finance income received on net investment in leases		4,511,212	4,746,623
Other finance cost paid		(11,081,319)	(8,423,514)
Deferred income		1,791,085	381,015
Bank balance held as margin		17,720	21,687
Long term loans and advances - net		(759,062)	17,385
Net cash generated from operating activities		54,883,402	38,542,559
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		(27,142,424)	(17,851,114)
Sale proceeds on disposal of property, plant and equipment		106,256	20,648
Investments made during the period		(918,126,693)	(216,156,869)
Proceeds from sale of investments		880,475,769	249,935,923
Income on deposits / other financial assets		6,781,551	3,711,872
Investment in associated company		-	(474,839)
Dividends received		702,450	877,500
Net cash (utilized in) / generated from investing activities		(57,203,091)	20,063,121
Cash flows from financing activities			
Proceeds from borrowings		6,772,286	5,761,378
Repayments of borrowings		(15,111,242)	(14,581,003)
Lease rentals paid		(1,520,022)	(1,724,330)
Dividends paid		(27,424,494)	(18,045,988)
Net cash utilized in financing activities		(37,283,472)	(28,589,943)
Net (decrease) / increase in cash and cash equivalents		(39,603,161)	30,015,737
Effect of exchange rate changes on cash and cash equivalents		1,243,872	480,261
Cash and cash equivalents at beginning of the period		91,662,651	47,481,472
Cash and cash equivalents at end of the period	17	53,303,362	77,977,470

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


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

notes to the consolidated condensed interim financial statements (unaudited) for the nine months ended september 30, 2022

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

1.1 Engro Corporation Limited (the Holding Company) is a public listed company incorporated in Pakistan. Its shares are quoted on Pakistan Stock Exchange Limited. The Holding Company is a subsidiary of Dawood Hercules Corporation Limited (the Parent Company). The principal activity of the Holding Company is to manage investments in subsidiary companies, associated companies and joint venture, engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, LNG terminals, telecommunication infrastructure and chemical terminal and storage businesses. The Holding Company's registered office is situated at 6th and 8th floors, The Harbour Front Building, HC # 3, Marine Drive, Block 4, Clifton, Karachi.

1.2 The "Group" consists of:

Holding Company - Engro Corporation Limited

Associated Companies: Associated companies are entities over which the Group has significant influence but not control.

Subsidiary Companies: Companies in which the Holding Company owns over 50% of voting rights, or companies indirectly controlled by the Holding Company.

	Percentage of direct share holding	
	September 30, 2022	December 31, 2021
- Engro Energy Limited (note 1.4)	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Connect (Private) Limited	100	100
- Engro Infiniti (Private) Limited (note 1.3)	100	100
- Engro Eximp FZE	100	100
- Engro Fertilizers Limited	56.27	56.27
- Engro Polymer and Chemicals Limited	56.19	56.19
- Elengy Terminal Pakistan Limited	56	56
Joint Venture Company:		
- Engro Vopak Terminal Limited	50	50
Associated Company:		
- FrieslandCampina Engro Pakistan Limited	39.9	39.9

1.3 The Board of Engro Infiniti (Private) Limited (EInfiniti) in its meeting held on March 16, 2022, decided to amalgamate Engro Digital Limited (EDL), a wholly owned subsidiary, as a result of which EDL shares were cancelled and dissolution came into effect without winding up, in accordance with the Scheme of Amalgamation with effect from March 31, 2022. The scheme was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 1, 2022.

1.4 On March 2, 2022, an explosion occurred on the coal conveyor belt system of Engro Powergen Thar (Private) Limited (EPTL) a subsidiary of Engro Energy Limited (EEL) which feed the coal into the power plant. Power plant was already under schedule maintenance where one of the units was already shutdown and other was operational. For safety reasons, EPTL's management decided to shutdown the other unit as well. Post rehabilitation work of coal conveyor belt system, operations from one of the units were resumed in April 2022, while the other unit came online in May 2022. EPTL utilised forced outage allowance and continued to bill Capacity Purchase Price. For rehabilitation works, an aggregate of Rs. 903,388 had been incurred and accordingly insurance claim has been lodged under the policy for the recovery of the same which has been acknowledged by the insurance company. All related financial impacts have been incorporated in these consolidated condensed interim financial statements as at the reporting date.

(Amounts in thousand)

2. BASIS FOR PREPARATION

2.1 Statement of compliance

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

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

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

2.2 The cumulative figures for the nine months ended September 30, 2022 presented in these consolidated condensed interim financial statements have been subjected to limited scope review by the auditors of the Holding Company, as required under section 237 of the Act. These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2021.

3. BASIS OF CONSOLIDATION

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

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

3.3 The Group's interest in jointly controlled and associated entity i.e. Engro Vopak Terminal Limited and FrieslandCampina Engro Pakistan Limited has been accounted for using the equity method.

4. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

4.1 The significant accounting policies and the methods of computation applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2021.

There are certain amendments to published International Financial Reporting Standards (IFRSs) that are mandatory for the financial year beginning on January 1, 2022. These are considered not to have any significant effect on the Group's financial reporting and operations and have, therefore, not been disclosed in these consolidated condensed interim financial statements.

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

4.3 The Securities and Exchange Commission of Pakistan (SECP) through its S.R.O dated September 13, 2021 notified that in case of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 - Financial Instruments, with respect to application of Expected Credit Losses (ECL) method shall not be applicable till June 30, 2022.

Therefore, the requirements of IFRS 9 with respect to ECL shall be applicable from July 1, 2022 which would result in recognition of impairment charge on trade debts and other receivables amounting to Rs. 1,572,722 on September 30, 2022.

5. ACCOUNTING ESTIMATES

5.1 The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to the annual audited consolidated financial statements of the Group for the year ended December 31, 2021.

(Amounts in thousand)

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value (note 6.1 and 6.2)	288,688,516	257,997,137
Capital work in progress (CWIP) - Expansion and other projects (note 6.3)	27,855,144	20,265,122
Capital spares and standby equipment	4,170,026	3,892,279
	<u>320,716,686</u>	<u>282,154,538</u>
6.1 Following additions including transfers from CWIP were made to operating assets during the period / year:		
Land	-	39,140
Building	4,512,678	4,854,043
Pipelines	-	150,047
Plant and machinery	30,149,812	16,953,999
Furniture, fixture and equipment	4,050,104	6,087,067
Vehicles	312,215	951,501
Aircraft	2,875,687	-
Dredging	179,095	-
	<u>42,079,591</u>	<u>29,035,797</u>
6.2 During the period, operating assets costing Rs. 607,458 (December 31, 2021: Rs. 453,865), having net book value of Rs. 495,979 (December 31, 2021: Rs. 202,127) were disposed / written off for Rs. 106,256 (December 31, 2021: Rs. 218,446).		
	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
6.3 Capital work in progress - Expansion and other projects		
Balance at beginning of the period / year	20,265,122	26,166,617
Additions during the period / year	25,241,637	23,557,055
Borrowing cost capitalized during the period / year	-	27,645
Transferred to:		
- operating assets	(17,458,337)	(28,148,457)
- intangible assets	(165,386)	(1,160,673)
- capital spares	-	(155,043)
Write-off	(27,892)	(22,022)
Balance at end of the period / year	<u>27,855,144</u>	<u>20,265,122</u>
7. LONG TERM INVESTMENTS		
Balance at beginning of the period / year	34,217,070	32,045,438
Add:		
- Investment made during the period / year in associates	-	474,839
- Revaluation (loss) / gain on investments	(65,404)	39,248
- Share of profit and other comprehensive income for the period / year (note 7.1)	2,090,173	3,216,931
Less:		
- Dividend received during the period / year	(702,450)	(1,155,000)
- Provision adjustment against tax contingency	(162,440)	(20,457)
- Impairment recognised	(36,115)	(383,929)
Balance at end of the period / year	<u>35,340,834</u>	<u>34,217,070</u>

(Amounts in thousand)

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
7.1 Details of share of profit and other comprehensive income for the period / year are as follows:		
- Sindh Engro Coal Mining Company Limited (SECMC)	520,982	1,331,413
- FrieslandCampina Engro Pakistan Limited (FCEPL)	704,301	710,061
- Engro Vopak Terminal Limited (EVTL)	864,890	1,175,457
	<u>2,090,173</u>	<u>3,216,931</u>
8. STORES, SPARES AND LOOSE TOOLS		
8.1 During the period, stores and spares amounting to Rs. 41,553 (December 31, 2021: Rs. 98,719) have been written-off.		
8.2 During the period, provision for slow moving stores and spares amounting to Rs. 24,593 (December 31, 2021: Rs. 6,491) has been written-off.		
	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	------(Rupees)-----	
9. STOCK-IN-TRADE		
9.1 Details of stock-in-trade are as follows:		
Raw and packaging material	11,828,704	11,761,709
Unprocessed rice	1,270,439	3,532,912
Fuel stock	406,435	165,860
Work-in-process	3,714,154	177,862
Finished goods:		
- own manufactured product	12,166,292	7,351,417
- packaged	13,120,183	8,669,441
- purchased product	507	-
Less: Provision for impairment against stock-in-trade	(200,295)	(146,194)
	<u>42,306,419</u>	<u>31,513,007</u>
9.2 During the period, stock-in-trade amounting to Rs. 68,325 (December 31, 2021: Rs. 1,665) has been written-off.		
9.3 During the period, the written down stock-in-trade amounting to Rs. 70,041 (December 31, 2021: Rs. 196,596) has been reversed.		

(Amounts in thousand)

10. BORROWINGS

As at September 30, 2022, there is no material change in the status of borrowings reported in note 24 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2021, except as follows:

Engro Fertilizers Limited (EFERT)

- 10.1 During the period, EFERT made principal repayments of long-term finances to MCB Bank Limited, Allied Bank Limited, National Bank of Pakistan and Deutsche Investitions- und Entwicklungsgesellschaft amounting to Rs. 2,666,667, Rs. 941,667, Rs. 250,000 and Rs. 344,667, respectively.
- 10.2 During the period, EFERT acquired long term borrowings from Habib Bank Limited and MCB Bank Limited amounting to Rs. 744,186 and Rs. 249,807 respectively under "Temporary Economic Refinance Facility" (TERF) introduced by the State Bank of Pakistan in 2020. These borrowings have the same charge as the borrowings from other Senior Lenders on operating assets. Mark-up on these loans is chargeable at the rates ranging from 1.50% to 2.00% and is payable in quarterly or semi-annual installments starting from January 2022. Fair value adjustment arising on account of acquisition of these loans at below market rates has been recognized in these consolidated condensed interim statement of profit or loss.

Engro Powergen Thar (Private) Limited (EPTL)

- 10.3 EPTL entered into a USD Facility Agreement on December 21, 2015 with three commercial banks namely China Development Bank Corporation, China Construction Bank Corporation and Industrial and Commercial Bank of China Limited for an aggregate amount of US Dollars 621,000 for a period of 14 years. The loan is repayable in 20 semi-annual instalments commencing from June 1, 2020. The loan carries mark-up at the rate of 6 month LIBOR plus 4.2% per annum. The facility is secured primarily through first ranking hypothecation charge over the project assets of EPTL. Further, the shareholders of EPTL have committed to provide cost overrun support for 10% of entire debt and pledged shares in favour of the Security Trustee. As at September 30, 2022, the outstanding balance of the borrowing was US Dollars 493,260 (December 31, 2021: US Dollars 520,088).
- 10.4 During the period, EPTL has recorded exchange loss on revaluation of foreign currency borrowings amounting to Rs. 26,053,805 (December 31, 2021: Rs. 9,105,840).
- 10.5 EPTL has entered into the following loan agreements:
- Rupee Facility Agreement with a consortium of banks led by Habib Bank Limited for an aggregate amount of Rs. 17,016,000. As at September 30, 2022, the outstanding balance of the borrowing was Rs. 14,704,750 (December 31, 2021: Rs. 15,234,870).
 - Bilateral Facility Agreement with National Bank of Pakistan for an aggregate amount of Rs. 3,134,000. As at September 30, 2022, the outstanding balance of the borrowing was Rs. 2,708,315 (December 31, 2021: Rs. 2,805,952).
 - Islamic Facility Agreements with Meezan Bank Limited, Faysal Bank Limited and Habib Bank Limited for an aggregate amount of Rs. 4,000,000. As at September 30, 2022, the outstanding balance of the borrowing was Rs. 3,456,688 (December 31, 2021: Rs. 3,581,304).

(Amounts in thousand)

Engro Polymer and Chemicals Limited (EPCL)

- 10.6 On March 12, 2021, EPCL obtained Islamic Temporary Economic Refinance Facility (ITERF) of SBP through Musharaka Agreement entered with financial institutions amounting to Rs. 1,000,000 to finance its capital expenditure. The amount is repayable over 10 years including 2 years grace period, in 32 quarterly installments of Rs. 11,519 each with the first payment commencing from June 2023 and carries markup at SBP Refinance Rate plus 0.75% to 1% per annum, payable quarterly. The borrowing is secured by the way of hypothecation charge over present and future fixed assets of EPCL (excluding land and building), to the extent of Rs. 1,250,000 which shall rank pari passu with the charges created in favor of existing creditors.

During the period, EPCL has obtained additional loan amounting to Rs. 271,685 on account of ITERF. The value of benefit of below-market interest rate on this additional loan has been accounted for as Government grant.

Elengy Terminal Pakistan Limited (ETPL)

- 10.7 The principal amount for repayment at September 30, 2022 for foreign currency denominated loan is US Dollars 10,833 (December 31, 2021: US Dollars 13,000).

Engro Enfrashare Private Limited (Enfrashare)

- 10.8 On August 31, 2022, Enfrashare entered into a secured long term financing facility extended by MCB Bank Limited amounting to Rs. 2,000,000. The amount is repayable over 10 years with 3 years grace period. The facility carries interest at the rate of 3 month KIBOR plus 0.40% per annum, payable quarterly. As at September 30, 2022, the outstanding balance of the borrowing was Rs. 2,000,000 (December 31, 2021: Rs Nil).
- 10.9 On September 29, 2022, Enfrashare entered into a secured long term financing facility extended by Meezan Bank Limited amounting to Rs. 3,000,000. The amount is repayable over 10 years with 3 years grace period. The facility carries interest at the rate of 3 month KIBOR plus 0.40% per annum, payable quarterly. As at September 30, 2022, the outstanding balance of the borrowing was Rs. 3,000,000 (December 31, 2021: Rs Nil).

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

As at September 30, 2022, there is no material change in the status of matters reported as contingencies in note 32 of the annual audited consolidated financial statements of the Group for the year ended December 31, 2021, except as follows:

The Holding Company

- 11.1.1 During the period, the charge over receivables provided by the Holding Company against the Standby Letters of Credit (SBLs), issued by Engro Elengy Terminal (Private) Limited, a subsidiary of ETPL, as explained in note 32.2.5 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2021 has been released and stands discharged in its entirety.
- 11.1.2 Standby Letters of Credit (Equity SBLs) provided by Engro Energy Limited (EEL), a wholly owned subsidiary, through National Bank of Pakistan, amounting to US Dollars 5,660 (December 31, 2021: US Dollars 8,635) for its equity commitments related to Sindh Engro Coal Mining Company Limited (SECMC), its associated company in favour of the Intercreditor Agent (Habib Bank Limited) and the Project Company (i.e. SECMC). Equity SBLs will expire on earlier of (i) June 30, 2023; or (ii) fulfilment of sponsor obligations under Sponsor Support Agreements. This has been secured by the Holding Company by pledging Pakistan Investment Bonds.

(Amounts in thousand)

11.1.3 On March 28, 2022, and as supplemented from time-to-time, Allied Bank Limited and Faysal Bank Limited have committed to provide Payment Service Reserve Account (PSRA) SBLCs amounting to US Dollars 23,316 and Rs. 1,029,044, respectively, on behalf of EEL, a wholly owned subsidiary, for its PSRA commitments related to EPTL in favour of their project lenders. These SBLCs are partially secured by pledging 36,657,842, 49,987,966 and 26,238,717 shares of Engro Fertilizers Limited, Engro Polymer and Chemicals Limited and FrieslandCampina Engro Pakistan Limited, respectively.

Engro Fertilizers Limited (EFERT)

11.1.4 In the year 2021 the income tax department [i.e. Large Taxpayers Unit (LTU)] initiated income tax audits of EFERT u/s 177 of the Income Tax Ordinance, 2001 for the Tax Years (TY) 2015, 2016, 2018 and 2020 and sales tax audits u/s 25 of the Sales Tax Act, 1990 for TY 2017, 2018 and 2019 in accordance with the sectoral audit directive issued by FBR. As such, EFERT received audit selection notices for all these years.

In respect of income tax audits, the tax department completed the audits and issued amendment orders for all tax years creating an aggregate demand of Rs. 18,566,262. Disallowances raised in the orders mainly include credit entries in bank statements treated as revenue / suppressed sales, inadmissibility of expenses, proration of expenses to exempt income and chargeability of WWF and Super Tax on the revised taxable income. EFERT had filed appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)] against all amendment orders.

In respect of sales tax audits, the tax department has only issued a Show Cause Notice (SCN) for TY 2017. During December 2021, EFERT filed Constitutional Petitions before the SHC challenging the SCN issued for TY 2017 as well as the audit selection notices for TY 2017, 2018 and 2019. The SHC granted ad-interim orders in favour of EFERT for all three tax years.

During the period, EFERT received orders from the CIR(A) in respect of TY 2015, 2016 2018 and 2020 on the appeals filed by EFERT against the order of Deputy Commissioner Inland Revenue (DCIR). In these orders, the CIR(A) has remanded back certain disallowances with a tax impact of Rs. 13,364,756 to the DCIR for reconsideration / further verification. Further, the CIR(A) has upheld and maintained the decision of the DCIR on disallowances with a tax impact of Rs. 1,213,624 on account of lack of documentary evidences provided by EFERT. CIR(A) has upheld the contention of EFERT in respect of certain disallowances with a tax impact of Rs. 3,987,210. During September 2022, the Efert received appeal effect orders from the DCIR conforming the deletion of disallowances with a tax impact of Rs. 17,728,289 while maintaining certain disallowances having a tax impact of Rs. 837,973.

In respect of the matters where the CIR(A) has upheld and maintained the decision of the DCIR, EFERT is in the process of filing appeals before the Appellate Tribunal Inland Revenue (ATIR).

EFERT's management consider based on the legal / tax advisor's opinion that it has reasonable grounds to defend the case and therefore will not be exposed to additional liability in this respect.

11.1.4.1 In the year 2020, the income tax department amended the assessment filed by EFERT for TY 2019. EFERT filed an appeal before the CIR(A) against the disallowances, which mainly pertained to proration of expenses to exempt / FTR incomes, tax credit on investment in plant and machinery, disallowance of deductible allowances for WWF / WPPF resulting in demand of Rs. 1,145,227 (additions to taxable income of Rs. 3,305,905). In addition, the tax department raised demand for Super tax amounting to Rs. 476,629.

During June 2022, CIR(A) passed an order allowing deletion of proration of expenses to exempt income and claim of WWF / WPPF as deductible allowances whilst maintaining some of the additions made by the taxation officers in the amendment orders. During September 2022, DCIR passed appeal effect order deleting the disallowances pertaining to proration of expenses to exempt

(Amounts in thousand)

income and claim of WWF whilst maintaining some of the additions and disallowance made in the assessment order. EFERT has filed appeals before the CIR(A) and ATIR, in this respect.

Further, through the same order the DCIR has also disallowed certain expenses failing under the ambit of section 34(3) of the Income Tax Ordinance, 2001. The Group has recognized the tax impact of such changes for all tax years on a prudent basis.

The Group maintains adequate provision in these consolidated condensed interim financial statements and is confident that it will not be exposed to any additional liability in this respect.

Engro Energy Limited (EEL)

11.1.5 Guarantees furnished to Baluchistan Power Development Board (BPDB) expired during the period and the process for renewal of these guarantees has been initiated by EEL, a wholly subsidiary company.

11.1.6 During the period, the DCIR under section 161/205/182, has raised a demand of Rs. 24,681 regarding certain discrepancies in the deduction of withholding taxes on payments made in tax year 2016. EEL has filed an appeal before the CIR(A) dated June 17, 2022, which is pending for hearing as at September 30, 2022.

FrieslandCampina Engro Pakistan Limited (FCEPL)

11.1.7 On March 15, 2022, the Classification Committee (CC) issued ruling on tea whiteners including Tarang. CC therein reviewed its previous rulings and decided that matter against the taxpayers. FCEPL is in the process to avail legal remedy against the ruling issued. Based on the opinion of its legal advisor, FCEPL is confident of a favorable outcome of this matter, hence no provision has been recognised in this respect in these consolidated condensed interim financial statements.

11.2 Commitments

11.2.1 Commitments in respect of open purchase orders and capital and revenue expenditure including contracted but not incurred amount to Rs. 22,514,896 (December 31, 2021: Rs. 14,777,771).

11.2.2 Engro Eximp Agriproducts (Private) Limited (EEAP) has entered into export selling contracts of 2,235 tons (December 31, 2021: 26,202 tons) of Super Basmati Rice to various parties on agreed terms for delivery on various dates subsequent to the period end. The sales value of these open commitments at period end exchange rate amounts to Rs. 486,000 (December 31, 2021: Rs. 3,687,500).

11.2.3 Engro Enfrashare (Private) Limited has obtained letter of credit facility aggregating Rs. 550,000 (December 31, 2021: Rs. 500,000) from Habib Bank Limited. The amount availed on the facility as at September 30, 2022 is Rs. 362,760 (December 31, 2021: Rs. 144,000).

11.2.4 The facility for opening letters of credit of EPCL as at September 30, 2022 aggregates to Rs. 27,683,682 (December 31, 2021: Rs. 21,982,934). The amount utilized there against as at September 30, 2022 was Rs. 10,696,767 (December 31, 2021: Rs. 8,252,481).

(Amounts in thousand)

(Unaudited)			
Quarter ended		Nine-months ended	
September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
(Rupees)			

12. REVENUE

Own manufactured products	66,347,500	71,035,298	205,909,513	199,963,949
Less:				
- Sales tax	(4,689,071)	(5,787,626)	(17,939,409)	(15,940,440)
- Discounts	(729,943)	(97,689)	(1,656,581)	(663,936)
	<u>60,928,486</u>	<u>65,149,983</u>	<u>186,313,523</u>	<u>183,359,573</u>
Purchased and packaged product	22,888,172	14,811,201	63,989,514	27,741,297
Services rendered	9,199,333	5,902,467	23,108,613	16,125,038
	<u>32,087,505</u>	<u>20,713,668</u>	<u>87,098,127</u>	<u>43,866,335</u>
Less: Sales tax	(1,644,503)	(1,445,189)	(4,289,368)	(3,138,275)
Less: Discounts	(86,438)	(156,819)	(382,478)	(506,773)
	<u>(1,730,941)</u>	<u>(1,602,008)</u>	<u>(4,671,846)</u>	<u>(3,645,048)</u>
	<u>91,285,050</u>	<u>84,261,643</u>	<u>268,739,804</u>	<u>223,580,860</u>

12.1 Engro Powergen Thar (Private) Limited (EPTL)

On June 15, 2022, National Electric Power Regulatory Authority (NEPRA) decided upon the Commercial Operations Date (COD) Adjustment Tariff dated March 13, 2015 (Tariff Decision) forming the basis on which future indexations in EPTL's tariff are to be made and the revenue is to be recognised with effect from the date of the COD. EPTL believes that the aforementioned Tariff Decision is principally not in accordance with the EPTL's Upfront Tariff issued by NEPRA dated March 13, 2015. Being aggrieved from the Tariff Decision, EPTL has filed an appeal before the Appellate Tribunal - NEPRA on July 13, 2022 in accordance with the applicable legislation.

Further, EPTL has obtained a stay order from the High Court of Sindh against the above Tariff Decision till the finalization of EPTL's appeal before the Appellate Tribunal - NEPRA. Accordingly, the Tariff Decision dated June 15, 2022 also stands suspended.

In light of the aforementioned appeal filed and favorable advice from EPTL's legal counsel, EPTL has assessed that it has strong legal grounds against certain disallowances made by NEPRA in the Tariff Decision and has continued to recognise revenue in accordance with its interpretation of the relevant tariff provisions.

However, there are certain adjustments disallowed in the Tariff Decision which, in the opinion of the management are applicable, on EPTL post COD. Accordingly, EPTL has recognized the impact of these disallowances in these consolidated condensed interim financial statements, which amounts to Rs. 2,910,705. Out of this amount, Rs. 2,464,720 relates to period from July 10, 2019 (COD Date) to December 31, 2021.

13. TAXATION

13.1 As at September 30, 2022, there is no material change in the status of matters reported in note 41 of the annual audited consolidated financial statements of the Group for the year ended December 31, 2021.

13.2 During the period, provision of Rs. 908,525 and Rs. 2,305,105 is made in accordance with section 4C 'Super tax on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through Finance Act, 2022, whereby a super tax at four percent has been levied on income exceeding Rs. 300,000 for the year ended December 31, 2021 (tax year 2022) and December 31, 2022 (tax year 2023), respectively.

13.3 During the period, provision of Rs. 4,724,693 is made in accordance with section 4C 'Super Tax on high earning persons' introduced in the Ordinance through the Finance Act, 2022, whereby a super tax at ten percent has been imposed on the specified sectors i.e. fertilizers, chemicals etc., in case the income exceeds Rs. 300,000 for the year ended December 31, 2021 (tax year 2022).

14. LOSS FROM DISCONTINUED OPERATIONS

(Unaudited)			
Quarter ended		Nine-months ended	
September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
(Rupees)			
Revenue	-	-	-
Cost of revenue	-	-	-
Gross loss	-	-	-
Administrative expenses	-	-	(2,642)
Other operating expenses	-	(1,902)	(197)
Other income	-	1,247	268
Operating (loss) / profit	-	(655)	71
Taxation	-	-	-
(Loss) / profit for the period	-	(655)	71
Net cash inflow from operating activities	-	440	204
Net increase in cash generated by the subsidiary	-	440	204

15. EARNINGS PER SHARE - BASIC AND DILUTED

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

(Unaudited)			
Quarter ended		Nine-months ended	
September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
(Rupees)			
Profit / (loss) for the period, attributable to Owners of the Holding Company from:			
- continuing operations	8,016,616	6,119,873	15,430,513
- discontinued operations	-	(655)	71
	<u>8,016,616</u>	<u>6,119,218</u>	<u>15,430,584</u>
-----Number of shares-----			
Weighted average number of ordinary shares (in thousand)	576,163	576,163	576,163
Earnings per share - basic and diluted (in Rupees)			
- continuing operations	13.91	10.62	26.78
- discontinued operations	-	-	-
	<u>13.91</u>	<u>10.62</u>	<u>26.78</u>

(Amounts in thousand)

16. CASH GENERATED FROM OPERATIONS

	(Unaudited) Nine-months ended	
	September 30, 2022	September 30, 2021
	------(Rupees)-----	
Profit / (loss) before taxation from:		
- continuing operations	55,146,783	54,337,870
- discontinued operations	71	(1,091)
	<u>55,146,854</u>	<u>54,336,779</u>
Adjustment for non-cash charges and other items:		
Depreciation and amortization	11,984,307	10,616,176
Loss on disposal / write-off of property, plant and equipment	389,723	27,038
Rent concession on lease liability	(12,729)	(18,185)
Impairment loss on long term investments	36,115	-
Reversal of impairment	-	106,723
Provision for retirement and other service benefits	242,467	150,293
Provisions - net	433,792	1,094,999
Stock-in-trade / stores and spares written-off	109,878	-
Income on deposits / other financial assets	(7,222,539)	(6,555,353)
Finance income on net investment in leases	(4,511,212)	(3,776,072)
Finance cost on lease liability	3,369,043	2,888,869
Exchange loss / (gain) on lease liability	13,310,981	3,017,140
Exchange (gain) / loss on net investment in lease	(13,808,854)	(3,102,807)
Share of income from joint venture and associate	(2,090,173)	(2,408,678)
Finance cost	15,744,857	10,889,316
Foreign currency translations	3,598,251	590,455
Working capital changes (note 16.1)	(4,006,487)	(17,792,869)
	<u>72,714,275</u>	<u>50,063,824</u>
16.1 Working capital changes		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(1,158,222)	(302,744)
- Stock-in-trade	(10,861,737)	(3,838,259)
- Trade debts	(8,069,885)	(8,217,154)
- Contract assets	5,279,131	(90,273)
- Loans, advances, deposits and prepayments	(5,074,684)	(6,933,928)
- Other receivables - net	(8,782,856)	(4,019,995)
	<u>(28,668,253)</u>	<u>(23,402,353)</u>
Increase in current liabilities		
- Trade and other payables	24,661,766	5,609,484
	<u>(4,006,487)</u>	<u>(17,792,869)</u>
17. CASH AND CASH EQUIVALENTS		
Cash and bank balances	54,645,093	32,899,194
Short term investments	24,378,079	54,953,714
Short term borrowings	(25,719,810)	(9,875,438)
	<u>53,303,362</u>	<u>77,977,470</u>

(Amounts in thousand)

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

18.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies of the Group during the period. Consequently, these consolidated condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

18.2 Fair value estimation

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

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

As at September 30, 2022 (Unaudited)	Level 1	Level 2	Level 3	Total
	------(Rupees)-----			
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	8,277,971	-	8,277,971
	<u>-</u>	<u>8,277,971</u>	<u>-</u>	<u>8,277,971</u>
Financial assets at fair value through other comprehensive income				
- Pakistan Investment Bonds	-	24,290,187	-	24,290,187
- Other investments	73,830	-	-	73,830
	<u>73,830</u>	<u>24,290,187</u>	<u>-</u>	<u>24,364,017</u>
As at December 31, 2021 (Audited)				
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	20,005,901	-	20,005,901
	<u>-</u>	<u>20,005,901</u>	<u>-</u>	<u>20,005,901</u>
Financial assets at fair value through other comprehensive income				
- Derivative financial instruments	-	92,805	-	92,805
- Other investments	139,244	5,000	-	144,244
	<u>139,244</u>	<u>97,805</u>	<u>-</u>	<u>237,049</u>

(Amounts in thousand)

18.3 Valuation techniques used to determine fair values

Level 2 fair values have been determined using PKRV and PKFRV rates and closing Net Asset Values for government securities and mutual fund units, respectively.

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

18.4 Fair value of financial assets and liabilities

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

19. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the parent company, joint venture company, associated companies, retirement benefit funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

	(Unaudited)	
	Nine-months ended	
	September 30, 2022	September 30, 2021
	----- (Rupees) -----	
Parent Company		
Dividend paid	5,147,275	5,576,215
Reimbursements	14,660	-
Reimbursements under advisory agreement	14,617	-
Associated companies and joint venture		
Purchases and services	38,641,723	34,531,852
Dividend received	702,450	877,500
Dividend paid	1,039,373	405,274
Contribution for Corporate Social Responsibility	128,742	184,603
Reimbursements from associates	369,428	596,869
Reimbursements to the Group	214,887	184,633
Loan disbursed	2,740,000	-
Loan repaid	3,554,520	547,301
Mark-up on borrowings	2,740,073	1,648,840
Key Management Personnel		
Dividend paid to directors	885,289	821,052
Dividend paid to key management personnel	8,250	-
Directors' fees	96,420	73,425
Advisory agreement	79,000	-
Remuneration paid to key management personnel	1,288,974	1,051,426
Reimbursement of expenses	52,492	1,356
Contribution to retirement benefits	623,491	578,171

(Amounts in thousand)

20. SEGMENT REPORTING

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

Type of segments Nature of business

Fertilizer	This part of the business manufactures, purchases and markets fertilizers. The operations of this segment include a wide range of fertilizer brands, besides urea, which primarily comprises of Engro Zarkhez, Zingro, Engro DAP optimized for local cultivation needs and demand. Further, the segment is a leading importer and seller of phosphate products which are marketed extensively across Pakistan as phosphatic fertilizers.
Polymer	This part of the business manufactures, markets and sells Poly Vinyl Chloride (PVC), PVC compounds, Caustic soda and related chemicals all over Pakistan and few Central Asian countries.
Terminal	This part of the business includes operating and maintaining integrated liquid chemical terminal and storage farm, and LNG terminal for receipt, storage and regasification of LNG.
Power and mining	This part of the business includes power generation, distribution, transmission and sale of electricity in Pakistan and operations and management services in Pakistan and Nigeria.
Connectivity and telecom	This part of the business includes buying, building, maintaining and operating telecommunication infrastructure and ancillary products and services.
Other operations	It includes management of investments in associates and joint venture by the Holding Company. It also includes investments made in dairy and foods.

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

(Amounts in thousand)

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

	(Unaudited)			
	Quarter ended		Nine-months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
(Rupees)				
Revenue				
- At a point in time	54,642,380	56,821,304	179,710,389	144,930,232
- Over time	36,642,670	27,440,339	89,029,415	78,650,628
	<u>91,285,050</u>	<u>84,261,643</u>	<u>268,739,804</u>	<u>223,580,860</u>
Segment wise break-up is as follows:				
Fertilizer	35,739,302	37,382,860	110,875,573	92,742,117
Polymer	16,904,431	18,826,715	62,308,363	49,322,813
Terminal	4,597,809	3,272,118	12,244,952	9,541,478
Power and mining	29,365,958	22,848,390	70,395,195	65,755,631
Connectivity and telecom	2,647,734	1,206,894	6,288,516	3,198,914
Other operations	13,094,982	8,084,013	48,834,721	19,130,135
Elimination - net	(11,065,166)	(7,359,347)	(42,207,516)	(16,110,228)
Consolidated	<u>91,285,050</u>	<u>84,261,643</u>	<u>268,739,804</u>	<u>223,580,860</u>

	(Unaudited)			
	Quarter ended		Nine-months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
(Rupees)				
Profit before tax for the period				
Fertilizer	6,218,404	6,338,807	21,040,125	21,632,216
Polymer	3,112,387	4,122,177	14,889,185	14,042,942
Terminal	1,224,572	507,600	3,508,956	2,472,391
Power and mining	5,672,709	4,326,291	12,447,082	12,461,397
Connectivity and telecom	46,341	(46,537)	95,818	(153,499)
Other operations	3,173,285	7,684,279	19,630,145	17,365,248
Elimination - net	(1,390,967)	(6,555,651)	(16,464,528)	(13,482,825)
Consolidated	<u>18,056,731</u>	<u>16,376,966</u>	<u>55,146,783</u>	<u>54,337,870</u>

	(Unaudited)		(Audited)	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
(Rupees)				
Assets				
Fertilizer		148,248,728		132,818,383
Polymer		76,825,704		77,985,743
Terminal		76,640,067		64,339,032
Power and mining		287,849,578		250,094,260
Connectivity and telecom		54,128,694		44,859,768
Other operations		120,990,556		110,893,807
Elimination - net		(34,658,949)		(36,669,948)
Consolidated		<u>730,024,378</u>		<u>644,321,045</u>

(Amounts in thousand)

Liabilities

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
Fertilizer	105,588,408	85,731,575
Polymer	49,667,789	48,017,833
Terminal	68,979,707	56,715,706
Power and mining	207,348,934	178,169,148
Connectivity and telecom	36,782,456	27,071,529
Other operations	24,757,356	17,079,157
Elimination - net	(9,727,307)	(11,263,589)
Consolidated	<u>483,397,343</u>	<u>401,521,358</u>

21. NON-ADJUSTING EVENT AFTER REPORTING DATE

21.1 The Board of Directors of the Group in its meeting held on October 18, 2022 has approved an interim cash dividend of Rs. 10 per share for the year ending December 31, 2022.

21.2 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on October 10, 2022 has proposed an interim cash dividend of Rs. 5.11 per share for the period ending December 31, 2022, amounting to Rs. 460,000 of which the proportionate share of the Group amounts to Rs. 229,950.

These consolidated condensed interim financial statements do not include the effect of the said interim dividend.

22. SEASONALITY

22.1 The Group's fertilizer business is subject to seasonal fluctuations as a result of two different farming seasons viz, Rabi (from October to March) and Kharif (from April to September). On an average, fertilizer sales are more tilted towards Rabi season. The Group manages seasonality in the business through appropriate inventory management.

22.2 The Group's agri business is subject to seasonal fluctuation as majority of paddy / unprocessed rice is procured during the last quarter of the year which is the harvesting period for all rice varieties grown in Pakistan. However, rice is sold evenly throughout the year. The Group manages seasonality in the business through appropriate inventory management.

23. CORRESPONDING FIGURES

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

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

24. DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on October 18, 2022 by the Board of Directors of the Holding Company.


Muhammad Abdul Aleem
Director


Mazhar Abbas Hasnani
Chief Financial Officer


Ghias Khan
President and Chief Executive

GWH3,253 تھا۔ کونڈکٹوئیز بیٹ پر ایک واقعہ کے بعد بندش کی وجہ سے پلانٹ کی دستیابی کم رہی۔ تفصیلی معائنہ اور بحالی کے ضروری کام کے بعد، پلانٹ کے دونوں یونٹس کامیابی سے آن لائن واپس آگئے۔

قادر پور پاور پلانٹ: پلانٹ نے نیشنل گرڈ کو GWH558 کا نیٹ الیکٹریکل آؤٹ پٹ روانہ کیا جو کہ پچھلے سال اسی عرصے میں GWH615 تھا، جس کی بنیادی وجہ شدہ بڑے معائنے کے لیے بند ہونا تھا۔ کاروبار نے موجودہ مدت کے لیے 1,377 ملین روپے کا PAT پوسٹ کیا جو کہ گزشتہ سال کی اسی مدت کے دوران 1,463 ملین روپے کے مقابلے میں زیادہ مالیاتی لاگت کی وجہ سے تھا۔

ٹریٹل آپریشنز

LNG ٹریٹل نے نومبر میں 37 کارگو زکو پینڈل کیا، جس نے SSGC نیٹ ورک میں 111 bcf بری گیسیفائڈ LNG کی فراہمی کی، جو ملک کی گیس کی کل فراہمی کا 13% ہے۔ کییکلز ٹریٹل کا اصل تقریباً 1,082 KT تھا جو پچھلے سال کی اسی مدت کے دوران 1,010 KT تھا۔ یہ اضافہ بنیادی طور پر کم ایل پی جی پینڈنگ کے ذریعے آفیسٹ کییکل والیوم میں دیکھا گیا۔

شیر ہولڈرز میں تقسیم

اینگرو کارپوریشن لمیٹڈ کا بورڈ آف ڈائریکٹرز شیر ہولڈرز کے کل منافع کو زیادہ سے زیادہ کرنے کی کوشش کرتا ہے اور 30 ستمبر 2022 کو ختم ہونے والی تیسری سہ ماہی کے لیے 10.00 روپے فی حصص کا عبوری کیش ڈیویڈنڈ تجویز کرتے ہوئے خوش ہے۔ یہ روپے کے عبوری نقد منافع کے علاوہ ہے۔ 23.00 فی شیئر 2022 کی پہلی سہ ماہی کے دوران دیا گیا۔ 2022 کی تیسری سہ ماہی کے لیے ڈیویڈنڈ 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے کل عبوری کیش ڈیویڈنڈ 33.00 روپے فی شیئر تک لے جائے گا۔

قریبی مدت کا جائزہ

توقع ہے کہ عالمی اور مقامی میکرو اکنامک صورت حال قریب کی مدت میں غیر مستحکم رہنے کی توقع ہے، تاہم، ہمارے متنوع پورٹ فولیو کے گلڈار رہنے کی توقع ہے۔ جس بنیادی ڈھانچے میں ہم کام کرتے ہیں اور معیشت میں ہماری شراکت کی تنقید کو دیکھتے ہوئے، ہم ملک اور بڑے پیمانے پر اپنے اسٹیک ہولڈرز کے لیے باہمی شراکت کرتے ہوئے اپنی عمودی ترقی کو جاری رکھیں گے۔ اینگرو موجودہ پورٹ فولیو میں توسیع کا جائزہ لینا اور نئے شعبوں میں سرمایہ کاری کی تلاش جاری رکھے گا۔

فریڈلائزر

یہاں تک کہ تاہ کن سیلاب کے بعد بھی، مقامی یوریا کی طلب برقرار رہنے کی وجہ سے حکومت کی مسلسل حمایت، کسانوں کی اقتصادیات میں بہتری، اور عالمی سطح کے مقابلے میں نمایاں طور پر عایدی قیمتوں پر

یوریا کی دستیابی کی توقع ہے۔

ٹیکس میں تبدیلیوں، پاکستانی روپے کی قدر میں کمی، اور افراط زر کے دباؤ کا مقابلہ کرنے کے لیے، کینیٹا نے صنعت کے مطابق یکم جولائی 2022 سے یوریا کی قیمت میں 350 روپے فی بیگ اضافہ کیا۔ اس قیمت میں اضافے کے بعد بھی، مقامی طور پر تیار کردہ یوریا بین الاقوامی قیمتوں کے مقابلے میں 77 فیصد رعایت پر رہتا ہے۔ طویل مدتی قابل اعتماد اور پائیدار محفوظ آپریشنز کے لیے، ہمارا ایک پلانٹ 27 ستمبر 2022 کو عارضی طور پر بند کر دیا گیا تھا، اور نومبر میں دوبارہ آن لائن ہونے والا ہے۔

انتظامیہ ملک کے لیے قیمتی زرمبادلہ کمانے کے لیے یوریا کی برآمدات کے لیے اختیارات کی تلاش جاری رکھے گی، حکومت کی منظوری اور ضروری پالیسی مداخلتوں سے مشروط۔

پٹرولیم کیل

معاشی سست روی کے بعد چین میں طلب میں کمی کی وجہ سے عالمی پی وی سی کی قیمتیں اس وقت نیچے کی طرف دیکھ رہی ہیں جس کے نتیجے میں سپلائی چین کے دباؤ میں زمی آئی ہے۔ گھریلو محاذ پر، سیلاب کے بعد تعمیراتی سرگرمیوں میں اضافہ متوقع ہے جس کے نتیجے میں پی وی سی کی فروخت میں اضافہ ہوگا۔ انتظامیہ ملک کے لیے قیمتی زرمبادلہ پیدا کرنے کے لیے پی وی سی اور کاسٹک کی برآمدات کا جائزہ لینا جاری رکھے گی۔

ٹیلی کمیونیکیشن انفراسٹرکچر

ملک میں ڈیٹا کے بڑھتے ہوئے استعمال اور دستیابی اور معیار کو بڑھانے کے لیے موبائل نیٹ ورک آپریٹرز پر بڑھتے ہوئے دباؤ کی وجہ سے اینگرو اینڈر شیر کا کاروباری نقطہ نظر مضبوط ہے۔

اینگرو اینڈر شیر اندرونی اور بیرونی ترقی کے مواقع کے ذریعے ایک آزاد ناور کینیٹا کے طور پر اپنی مارکیٹ کی قیادت کو برقرار رکھے گا۔ آج تک، کاروبار نے +3,900 ناورز کے آرڈر حاصل کیے ہیں اور 2024 تک +5,000 ناور کینیٹا بننے کی راہ پر گامزن ہے، اس کے 2025 کے پہلے مقرر کردہ ہدف سے پہلے۔

کھانے کی اشیاء

توقع کی جاتی ہے کہ بڑھتی ہوئی افراط زر، کرنسی کی قدر میں کمی اور مانیٹری پالیسی میں کمی اور مالیاتی اقدامات کو سخت کرنے کی وجہ سے کاروباری ماحول چیلنجنگ رہے گا۔ تاہم، ایک چست کاروباری ماڈل کے ساتھ، انتظامیہ کو یقین ہے کہ وہ ویلیو چین میں افادیت کو آگے بڑھانے اور ترقی کی فراہمی کو جاری رکھنے کے قابل ہوگی۔

پاکستانیوں کی فلاح و بہبود کو فروغ دینے کے لیے، کینیٹا پاکستان ڈیری ایسوسی ایشن (PDA) اور حکومت کے ساتھ ڈھیلے دودھ کے استعمال کے ممکنہ صحت کے خطرات کے بارے میں صارفین کو آگاہ کرنے اور محفوظ پکچنگ دودھ کی مثبت خصوصیات کو ترویج دینے کے لیے مختلف اقدامات پر شراکت داری جاری رکھے گی۔

اینگرو ایکزمپ ایگری پروڈکٹس آپریشنل کارکردگی میں مسلسل بہتری اور قومی اور عالمی سطح پر قدم بڑھانے پر توجہ مرکوز کرے گی۔ سندھ میں سیلاب سے چاول کی فصل کو نقصان پہنچا ہے، دھان کی قیمت بڑھ گئی ہے، جس سے مارجن پر دباؤ پڑ سکتا ہے۔

توانائی

اینگرو توانائی کے جہاز کو ختم کرنے اور پاکستان کی اقتصادی ترقی میں مدد کے لیے مقامی وسائل استعمال کر رہا ہے۔ درآمدی ایندھن پر ملک کے انحصار کو کم کرنے کے لیے، ہمارے کان کنی کے کاروبار نے کامیابی کے ساتھ صلاحیت کو 7.6 ملین ٹن سالانہ تک بڑھا دیا ہے اور اگلے چند سالوں میں اپنی صلاحیت کو 12.2 ملین ٹن سالانہ تک بڑھانا جاری رکھے گا۔ مزید برآں، کاروبار کو نئے کے متبادل خریداروں کا جائزہ لے رہا ہے اور تھرکول کی رسائی کو بڑھانے کے لیے مختلف صنعتوں کے ساتھ مشغولیت کا آغاز کر دیا ہے۔

کاروبار تھمپیر میں 400 میگا واٹ کے قابل تجدید توانائی پارک (RE پارک) کی فرہیلٹی پر بھی پیش رفت کر رہا ہے۔ RE پارک نے کراچی اور دھانچہ میں مقیم دو طرفہ خریداروں کی طرف سے نمایاں دلچسپی حاصل کی ہے، 540 میگا واٹ سے زیادہ کے MOUs پر پہلے ہی ممکنہ صارفین کے ساتھ دستخط ہو چکے ہیں۔

ٹریٹل آپریشنز

ایل این جی ٹریٹل ملک کو درپیش توانائی کی کمی کو جزوی طور پر دور کرنے میں اپنا کردار ادا کر رہا ہے۔ مزید برآں، کییکل سیکٹر میں مارکیٹ کی حرکیات مستحکم ہیں اور اینگرو و ویک کییکل پینڈنگ اور اسٹوریج کے کاروبار میں مارکیٹ لیڈر کے طور پر اپنی حیثیت برقرار رکھے ہوئے ہے۔ تاہم تفتان کے سرحدی علاقے سے درآمدات کی وجہ سے سمندری ایل پی جی کی درآمدات کے دباؤ میں رہنے کی توقع ہے۔ پاکستانی روپے کی قدر میں کمی سے کاروباروں کو فائدہ ہوتا رہے گا کیونکہ محصولات ڈالر پر مبنی ہیں۔

اعتراف

ڈائریکٹرز ہمارے شیر ہولڈرز کے لیے تہ دل سے تعریف کا اظہار کرنا چاہیں گے جنہوں نے کینیٹا پر مسلسل اعتماد کا مظاہرہ کیا ہے۔ ہم اینگرو ٹیلی کے ہر فرد کی جانب سے پیش کیے جانے والے عزم، لگن اور اختراعی سوچ کے لیے اپنی خلوصانہ تعریف بھی کرنا چاہیں گے اور مستقبل میں مزید باہمی ترقی کے منتظر ہیں۔



حسین داؤد
چیئر مین



غیاث خان
صدر اور چیف ایگزیکٹو

اینگرو کارپوریشن لمیٹڈ

ڈائریکٹرز رپورٹ

اینگرو کارپوریشن لمیٹڈ کے ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والے نو مہینوں کے لیے کمپنی کے کنٹریبیوٹوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

بڑھتی ہوئی افراط زر سے نمٹنے کے لیے مرکزی بینکوں کی جانب سے مالیاتی سختی جاری رکھنے کے ساتھ عالمی معیشت کے حوالے سے غیر یقینی صورتحال برقرار ہے، جس میں 2023 تک توسیع متوقع ہے۔ مالیاتی محرکات کی واپسی نے عالمی کساد بازاری کے امکانات کو بڑھا دیا ہے۔

پاکستان کو بھی اسی طرح کی پریشانیوں کا سامنا ہے اور اگرچہ آئی ایم ایف پروگرام عارضی ریلیف فراہم کر رہا ہے، غیر معمولی موسمیاتی سیلاب نے صورتحال کو ڈرامائی طور پر خراب کر دیا ہے۔ اس وقت 33 ملین سے زیادہ لوگ متاثر ہیں اور 20 بلین امریکی ڈالر کے نقصانات کا تخمینہ لگایا گیا ہے۔ سیلاب نے ملک میں معاشی اور زرعی سرگرمیوں کو متاثر کیا ہے کیونکہ بڑی فصلوں بشمول کپاس (34%) اور چاول (19%) کی پیداوار میں نقصان ہوا ہے۔ کپاس کی عدم دستیابی کی وجہ سے ٹیکسٹائل سیکٹر میں کارخانے بند ہوتے دیکھے گئے جبکہ زرعی پیداوار کی قلت کے باعث ایشیاء خورد و نوش کی قیمتوں میں اضافہ ہوا جس سے مہنگائی میں مزید اضافہ ہوا۔

اس منظر نامے کے ساتھ، عالمی منڈیوں کے حساب سے ملک کے ڈیفالٹ کا خطرہ جاری رہتا ہے۔ 30 ستمبر 2022 تک، کریڈٹ ڈیفالٹ سویپ ریٹ 24% پڑیڈ ہوا اور 2024 میں پاکستان کے بین الاقوامی بانڈ میچور ہونے پر Maturity-to-Yield 83% تھی۔ غیر یقینی صورتحال کو دور کرنے اور ترقی کی رفتار پر واپس آنے کے لیے، ملک کو ساختی اصلاحات کی اشد ضرورت ہے، جیسے ٹیکس نیٹ کو وسعت دینا، برآمدی شعبوں کو ترغیب دینا، آئی ٹی سیکٹر کے لیے سازگار پالیسیاں ترتیب دینا، اور ٹیلنٹ ڈویلپمنٹ پروگرامز کا قیام۔

ان مشکل وقتوں کے دوران، اینگرو ملک کے کچھ اہم ترین مسائل کو حل کرنے میں اہم کردار ادا کر رہا ہے۔ جبکہ پورٹ فولیو کو پاکستانی روپے کی قدر میں کمی اور شرح سود کے خلاف جزوی طور پر روکا گیا ہے، ہمارے کاروبار ایک پائیدار درآمدی متبادل اور برآمد پمپنی روڈ میپ کی تعمیر کے لیے کام کر رہے ہیں۔ ہم نے 36 ملین امریکی ڈالر کے چاول اور پی وی سی برآمد کیے ہیں اور پی وی سی اور کھاد کی مقامی پیداوار کے ذریعے 2.5 بلین امریکی ڈالر کی بچت کی ہے۔

یہ گروپ کیونٹی کے لیے سماجی اثر پیدا کرنے میں فعال کردار ادا کرتا رہتا ہے۔ کمپنی نے اپنا فلگ شپ ریٹرن شپ پروگرام "بریک کے باڈ" شروع کیا تاکہ خواتین کے لیے وقفہ لینے کے بعد اپنے کیریئر کو دوبارہ شروع کرنا آسان ہو سکے۔ مزید برآں، اینگرو نے آرٹ اور ٹیکنالوجی کے موضوع پر اپنے تیسرے ہم عصر آرٹ ایونٹ میں کراچی بینا لے ٹرسٹ کے ساتھ شراکت داری کی ہے۔ آخر کار، کارپوریٹ گورننس اور شفافیت کو یقینی بنانے میں ہماری مسلسل کوششوں کی وجہ سے، ہماری کمپنیوں (اینگرو فریٹلائزرز، اینگرو پولیمر اینڈ کیمیکلز اور اینگرو کارپوریشن) نے PSX سے 2021 کے لیے ٹاپ 25 کمپنیوں کا اہوارڈ جیتا۔

کاروباری کارکردگی کا جائزہ

انفرادی طور پر، کمپنی نے گزشتہ سال کی اسی مدت کے دوران 16,015 ملین روپے کے مقابلے میں 15,560 ملین روپے کا منافع بعد از ٹیکس (PAT) پوسٹ کیا، جو کہ 27.01 روپے فی شیئر کے EPS میں ترجمہ ہوا۔ منافع میں 2.8% کی کمی بنیادی طور پر سپر ٹیکس کی وجہ سے ہے، جو جزوی طور پر زیادہ سود کی آمدنی کے ساتھ ساتھ پولیمر، فریٹلائزر اور انرجی کے کاروبار سے زیادہ منافع کی وجہ سے ہے۔

مشترکہ بنیادوں پر، کمپنی کی آمدنی گزشتہ سال کی اسی مدت کے دوران 223,581 ملین روپے کے مقابلے میں 20% بڑھ کر 268,740 ملین روپے ہو گئی۔ نو مہینوں کے لیے کنسو لیدیٹڈ PAT 30,709 ملین روپے رہی جو پچھلے سال کی اسی مدت کے دوران 40,504 ملین روپے تھی۔ اہم تغیرات کی بنیادی وجہ سپر ٹیکس چارج میں لاگوردہ 10,093 ملین روپے اور اینگرو پاور جن تھرملینڈ کی ٹیرف ٹرواپ کے 2,911 ملین روپے تھے۔

شیئرز ہولڈرز سے منسوب PAT گزشتہ سال کی اسی مدت کے دوران 23,173 ملین روپے کے مقابلے میں 15,431 ملین روپے ہے، جس میں 6,406 ملین روپے کا سپر ٹیکس چارج اور EPTL میں 1,459 ملین روپے کی ایک طرفہ ٹیرف درست ایڈجسٹمنٹ ہے۔ فی حصص آمدنی (EPS) 26.78 روپے ہے، جو پچھلے سال کی اسی مدت میں 40.22 روپے تھی۔

ہمارے کاروباری حصوں کا ایک مختصر جائزہ حسب ذیل ہے:

فریٹلائزر

فریٹلائزر کے کاروبار نے گزشتہ سال کی اسی مدت میں 92,742 ملین روپے کے مقابلے میں 110,876 ملین روپے کی آمدنی ریکارڈ کی، بنیادی طور پر عالمی اجناس کی قیمتوں میں اضافے کی وجہ سے۔ کمپنی کا منافع گزشتہ سال کی اسی مدت میں 14,921 ملین روپے کے مقابلے میں 9,594 ملین روپے رہا، جو بنیادی طور پر 5,500 ملین روپے کے سپر ٹیکس کے نفاذ سے متاثر ہوا۔ فاسفیٹ اور دیگر تجارتی کاروباروں کو اجناس کے چکر میں اضافے سے فائدہ ہوا، جس نے PAT میں 5,115

ملین روپے کا اضافہ کیا جو کہ گزشتہ سال کی اسی مدت میں 3,647 ملین روپے تھا۔

اس مدت کے دوران یورپی کی فروخت مقابلے کی مدت کے لیے 1,744 KT کے مقابلے میں 1,522 KT رہی۔ وقت کے فرق کے نتیجے میں زیادہ اوپننگ انویسٹری کی وجہ سے پچھلے سال تقابلی مدت میں فروخت زیادہ تھی۔ فاسفیٹ کی بلند قیمت اور تباہ کن سیلاب نے 2021 میں اسی مدت کے دوران فاسفیٹ کی فروخت کو 212 KT بمقابلہ 242 KT تک کم کر دیا۔

ہائیڈرو کاربن کی اونچی قیمتوں کے درمیان، ستمبر 2022 کے آخر تک یورپی کی بین الاقوامی قیمتیں USD 657/T (9,874 روپے فی بیگ کے برابر) پر تھیں۔ تاہم، کھاد کی صنعت نے کسانوں کو مقامی طور پر تیار کردہ یورپی کی دستیابی کو یقینی بنایا، جس سے بین الاقوامی قیمتوں کے مقابلے میں 77 فیصد کی رعایت حاصل کی گئی۔ فاسفیٹ کی بین الاقوامی قیمتوں میں سہ ماہی کے دوران 25% کی کمی واقع ہوئی جو کہ اجناس کی قیمتوں کو معمول پر لانے اور عالمی طلب میں سست روی کی وجہ سے USD 760/T تک پہنچ گئی۔

مقامی یورپی مینوفیکچرنگ انڈسٹری کی موجودگی نے نو مہینوں میں 3.4 بلین امریکی ڈالر کی درآمدی متبادل کو قابل بنایا، جس میں اینگرو فریٹلائزرز کی شراکت 1.1 بلین امریکی ڈالر رہی، جو کہ 32 فیصد کے برابر ہے۔

پلیٹروکیمیکل

پولیمر کے کاروبار نے پچھلے سال کی اسی مدت میں 49,323 ملین روپے کے مقابلے میں 62,308 ملین روپے کی آمدنی ریکارڈ کی، زیادہ PVC والیوم کی وجہ سے۔ کمپنی کا PAT گزشتہ سال کی اسی مدت میں 10,372 ملین روپے کے مقابلے میں 9,309 ملین روپے رہا، بنیادی طور پر 2,100 ملین روپے کے سپر ٹیکس چارج کی وجہ سے۔

عالمی اقتصادی سست روی کی وجہ سے بین الاقوامی پی وی سی کی قیمتوں میں کمی کا رجحان جاری رہا۔ تاہم، پاکستانی روپے کی قدر میں کمی کے خلاف کاروبار کا مثبت تعلق ہے جبکہ مون سون اور سیلاب کی وجہ سے عارضی تعطل کے بعد مقامی مانگ میں دوبارہ اضافہ ہونا شروع ہو گیا ہے۔ نتیجتاً، کاروبار نے گزشتہ سال کی اسی مدت میں 153 KT کے مقابلے میں 171 KT کی گھریلو فروخت ریکارڈ کی۔ مجموعی طور پر، کاروبار نے 95 ملین امریکی ڈالر کے درآمدی متبادل کو فعال کیا ہے۔

ٹیلی کمیونیکیشن انفراسٹرکچر

انفراسٹرکچر نے اپنے قومی نقش کو بڑھانا جاری رکھا اور ستمبر کے آخر تک 1.14x کرایہ داری تناسب کے ساتھ 3,132 ٹاور سائٹس کا پیمانہ حاصل کیا، جو پاکستان میں چاروں موبائل نیٹ ورک آپریٹرز

(MNOs) کو پورا کرتا ہے۔ کاروبار نے اس عرصے کے دوران بلند ٹو سوٹ (B2S) ٹاورز کے رول آؤٹ میں 61% کے مارکیٹ شیئر پر قبضہ کیا اور کالیکشن کرایہ داروں میں 139% اضافہ حاصل کیا (گزشتہ سال اسی عرصے میں 439 بمقابلہ 183)۔ نتیجتاً، 20219M کے مقابلے میں آمدنی میں 2x~ اضافہ ہوا۔

کھانے کی اشیاء

فریڈ لینڈ کیمپینا اینگرو پاکستان نے ستمبر 2022 کو ختم ہونے والے نو مہینوں کے دوران 37% کی ٹاپ لائن نمونہ کا مظاہرہ کیا اور 52,827.2 ملین روپے کی آمدنی کی اطلاع دی جو پچھلے سال کی اسی مدت میں 38,671 ملین روپے تھی۔ مجموعی مارجن میں 2%~ کی کمی بنیادی طور پر بلند افراط زر اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوئی۔ کاروبار نے تقابلی مدت کے لیے 1,959 ملین روپے کے مقابلے میں 1,765 ملین روپے کا PAT ریکارڈ کیا، کم مجموعی مارجن، زیادہ شرح سود اور سپر ٹیکس کے نفاذ کی وجہ سے۔

ڈیری اور بیورسٹریٹمنٹ اور آئس کریم اور فروزن ڈیسرٹ سیکٹ میں حجم میں اضافے، کس میں بہتری اور قیمتوں میں اضافے سے محصول میں اضافہ ہوا۔ تین سہ ماہیوں کے دوران ریٹیل فوٹ پرنٹ اور ای کامرس چینل میں نمایاں توسیع دیکھی گئی۔

اینگرو ایگزیمپ ایگری پروڈکٹس نے چاول کے برآمدی کاروبار میں اپنی کوششیں جاری رکھیں، پچھلے سال کی اسی مدت کے مقابلے میں 57% اضافہ ریکارڈ کیا (KT42.1 بمقابلہ KT27.4)۔ نو مہینوں کے دوران، چاول کے کاروبار نے برآمدات کے ذریعے 28 ملین امریکی ڈالر کی آمدنی حاصل کی جو گزشتہ سال کی اسی مدت میں 15 ملین امریکی ڈالر تھی۔ زیادہ فروخت، بہتر مارجن اور پاکستانی روپے کی قدر میں کمی کی وجہ سے PAT پچھلے سال اسی عرصے میں 13 ملین کے مقابلے میں 194 ملین روپے رہا۔ کاروبار نے مقامی مارکیٹ میں قدم جمانے کا سلسلہ جاری رکھا اور اس عرصے کے دوران گھریلو حجم میں 8% اضافہ کر کے 10KT ہو گیا جو پچھلے سال اسی عرصے میں 9.3KT تھا۔

توانائی

کونکے کی کان: کان کنی کا کام آسانی سے جاری رہا، اینگرو پاور جن تھر کو 2.4 ملین ٹن کوئلہ فراہم کر رہا ہے۔ کان نے کامیابی کے ساتھ مرحلہ II کی توسیع کو مکمل کیا، جس سے اس کی موجودہ صلاحیت دو گنی ہو کر 7.6 ملین ٹن سالانہ ہو گئی جس کا اثر 11 اکتوبر 2022 سے ہے۔

تھر پاور پلانٹ: پلانٹ نے اس مدت کے دوران 68 فیصد دستیابی حاصل کی جو پچھلے سال کی اسی مدت میں 85 فیصد تھی اور اس نے 2,655 GWh قومی گرڈ کو روانہ کیا جبکہ گزشتہ سال اسی مدت میں یہ