

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

March 8, 2023

Dear Sir/Madam,

Transmission of the Annual Report 2022 for the year ended December 31, 2022.

We have to inform you that the Annual Report of the Engro Corporation Limited (the "Company" for the year ended December 31, 2022 have been transmitted through PUCARS and is also available on the Company's website which can be downloaded from the following link:

https://www.engro.com/investor-relations/financial-reports/

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours faithfully,

For and on behalf of Engro Corporation Limited

Shomaila Loan
Company Secretary

Cc:

- 1. The Director (Enforcement), Securities & Exchange Commission of Pakistan, NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad (with 3 printed copies of the Annual Report 2022 of the Company for the year ended December 31, 2022).
- 2. The Registrar, Company Registration Office, State Life Building No. 2, 4th Floor, North Wing, Wallace Road, I.I. Chundrigar Road, Karachi.

+92-21-111-211-211

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- engrocorporation
- in engro-corp



enabling growth for Pakistan





about the theme

While much around us has been in flux, our vision for Pakistan withstands. As a proud, home-grown conglomerate, we follow an inclusive business growth model whereby our businesses' successes are intertwined with developments in their surrounding communities.

As such, we remain committed to building a resilient, productive, and self-reliant Nation by seeking new avenues for growth, setting industry benchmarks, and encouraging those who come under our sphere of influence to unlock their true potential.

To ensure prosperity for Pakistan and its people, Engro Corporation has been investing in industries that are the need of the hour for nearly 6 decades. In doing so, we aim to lay the blueprints of a future of possibilities that we hope will enable growth for Pakistan.

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company information

President & CEO

Mr. Ghias Khan

Company Secretary Ms. Shomaila Loan

Mr. Mazhar Hasnani

Chief Financial Officer

board of directors

Mr. Hussain Dawood Chairman

Mr. Shahzada Dawood Vice Chairman & Chairman, BIC

Mr. Muhammad Abdul Aleem Independent Director & Chairman, BAC

Ms. Henna Inam Independent Director & Chairwoman, BPC

Mr. Abdul Samad Dawood Non-Executive Director

Ms. Sabrina Dawood Non-Executive Director

Mr. Rizwan Diwan Independent Director Mr. Khawaja Iqbal Hassan Independent Director

Ms. Dominique Russo Independent Director

Mr. Ghias Khan President & CEO

bankers

Allied Bank Limited

Askari Bank Limited

Bank Al-Falah Limited

Bank Al-Habib Limited

Citi Bank N.A

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

JS Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan Limited

Soneri Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

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shares registrar

FAMCO Associates (Private) Limited 8-F, Near Faran Hotel, Nursery, Block-6 PECHS, Shahrah-e-Faisal, Karachi

registered office

8th Floor, The Harbour Front Building, HC # 3, Marine Drive, Block 4, Clifton, Karachi-75600, Pakistan Tel: +92(21) 35297501 - 35297510, Fax:+92(21) 35810669 e-mail: info@engro.com, website: www.engro.com

auditors

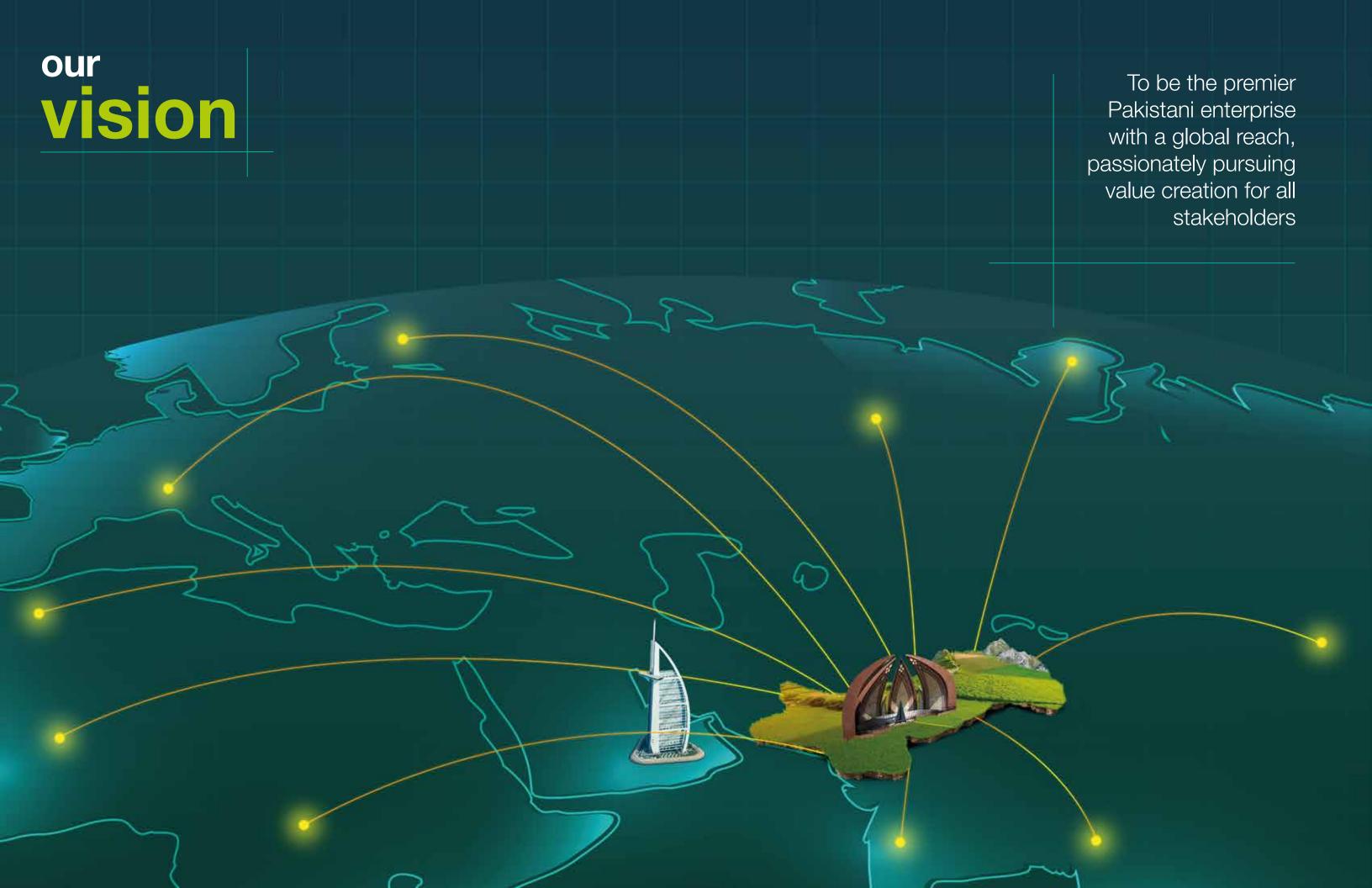
A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road Karachi-74000, Pakistan Tel: +92(21) 32426682-6 / 32426711-5

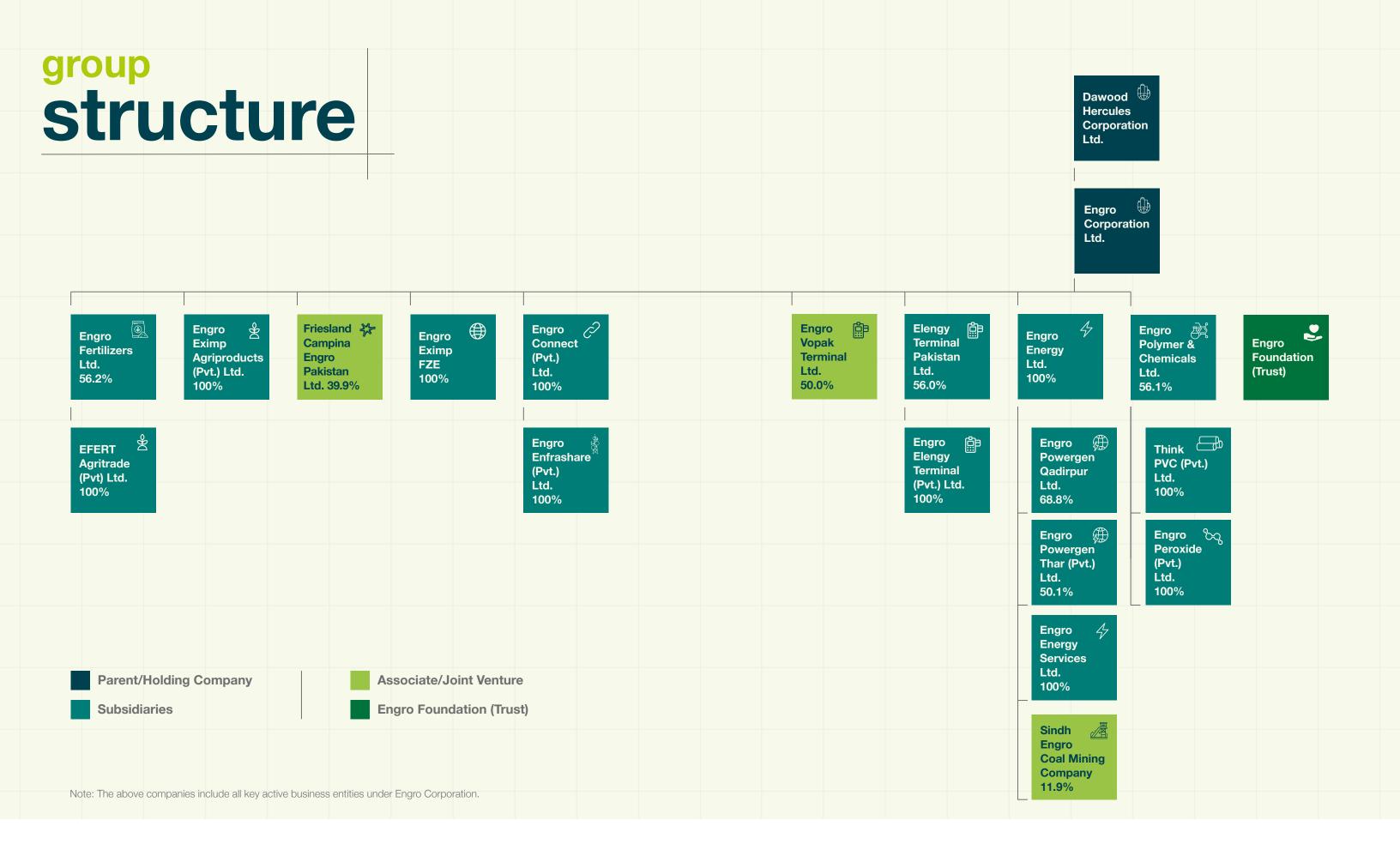
Fax +92(21) 32415007 / 32427938

key figures

	2022	2021
Revenue (Rs. in millions)	356,428	311,587
EBITDA (Rs. in millions)	113,318	101,690
Earnings per Share (Rupees)	42.23	48.50
Total Assets (Rs. in millions)	749,416	644,321
Total Equity (Rs. in millions)	240,584	242,800
Capital Expenditure (Rs. in millions)	40,730	20,500
Cash Flow from Operations (Rs. in millions)	76,720	48,574
Dividend Paid (Rs. in millions)	37,042	28,785
Market Capitalization (Rs. in millions)	150,961	156,958

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values

Operating in diverse industries and spread over geographical landscapes, Engro employees are knit into one big family, united by a drive for success, passion for Pakistan, and the same core values. Our values form the basis of everything we do – from open communication to fostering an environment of trust and guaranteeing the well-being and safety of our people.

At engro, we never forget what we stand for, and each engro employee...

health, safety & environment



...cares deeply about environmental impact and the safety of people

ethics & integrity

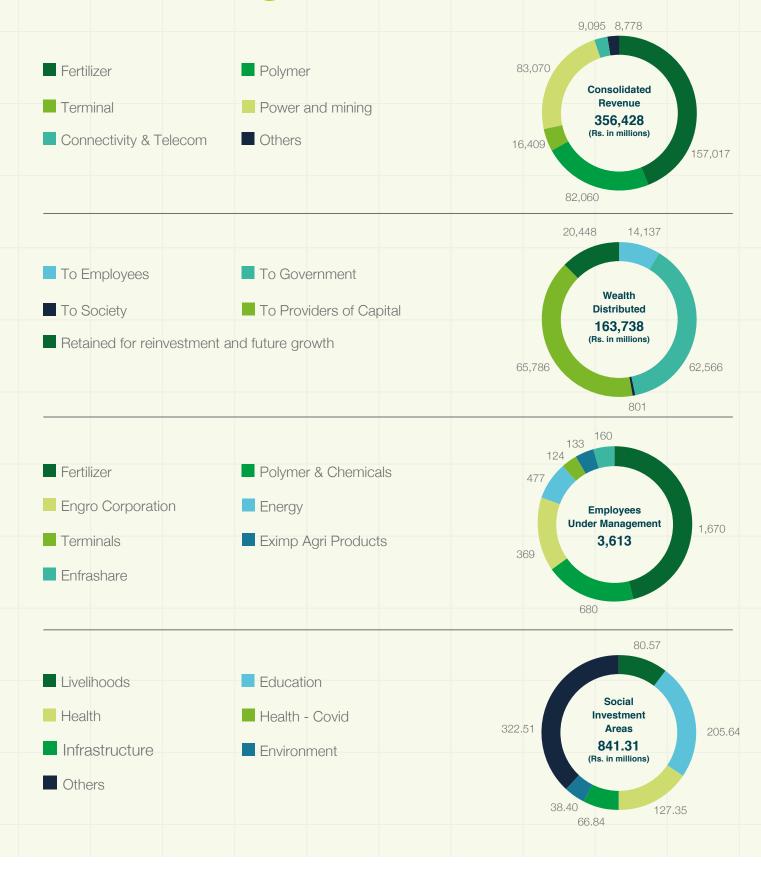
...has impeccable character and lives by the highest standards of integrity and accountability

community & society



...nurtures passion to serve country, community, and company, with a strong belief in the dignity and value of people

2022 at a glance





2022 snapshot

	Engro contribute national e
	Engro saved Pa substitution
4	Engro illuminate through it

Engro Corporation

contributed USD 295.4 million in taxes to the national exchequer.

\$295.4mn

Engro Fertilizers

saved Pakistan USD 900 million in import substitution through local urea manufacturing.

substituted imports worth

for Pakistan

Engro Energy

illuminated nearly 9,000,000* lives through its power generation projects.

illuminated

9mn

Pakistani lives



Engro Enfrashare

enabled connectivity by operationalizing more than 3,300 telecom towers across Pakistan.

operationalized

3,300+
telecom towers



Engro Vopak Terminal

ensured energy security to 5% off-grid households across Pakistan through marine LPG supply.

5% of off-grid



Engro Elengy Terminal

helped fulfill around 15% of local natural gas demand.

fulfilled

15%
natural gas
demand

Engro Eximp Agriproducts

generated approximately USD 30 million in foreign exchange reserves by exporting 3rd largest volume of rice for 2022.

\$30mn
for Pakistan
through exports

Engro Polymer & Chemicals

contributed over USD 134 million in import substitution through its local PVC & VCM production and generated USD 21 million in foreign exchange through exports.

\$155mn

boosted Pakistan's

through import substitution and exports

Engro Eximp FZE

achieved exports worth approximately USD 19.1 million for Engro subsidiaries.

\$19mn+
in exports

FrieslandCampina Engro

helped provide sustainable livelihoods to 116,000 farmers and milk suppliers through 1,300+ milk collection centers

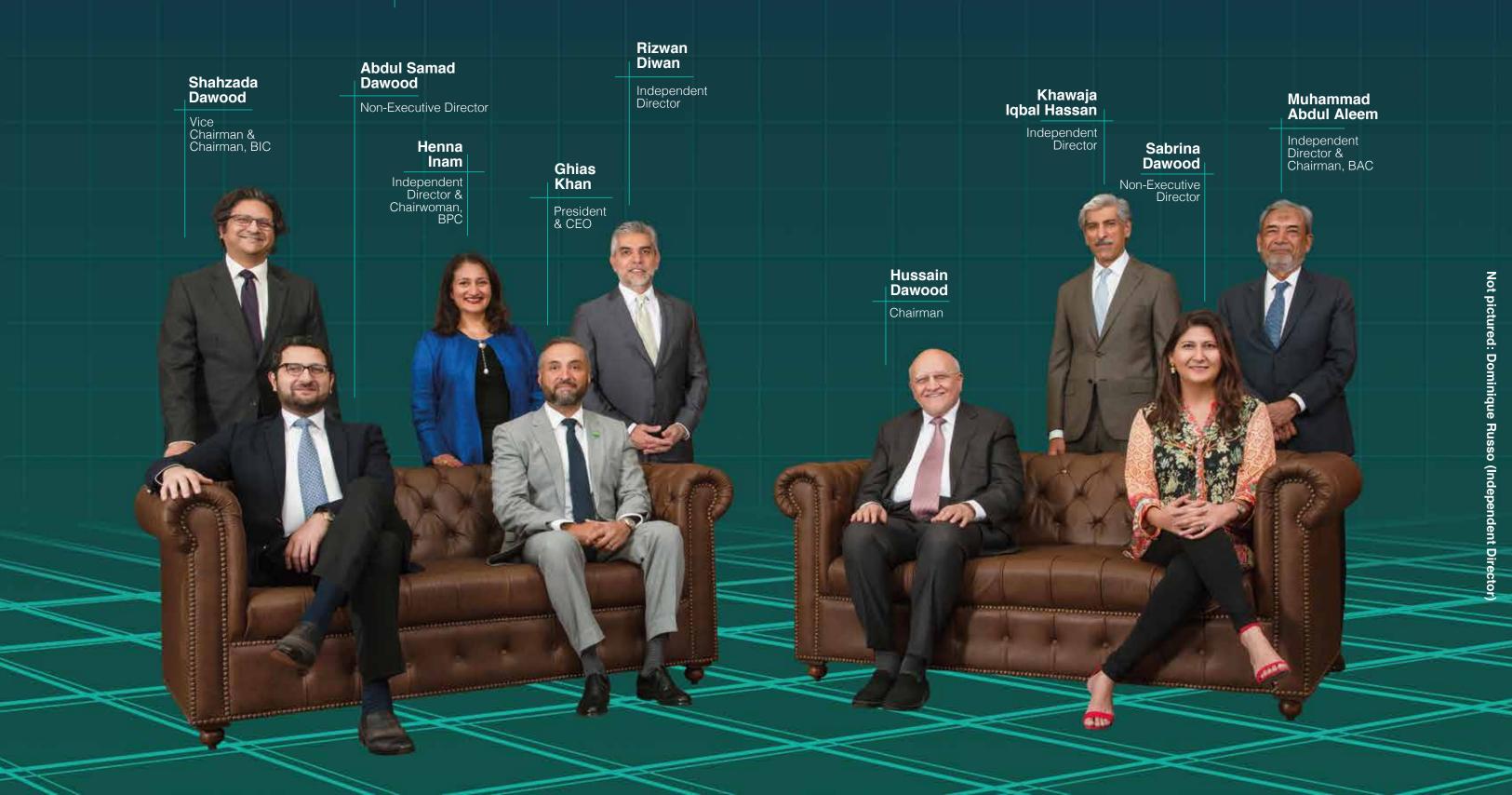
16.000

benefitted

farmers & milk suppliers

*calculated using avg 6.4 people per household (source: mb-research.de)







Hussain Dawood Chairman

Mr. Hussain Dawood joined the Board in 2003 and serves as the Chairman of Engro Corporation since 2006. Under his stewardship, the Company's revenue has grown over 20 times and Engro has emerged as a partner of choice for international businesses exploring investments in Pakistan. During his period, Engro has focused on solutions for pressing issues faced by the Country by expanding existing businesses and entering into new fields of business, like mining, power generation, and telecom infrastructure, to name a few. He also serves as Chairman of the Dawood Hercules Corporation.

Mr. Dawood is enthusiastic about human development based on Character and Good Manners (CGM). Under his stewardship, the Group is now focused on continuously investing in the growth potential of both its people and businesses. This entails competency in leadership development, upskilling and reskilling, and international partnerships, ultimately contributing to the growth of Pakistan.

Mr. Dawood is the Chair of the Board of Trustees for The Dawood Foundation (TDF), which focuses on Education Inspiring Social Change. The Magnifiscience Centre, Pakistan's first interactive science museum, was conceptualized and developed by TDF. He is the Founder and Chairman of the Board of Governors of Karachi School of Business & Leadership (KSBL), a graduate management school focused on inspiring effective leaders. Within KSBL, the Engro Leadership Academy strives to embody the principles of CGM for all who pass through its doors.

Mr. Dawood is also a member of the Board of Governors of the Islamabad Policy Research Institute. He has been leading the Group's engagement with the World Economic Forum since 1992.

Mr. Dawood holds an MBA from the Kellogg School of Management, Northwestern University, USA, and is a graduate in Metallurgy from Sheffield University, UK.



Shahzada Dawood Vice Chairman & Chairman, BIC

Mr. Shahzada Dawood joined the Board of Engro in 2003 and currently serves as the Vice Chairman. He has over 2 decades of experience in corporate governance and transformation of industries, including growth and innovation opportunities through mergers and acquisitions of diversified public-listed companies across textiles, fertilizers, foods, and energy.

Shahzada is a leading voice for the institutionalization of key international networks, including the World Economic Forum (WEF). Under his guidance, Engro has become Pakistan's first company to sign a commitment sponsored by WEF's International Business Council to implement Stakeholder Capitalism Metrics, and has also

joined WEF's Global Plastic Action Partnership to promote a circular economy.

He aspires for a sustainable future, and believes in inclusive business models involving low-income communities, building value chains along business interests. In line with this, Shahzada serves as Trustee on the Boards of both Engro Foundation and The Dawood Foundation.

In December 2020, Shahzada also joined the Board of Trustees of the SETI Institute. He serves as Director across Boards of various companies within the Dawood Group, including Dawood Hercules Corporation Ltd and Dawood Lawrencepur Ltd, instituting high standards of corporate governance and perpetuating the future proofing of these businesses.

Shahzada holds a M.Sc. in Global Textile Marketing from Philadelphia University, USA, and a LLB from Buckingham University, UK.



Muhammad Abdul Aleem Independent Director & Chairman, BAC

Mr. Muhammad Abdul Aleem joined the Board of Engro Corporation in 2015 and is Chairman of its Audit Committee.

Mr. Abdul Aleem is currently the CEO and Secretary General of Overseas Investors Chambers of Commerce & Industry (OICCI). He has worked in senior positions within both Exxon Chemicals and Engro Corporation, serving in both Singapore and Pakistan. Thereafter, he worked with British American Tobacco Group UK (BAT) in Pakistan and overseas, where he ultimately served as CEO of BAT Operations in Cambodia, Mauritius, and Indian Ocean territory. Since 2004,

he has served in senior positions with large Government-owned organizations in Pakistan and his last assignment was as the Managing Director, Pakistan State Oil Company Ltd.

Mr. Abdul Aleem was Director and Chairman of the Audit Committee of Dawood Hercules Corporation and Meezan Bank until 2018. Since October 2020, he has been re-elected as a Director of Pakistan Refinery Limited (PRL) and is also the Chairman of Pakistan Refinery Limited (PRL) Board Audit Committee. Effective November 2021, he was re-elected as an Independent Director/Chairman Audit Committee of Meezan Bank Limited.

In the past, Mr. Abdul Aleem also served as the Director of Pakistan Tobacco, Lahore University of Management Sciences, Pakistan Institute of Corporate Governance and Pakistan Refinery Ltd, and Chairman of Faysal Asset Management Company.

As a supporter of leading non-profit organizations in the field of education, he is currently Vice Chairman of the Professional Education Foundation and Chairman of Intellect School Governing Board.

Mr. Abdul Aleem is a Fellow Chartered Accountant (Gold Medallist) and a Fellow Member of the Institute of Cost & Management Accountants. He has also attended extensive international management training programs, including trainings at Stanford University.



Henna Inam **Independent Director** & Chairperson, BPC

Ms. Henna Inam joined the Board of Engro Corporation in 2017 and serves as Chair of the Board People Committee. She is also part of the Board Audit Committee.

Ms. Inam is the CEO of Transformational Leadership Inc. Her personal mission is to grow transformational leaders who make the world better for all. She is a former C-suite executive who drove transformation throughout her corporate career at Novartis and Procter & Gamble, occupying roles such as Global Head e-Innovation at Novartis, and Chief Marketing & Innovation Officer and Region President for the Americas at Ciba-Vision.

She believes that our fast-changing world needs each of us to be inspired leaders, who lead with agility from the core of who we are. Inam helps C-level leaders and teams thrive in the midst of meaningful and complex challenges. As a trusted advisor to boards and CEOs, she also works to groom leaders for CEO-succession.

Ms. Inam is the author of two books, Wired for Authenticity and Wired for Disruption, and a contributor to *Forbes* on leadership. She is also the host of the popular Transformational Leadership podcast and brings a global perspective, having lived and worked in seven countries across four continents. She is passionate about advancing women in leadership and on boards and is also a founding charter member of OPEN Atlanta. OPEN is the largest Pakistani entrepreneurship and leadership community in the world.

Ms. Inam completed her MBA in Finance from The Wharton School at the University of Pennsylvania, and participated in Executive Education programs at Harvard Business School. She received her board certification from Stanford University.

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Abdul Samad Dawood Non-Executive Director

Mr. Abdul Samad Dawood is Vice Chair of the Board of Dawood Hercules Corporation, an investment company of the Dawood Group. Prior to this, he served as the Vice Chair of the Board of Engro Corporation, which remains one of Dawood Hercules Corporation's largest investments to date.

Mr. Dawood's experience of management and governance spans over 20 years, with a special interest in mergers and acquisitions. He has led more than USD 4 billion of M&A deals, including the Dawood group's acquisition of HUBCO from National Power International Holdings in 2012 and the sale of DH Fertilizers to Fatima Fertilizer Company in 2015. Mr. Dawood was also entrusted with the responsibility of leading the merger of Engro Foods (a subsidiary of Engro Corporation) into global dairy giant Royal FrieslandCampina based on the convergence of their values, goals, and abilities to address Pakistan's nutritional challenges and has since served as the Chair of the Board of FrieslandCampina Engro Pakistan. These efforts are a culmination of the values advocated by the Group Chairman, Mr Hussain Dawood, who believes a strong code of values builds the foundation for effective problem-solving and human prosperity.

Mr. Dawood is also an active director on the Board of Pakistan Business Council, a pan-industry advocacy group that promotes easing of barriers to enable Pakistani businesses to compete in regional and global arenas. His corporate governance journey spans various sectors, including financial investments, energy, and education. In line with his interests, he is a Director on the Boards of The Dawood Foundation, KSBL, Cyan Ltd, Dawood Lawrencepur Ltd, and Reon (Pvt) Ltd. In addition to governance, Mr. Dawood has served as Chief Executive Officer for Dawood Hercules Corporation Ltd and Cyan Ltd and is an active member of the Young Presidents Organization.

Aside from work, Mr. Dawood has a keen interest in music and plays the piano and guitar. He is an Economics graduate from University College London, UK, and a certified director of corporate governance from the Pakistan Institute of Corporate Governance.



Sabrina Dawood Non-Executive Director

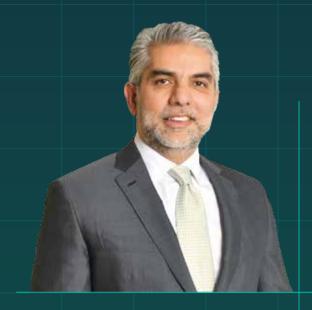
Ms. Sabrina Dawood is the Vice Chair of The Dawood Foundation (TDF), a philanthropic organisation promoting education and informal learning. She is passionate about building interactive and inclusive spaces for learning. As a result of her efforts, Dawood Public School, an institution for primary and secondary level education for girls in Karachi since 1983, has built a culture that fosters diversity, tolerance, inclusion, and character, while providing high-quality education to over 2,500 students.

Sabrina has also spearheaded the setup of the TDF MagnifiScience Centre, a first-of-its-kind, interactive museum which promotes science literacy and critical-thinking in children and young adults through experiential learning. TDF Ghar, a 1930s house restored into a safe space for youth whilst preserving Karachi's heritage and culture, and the Nature Series, which creates awareness about Pakistan's environmental treasures, their impact on our ecosystem, and their sustainability challenges, among other initiatives, are also amongst her passion projects.

Sabrina is a Director on the Boards of The Dawood Foundation, Engro Corporation, Engro Foundation, Dawood Hercules Corporation Limited, Dawood Lawrencepur Limited, Cyan Limited, Hajiani Hanifabai Memorial Society and Karachi Education Initiative (KEI). She is a member of the Board of Governors of the National Management Foundation (NMF) of Lahore University of Management Sciences (LUMS) and the Board of the World Wildlife Fund (WWF) Pakistan. She also serves as an Advisor on the Advisory Committee of Kainaat

Sabrina is the Chair of the Hussain Dawood Pledge. The is a billion-rupee contribution of services, kind and cash, to multiple organisations, for COVID relief. She holds an MSc in Medical Anthropology from University College London and a BA from London School of Economics in Anthropology and Law.

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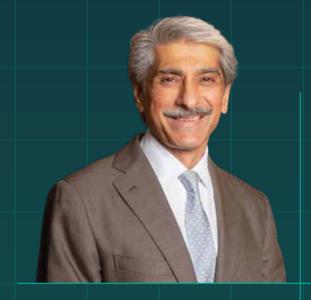


Rizwan Diwan **Independent Director**

Mr. Rizwan Diwan is a family member of the G&T Group, which is a 70-year-old business group involved in polyester textile, packaging, cotton textile, retail and energy, with operations in the Middle East and North America.

He is the Executive Director of Novatex Ltd. in the business of PET Resin, Preforms, Bottles and BOPET film and one of the largest exporters of Pakistan. Over the last 26 years, Mr. Diwan has led many innovations in the field of rigid and flexible packaging in Pakistan, as well as in the region. He joined the Board of Directors of Engro Corporation in 2018 and serves on their Board Investment and Audit committees.

Mr. Diwan is also in the Board of Governors of the MHEF (Memon Health & Education Foundation) and a Director on the Board of the Citizens Foundation. He has also taught entrepreneurship at his alma mater, the Institute of Business Administration in Karachi, from where he holds a Masters degree in Business Administration.



Khawaja Iqbal Hassan **Independent Director**

Mr. Khawaja Igbal Hassan joined the Board of Engro Corporation in 2018.

Mr. Hassan currently also serves as a Director on the Board of ICI Pakistan Ltd and Lucky Cement Limited. He is a Trustee on the Boards of the Karachi Grammar School, the Layton Rehmatullah Benevolent Trust and The Tauheed Trust. He is also Chairman of the Advisory Committee of the Development Corporation Advisers, a wholly-owned subsidiary of British International Investment (BII – formerly the CDC Group Plc), the development finance institution of the United Kingdom.

Mr. Hassan has previously served as a Member of the Monetary Policy Committee of Pakistan and also been a Member of the Board of Directors of the State Bank of Pakistan, Civil Aviation Authority of Pakistan (CAA), Pakistan Steel Mills, Habib Bank Ltd, National Fullerton Asset Management Company Ltd, NIB Bank, Lahore University of Management Sciences, Global Securities Ltd, Citicorp Investment Bank Pakistan. The Pakistan Fund and the Central Depository Company of Pakistan.

He holds a diploma in Accountancy from the UK and a BSc in Finance and Marketing from the University of San Francisco. He started his career in 1980 with Citibank N.A. and in 1994. founded Global Securities Pakistan Ltd. a former joint venture partner of UBS AG and leading stockbroking and investment banking firm. In 2003, he founded NIB Bank Ltd. which, in partnership with Temasek Holdings of Singapore, became a top 10 ranked commercial bank in Pakistan within a period of 4 years.

Mr. Hassan was awarded the Sitara-i-Imtiaz by the Government of Pakistan for meritorious contribution to national interests.

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Dominique Russo Independent Director

Ms. Dominique Russo brings two decades of investment management, corporate structuring, and national-level advisory experience, having commenced her investment management career at Merrill Lynch's New York headquarters. She later moved to the GCC with the Financial Services practice of Booz Allen Hamilton / Booz & Company.

Ms. Russo has advised various GCC governments and semi-governmental entities on economic development, investment affairs, and related policy development. In addition, she has advised and led multinational family conglomerates in the wider region, including

Pakistan, as an Advisor, Chief Executive Officer, and Board Director.

Ms. Russo is a graduate of Columbia, MIT, and Harvard University, holding a Bachelor of Arts in Economics Philosophy (Columbia), a Master of Business Administration (MIT), and a Master in Public Administration (Harvard).



Ghias Khan
President & CEO

Mr. Ghias Khan is the 4th President & CEO of Engro Corporation. He has played an instrumental role in stewarding Engro's future strategy, culture, and international outreach with a focus on building the Company's digitalization capabilities and transforming it into an intelligent organization that can compete on a global scale. In 2022, Ghias was elected President of the Overseas Investors Chamber of Commerce & Industry (OICCI).

He spearheaded the development of Engro Enfrashare in 2018, the Company's connectivity vertical which has enabled social and financial inclusion for Pakistanis. Engro Enfrashare has deployed over 3,300 telecom towers across Pakistan, making it one of the largest

independent tower companies in the Country.

Ghias architectured the turnaround of Engro Polymer & Chemicals Limited and under his leadership, the Company enhanced its PVC capacity, diversified into new chemicals, and demonstrated efficiencies such that the market capitalization increased five-fold in six years. He paved the way for more cooperation with our long-time strategic partner, Royal Vopak, through its entry into Engro Elengy, which continues to operate as the most utilized terminal in the world.

During his Presidency, in line with the Company's efforts to improve energy

efficiency and ecosystem in the Country, Engro established 2×330 MW mine-mouth power plants in Tharparkar. Engro was the first company to have demonstrated proof of concept and successfully produce up to 660MW of consistent power to the national grid, benefitting 7 million Pakistanis.

His leadership has helped position Engro Fertilizers as an efficient player in the market that contributes to food security, while enabling sustainable agricultural practices.

Through innovative digitalization efforts such as the Humsafar app, Ghias has helped the Company empower its customers and enabled Pakistani farmers to grow. The app has established Engro Fertilizers as the largest e-sales company in the Country.

In line with global best practices and Engro's strategic digital imperatives, Ghias has laid the foundation for a digital future through Engro's OneSAP initiative, endorsed as Pakistan's largest digital transformation project.

Ghias has led the people transformation journey at Engro, revamping its culture and narrative, focused on talent development, work culture, and increasing diversity across the Group. He is also leading the transition to sustainability at Engro. The Company has committed to adopt and implement stakeholder capitalism metrics, sponsored by the World Economic Forum's International Business Council, becoming the first organization from Pakistan to sign this commitment.

Engro has earned numerous awards, both locally and globally, for enabling a thriving business environment, investing in the development of its people, upholding high standards of corporate governance, and promoting diversity, health, safety, & environment at the workplace.

Currently, Ghias serves as Chairman on the Boards of Engro Fertilizers Limited, Engro Polymer & Chemicals Limited, Engro Enfrashare (Pvt) Limited, and Engro Energy Limited. He also serves on the Board of Trustees of Engro Foundation – the social investment arm of Engro Corporation. In addition, he is on the Board of Trustees of Karachi Port Trust (KPT).

Ghias holds a Master's degree in Business Administration from the Institute of Business Administration, Karachi.

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notice of meeting

Notice is hereby given that the Fifty-Seventh Annual General Meeting of the members of Engro Corporation Limited (the "Company") will be held at Karachi School of Business and Leadership (KSBL) situated at National Stadium Road, Opp. Liaquat National Hospital, Karachi – 74800 on Thursday, March 30, 2023, at 02:30 p.m. to transact the following businesses:

Members are encouraged to attend the AGM through video conference facility managed by the Company (please see the notes section for details).

a) ordinary business

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended December 31, 2022, together with the Directors' and Auditor's Reports thereon and Chairman's Review Report.

As required under section 223(7) of the Companies Act 2017, Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link:

https://www.engro.com/investor-relations/financial-reports/



- 2. To declare and approve, as recommended by the Directors, the payment of final cash dividend at the rate of PKR 1.00 (10%) for the year ended December 31, 2022. This is in addition to interim cash dividends of PKR 33.00 (330%) per share.
- 3. To appoint Auditors for the year 2023 and fix their remuneration. The Members are hereby notified that the Board Audit Committee and the Board of Directors have recommended the name of retiring Auditors M/s. A. F. Ferguson & Co., for re-appointment as Auditors of the Company.

b) special business

4. To consider and if deemed fit, pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (as may be amended), as recommended by the Board of Directors of the Company:

"RESOLVED THAT, approval of the members of Engro Corporation Limited (the "Company") is hereby accorded by way of special resolution (in accordance with Section 199 of the Companies Act, 2017 read with Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017) for the following acts by the Company:

- a. Approval for the Company to extend to its subsidiary, Engro Fertilizers Limited, an intercompany loan in the aggregate amount of up to PKR Twelve billion (PKR 12,000,000,000), comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities, etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of 1 year from the date of the special resolution, which may be renewed by the Company for upto 4 consecutive periods of 1 year each;
- b. Approval for the Company to extend to its subsidiary, Engro Polymer & Chemicals Limited, an intercompany loan in the aggregate amount of up to PKR Seven billion (PKR 7,000,000,000) comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution; which may be renewed by the Company for upto four consecutive periods of 1 year each;
- c. Approval for the Company to extend to its subsidiary, Engro Elengy Terminal (Private) Limited, an intercompany loan in the aggregate amount of up to PKR Four billion (PKR 4,000,000,000), comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for upto four consecutive periods of one year each;
- d. Approval for the Company to extend to its subsidiary, Engro Powergen Qadirpur Limited, an intercompany loan in the aggregate amount of up to PKR Two billion (PKR 2,000,000,000), comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for upto four consecutive periods of one year each;

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- e. Approval for the Company to extend to its subsidiary, Engro Vopak Terminal Limited, an intercompany loan in the aggregate amount of up to PKR Two billion (PKR 2,000,000,000), comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for upto four consecutive periods of one year each;
- f. Approval for the Company to extend to its subsidiary, Engro Enfrashare (Private) Limited, an intercompany loan in the aggregate amount of up to PKR Two billion (PKR 2,000,000,000), comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for upto four consecutive periods of one year each;

FURTHER RESOLVED THAT, the Chief Executive Officer, Chief Financial Officer and/or Company Secretary of the Company be and are hereby authorized, any two jointly, to do all acts, deeds and things, take any and all necessary steps, to fulfill the legal, corporate and procedural formalities and file all necessary documents/returns as deemed necessary on this behalf and the matters ancillary thereto to fully achieve the object of the aforesaid resolutions."

By Order of the Board

SHOMAILA LOAN

Company Secretary

notes:

Karachi.

Dated: February 15, 2023

1. Participation in the AGM proceeding via video conferencing facility

Members are encouraged to attend the AGM proceedings via video-conferencing facility, which shall be made available by the Company.

All shareholders/members interested in attending the AGM, either physically or through video-conferencing facility, are requested to register their Name, Folio Number, Cell Number, CNIC/Passport number at https://forms.office.com/r/Svc5bvK4XM. Confirmation email for physical meeting or video link and login credentials will be shared with only those shareholders whose registration are received at least 48 hours before the time of AGM.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address agm.ecorp@engro.com.

2. Electronic transmission of Annual Report 2022

In compliance with section 223(6) of Companies Act 2017, the Company has electronically transmitted the Annual Report 2022 through email to shareholders whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited. In those cases, where email addresses are not available with the Company's Share Registrar, printed notices of AGM, along-with the QR-enabled code/weblink to download the said financial statements, have been dispatched. However, the Company will provide hard copies of the Annual Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request.

Further, shareholders are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited if the member holds shares in physical form or, to the member's respective Participant/Investor Account Services, if shares are held in book entry form.

- The Share Transfer Book of the Company will be closed from Friday, March 24, 2023, to Thursday, March 30, 2023 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Block 6, P.E.C.H.S. Shahrah-e-Faisal, Karachi, PABX No. (+92-21) 34380101-5 and email info.shares@famco.com.pk by the close of business (05:00 p.m.) on Wednesday, March 22, 2023, will be treated to have been in time for purpose of determining the entitlement for final cash dividend, to attend and vote at the meeting.
- 4. A member entitled to attend and vote at the AGM shall be entitled to appoint another person, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have all such rights in respect of attending, speaking and voting at the AGM as are available to a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxyholder may not need to be a member of the Company.

5. Requirements for appointing Proxies

- (a) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations shall submit the proxy form as per the above requirement.
- (b) The proxy form shall be witnessed by two male persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (c) Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
- (d) The proxy shall produce his/her valid original CNIC or original passport at the time of the Annual General Meeting.
- (e) In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Company, along with the proxy form unless the same has been provided earlier.

6. Pursuant to Companies (Postal Ballot) Regulations 2018 and read with Sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

7. Electronic dividend mandate

Under the Section 242 of the Companies Act, 2017, it is mandatory for all listed companies to pay cash dividend to its shareholders through electronic mode directly into the bank account designated by the entitled shareholders.

To receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in the Shareholder Information Form for Electronic Credit of Cash Dividend available on the Company's website and send it duly signed along with a copy of valid CNIC to the Share Registrar, M/s. FAMCO Associates (Private) Limited, in case of physical shares.

In case of shares held in CDC, an Electronic Dividend Mandate Form must be directly submitted to shareholder's brokers/participant/CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to shareholders.

8. In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001, withholding tax on dividend income will be deducted for 'filer' and 'non-filer' shareholders at 15% and 30% respectively. A 'filer' is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all shareholders are advised to ensure that their names appear in the latest available ATL on the FBR website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Share Registrar, M/s. FAMCO Associates (Private) Limited, of the Company by the first day of book closure.

According to the FBR, withholding tax in case of joint accounts will be determined separately based on the 'Filer' Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, M/s. FAMCO Associates (Private) Limited, in writing. In case the required information is not provided to our Registrar, it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

9. In order to claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarised copy of Zakat Declaration Form "CZ-50" on NJSP of Rs.50/- to the Share Registrar, M/s. FAMCO Associates (Private) Limited, of the Company by first day of book closure. In case shares are held in scripless form such Zakat Declaration Form (CZ -50) must be uploaded in the CDC account of the shareholder, through their participant / Investor Account Services.

Further, Non-Muslim shareholders are also required to file Solemn Affirmation (available on https://famco.com.pk/share-registration-service/) with the Share Registrar of the Company in case of shares are held in physical certificates or with CDC Participant/Investor Account Services in case shares are in scripless form. No exemption from deduction of zakat will be allowed unless the above documents complete in all respects have been made available as above.

10. Submission of valid CNIC (Mandatory)

As per SECP directives, the dividend of shareholders, whose valid CNICs are not available with the Share Registrar, may be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, M/s. FAMCO Associates (Private) Limited without any further delay.

11. Unclaimed Dividend

As per the provision of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of the shares issued, and dividend declared by the Company which have remained due for more than three years, was sent to shareholders.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged with the Company in the given time, the Company shall, after giving notice in the newspaper, proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Companies Act, 2017.

12. Conversion of Physical Shares into CDC Account

The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Companies Act, 2017, which requires all companies to replace shares issued in physical form to book-entry form within 4 years of the promulgation of the Act.

Accordingly, all shareholders of the Company having physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Shareholders may contact a PSX Member, CDC Participant, or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. Maintaining shares in book-entry form has many advantages: safe custody of shares with the CDC avoidance of formalities required for the issuance of duplicate shares, etc. The shareholders of the Company may contact the Share Registrar and Transfer Agent of the Company, namely FAMCO Associates (Private) Limited, for the conversion of physical shares into book-entry form.

statement of material facts under section 134(3) of the companies act, 2017

This Statement is annexed to the Notice of the Fifty-Seventh Annual General Meeting of Engro Corporation Limited (the "Company") to be held on Thursday, March 30, 2023, at which certain Special Business is to be transacted. The purpose of this Statement is to set forth the material facts concerning such Special Business.

special business:

item (4) of the agenda

To approve intercompany loan to the associated companies.

The information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, is as follows:

- (a) Regarding associated companies and/or associated undertakings:
 - (i) Name of associated companies:

Sr. No	Name of Associated Company
1	Engro Fertilizers Limited
I	
2	Engro Polymer & Chemicals Limited
3	Engro Elengy Terminal (Private) Limited
4	Engro Powergen Qadirpur Limited
5	Engro Vopak Terminal Limited
6	Engro Enfrashare (Private) Limited

(ii) Basis of relationship:

Name of Associate	Relationship	Effective Holding %
Engro Fertilizers Limited	Subsidiary of the Company	56.2%
Engro Polymer & Chemicals Limited	Subsidiary of the Company	56.1%
Engro Elengy Terminal (Private) Limited	Wholly owned subsidiary of Elengy Terminal Pakistan Limited, which is a joint venture of Engro Corporation Limited with Royal Vopak of the Netherlands	56.0% in Elengy Terminal Pakistan Limited
Engro Powergen Qadirpur Limited	Subsidiary of Engro Energy Limited, which is a wholly owned subsidiary of the Company	68.8% through Engro Energy Limited
Engro Vopak Terminal Limited	Subsidiary of the Company which is a joint Venture of Engro Corporation Limited with Royal Vopak of the Netherlands	50.0%
Engro Enfrashare (Private) Limited	Wholly owned subsidiary of Engro Connect (Private) Limited, which is 100% owned by the Company	100.0%

(iii) Earnings Per Share for the last 3 years:

(Rupees)

Basic Earnings Per Share	2022	2021	2020
Engro Fertilizers Limited	11.54	15.78	12.59
Engro Polymer & Chemicals Limited	12.39	16.32	6.28
Engro Vopak Terminal Limited	27.17	26.12	31.10
Engro Elengy Terminal (Private) Limited	783.25	499.58	737.35
Engro Powergen Qadirpur Limited	4.54	4.92	6.42
Engro Enfrashare (Private) Limited	(0.18)	(1.96)	(28.86)

(iv) Break-Up value per share, based on latest audited financial statements:

(Rupees)

Break-Up Value Per Share - 31 December 2022	
Engro Fertilizers Limited Engro Polymer & Chemicals Limited	31.97 29.52
Engro Vopak Terminal Limited	31.05
Engro Elengy Terminal (Private) Limited Engro Powergen Qadirpur Limited	2405.98 40.47
Engro Enfrashare (Private) Limited	85.1

(v) Financial position, including main items of the statement of financial position and profit and loss account, on the basis of its latest financial statements:

Financial year ended December 31, 2022, audited accounts of Engro Fertilizers Limited:

Amount in thousands

assets

455015	
Property, plant and equipment Investments Stores, spares and loose tools Stock-in-trade Other assets Total Assets	77,879,522 2,103,692 6,495,230 8,426,837 44,849,903 139,755,184
liabilities	
Borrowings Trade and other payables Other liabilities (Including short term borrowings) Total Liabilities Total Equity	12,669,628 42,808,977 41,586,878 97,065,483 42,689,701
income statement	
Revenue Profit before Tax Profit after Tax	96,944,967 22,504,608 15,408,134

engro corporation limited annual report 2022 annual report 2022 enabling growth

Financial year ended December 31, 2022, audited accounts of **Engro Polymer & Chemicals Limited:**

	Amount in thousands
assets	
Property, plant and equipment Investments Stores, spares and loose tools Stock-in-trade Other assets Total Assets	41,004,218 3,884,000 2,464,113 10,415,992 26,189,301 83,957,624
liabilities	
Borrowings Trade and other payables Other liabilities (Including short term borrowings) Total Liabilities Total Equity	24,147,934 14,916,145 17,759,873 56,823,952 27,133,672
income statement	
Revenue Profit before Tax Profit after Tax	82,059,583 16,713,929 11,709,894
Financial year ended December 31, 2022, audited accounts of Limited:	Engro Vopak Terminal
	Amount in thousands
assets	
Property, plant and equipment Stores, spares and loose tools Other assets Total Assets	3,540,370 167,627 2,915,740 6,623,737
liabilities	
Borrowing Trade and other payables Other liabilities (Including short term borrowings) Total Liabilities Total Equity	1,247,152 898,942 1,682,858 3,828,952 2,794,785
income statement	
Revenue Profit before Tax Profit after Tax	5,503,117 3,951,943 2,445,537

Financial year ended December 31, 2022, audited accounts of **Engro Elengy Terminal** (**Private**) **Limited:**

	Amount in thousands
Assets Property, plant and equipment Direct cost of Floating, Storage and Regasification Unit Receivable From Sui Southern Gas Company Limited Trade debts Net investment in lease Other assets Total Assets	8,040,314 620,029 805,817 2,637,756 51,821,675 10,429,417 74,355,008
liabilities Borrowing Lease Liability Trade and other payables Other liabilities (Including short term borrowings) Total Liabilities Total Equity	2,460,342 54,833,722 2,724,543 6,878,097 66,896,704 7,458,304
income statement Revenue Profit before Tax Profit after Tax	16,408,856 4,746,494 2,428,012
Financial year ended December 31, 2022, audited accounts of EnLimited:	gro Powergen Qadirpur
	Amount in thousands
assets Property, plant and equipment Trade Debts Loans, advances, deposits, prepayments Other assets Total Assets	11,112,553 9,800,242 148,006 3,100,846 24,161,647
liabilities Borrowings Trade and other payables Other liabilities (Including short term borrowings) Total Liabilities Total Equity	4,822,707 6,234,151 11,056,858 13,104,789
income statement Revenue Profit before Tax Profit after Tax	10,026,884 1,478,793 1,471,756

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Financial year ended December 31, 2022, audited accounts of **Engro Enfrashare (Private) Limited:**

Δ mount	in	thousands	
AHIOUHL	ш	unuusanus	

assets Property and equipment Right of use assets Long term deposits and other receivables Other assets Total Assets	34,242,023 10,675,130 2,150,710 11,857,434 58,925,297
liabilities Borrowings Trade and other payables Other liabilities (Including short term borrowings) Total Liabilities Total Equity	24,062,739 6,281,710 15,115,120 45,459,569 13,465,728
income statement	
Revenue Loss before Tax Loss for the year	10,589,362 (788,215) (253,112)

(vi) in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:

None

(b) General disclosures

(i) Maximum amount of investment to be made:

Name of Associated Company	Amount in PKR
Engro Fertilizers Limited Engro Polymer & Chemicals Limited Engro Vopak Terminal Limited Engro Elengy Terminal (Private) Limited Engro Powergen Qadirpur Limited Engro Enfrashare (Private) Limited	12 billion 7 billion 2 billion 4 billion 2 billion 2 billion

(ii) Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment:

This will enable the Company to lend to its associated companies when/if it has access to excess funds/banking lines/security, and the associated companies require the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders. The period of investment is 1 year, renewable for 4 further periods of 1 year each.

(iii) Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds. (I) Justification of investment through borrowings from where loans or advances will be given. (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis.

The Company intends to use excess liquidity/banking lines/security available to it to provide the requisite financing to the aforementioned associated companies.

Additionally, if the Company has un-utilized overdraft lines, it may opt to avail such lines to provide the required financing. For this, the Company's responses to the queries raised are as follows:

- (I) Justification the associated companies will pay a mark-up rate which is not lower than the borrowing cost of the Company;
- (II) Security the Company secures its overdraft lines by providing a ranking charge over movable assets (excluding long term investments) and pledging shares of its investments in listed subsidiaries; and
- (III) Cost benefit analysis the Company will charge the associated Companies a mutually agreed mark-up rate, which will improve the profitability of the Company;
- (iv) Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment:

As detailed above, each financing facility will be provided on an arm's length basis.

(v) Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration:

The sponsors, majority shareholders and their relatives and directors of the Company have no interest in the matter. However, the following directors on the Board of Directors of the Company are also directors of the associated companies:

Engro	Engro	Engro
Fertilizers	Polymer & Chemicals	Enfrashare
Limited	Limited	(Private) Limited
Ghias Khan	Ghias Khan	Ghias Khan Shahzada Dawood

(vi) In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs:

PKR 1 billion is outstanding against a short-term loan extended to Engro Fertilizers Limited under the previous Shareholders' approval dated April 24, 2018. The outstanding balance, along with mark-up, will be received during the year ending December 31, 2023. There is no impairment or write-offs in this facility.

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(vii) any other important details necessary for the members to understand the transaction:

None.

- (c) In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided above are:
 - (i) Category-wise amount of investment:

Financing limits for each associated company is as follows:

Amount in PKR
40 5 111 - 12
12 billion
7 billion
2 billion
4 billion
2 billion
2 billion

(ii) Average borrowing cost of the investing company, the Karachi Interbank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah-compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period:

The Company did not have any short-term borrowings as at December 31, 2022. The 3-month KIBOR as at December 31, 2022 was 17%; the Company did not invest in any Shariah-complaint instruments in 2022. For unfunded facilities, bank rates are in the range of 0.7% to 1.0% per annum.

(iii) Rate of interest, mark up, profit, fees or commission, etc, to be charged by the investing company:

The rate of interest, mark-up, profit, fees or commission to be charged by the Company will be higher than or equal to what the Company must pay if it borrows similar facilities. Where it has no such facilities, the associated companies will be charged rates which are greater than or equal to market rates of such facilities. Each financing facility will be provided on an arm's length basis.

(iv) Particulars of collateral or security to be obtained in relation to the proposed investment:

No security is obtained since the Company is the largest shareholder/joint venture partner in the associated companies. The Company and its associated companies are confident that any financing arrangement will be repaid.

(v) If the investment carries conversion feature, i.e., it is convertible into securities, this fact, along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable:

No conversion feature.

(vi) Repayment schedule and terms and conditions of loans or advances to be given to the associated Company or associated undertaking:

Facility granted for a period of 1 year, renewable for 4 further periods of 1 year each. The other terms are mentioned above.

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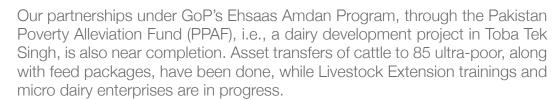
sustainable impact

At Engro, we remain aware that the impact of our actions extends well beyond the boardroom. As such, we strive to create long-term social capital through robust corporate governance, in line with our brand promise of Enabling Growth. For us, maintaining the trust of our stakeholders is of utmost importance. Hence, we continue to do business with the highest standards of integrity. We are fair and transparent and encourage our stakeholders to follow suit.

As a socially-and-environmentally-conscious entity, Engro aims to improve the lives of all Pakistanis through its investments in healthcare, capacity building, and community development. Engro Foundation – our single CSR arm that works with all Engro Group Companies – channels philanthropic capital into potential solutions for some pressing issues that exist within our value chains. Access to medical assistance, education, skills development, and technical training, to name a few, remain Engro Foundation's focal points and help us ensure that the benefits of our operations are received by all.

hussain dawood pledge

The Hussain Dawood Pledge focuses on disease prevention and treatment by training healthcare practitioners and investing in patient care. Recently, under the Pledge, Patient Aid Foundation Jinnah Postgraduate Medical Centre and Aga Khan University Hospital were allocated PKR 526 million and PKR 518 million respectively.



healthcare

Engro Foundation currently runs numerous OPD clinics around its industrial network, thereby helping the sick in marginalised communities. Altogether, our Daharki, Qadirpur, Sukkur, and Karachi clinics catered to 100,000+ patients in 2022 alone, while the Artificial Limbs Centre, Rabies Centre and Snake Bite Centre treated 500+ patients, 1,000+ patients and 7,000+ patients respectively. Also, nearly 2,500+ hepatitis vaccines have been administered in Daharki, 262 patients are undergoing treatment, and 213 have been treated.











community livelihoods

Our health and infrastructure-related initiatives include 5 grocery shops and goat farming projects each and new campaigns to generate access to safe drinking water (RO plants), sewerage schemes and the installation of solar lights and public benches at various locations in the country.

training and education

Capacity development is at the forefront of all learning interventions at Engro Foundation. This year, we continued providing top-quality, free-of-cost education to 8,800+ students in 38 schools across Sindh and Punjab. Our education program includes 18 adopted schools, 4 TCF schools, 15 katcha schools and 1 NGO-run (Sahara) school. Furthermore, an MoU has been signed with the Malala Fund to promote Science, Technology, Engineering, Arts, and Math (STEAM).



Additionally, our first digital micro-school with Teach-the-World-Foundation – an EdTech solution for out-of-school children – is going steady and an agreement for another micro-school near the TDF Magnifiscience Centre in Karachi has already been signed, with operations set to commence in early 2023.



In much the same vein, skills development is core to Engro's vision for the future. Our Technical Training College – the first Polytechnic institute offering a Diploma in Associate Engineering – currently has 346 students enrolled in a 3-year program. At the same time, Tech-Karo – a digital skills development initiative – is helping create a pipeline of women in technology. Over 500 students are expected to graduate, of which 65% are young women from underserved communities trained in freelancing and e-Commerce. About 25 new companies have been onboarded as placement partners and 20+ new mentors and 35+ capstone projects introduced.



i am the change (IATC)

A flagship program launched by Engro Foundation, IATC aims to recognize local change agents who are working to enable positive, meaningful, scalable, and sustainable change in Pakistan. The IATC Awards 2022 offered PKR 2 million to two individuals and/or organizations with an aim to help winning projects be scaled up for broader impact.



flood relief efforts

In light of the recent floods, Engro Foundation donated PKR 45 million in cash and kind to various entities working for immediate relief. This was supplemented by extensive ration distribution drives at different plant sites and animal vaccination camps in partnership with the local government.







biodiversity conservation

Since many of our businesses fall near coastal communities, directly or indirectly, the Foundation has taken on the responsibility of creating alternate income streams for hard-up fishing communities and educating them on sustainable fishing practices, in collaboration with WWF Pakistan. As such, various capacity-building workshops have been held for 40 local fishermen and 25 officials of the Sindh Coastal Fisheries Department and Marine Fisheries Department, focused on data collection through an android mobile-based application in offshore and coastal waters.

Recently, we have signed a 5-year commitment to protect one of the most unique, indigenous species of our region: the blind dolphins of River Indus. Baseline survey data has been collected for dolphin mortalities and a 3-day Technical Workshop was held in October 2022 to highlight human impact on freshwater ecosystems. Scientists, NGOs, and policymakers from Bangladesh, Cambodia, China, Indonesia, Myanmar, Nepal, Netherlands, UK, and Pakistan attended the workshop and discussed an Asia-wide strategy to protect the endangered animals.

The event ended with the signing of The Islamabad Recommendations – a series of actions relating to inter and intra-state coordination, law enforcement, awareness and initiating stronger outreach efforts with frontline river communities.

agricultural value chain

The Chili Value Chain Project is a prime example of Engro's commitment to food security. Located primarily in the Mirpurkhas and Umerkot districts, with an office in Kunri, the chili capital of Pakistan, the aim is to revive the traditional variety of chili (longi or dandi-cut) with co-funding from USDA, through Winrock. As of now, the project is in the training phase, with 450 men and 480 women farmers already trained.

environmental stewardship

Throughout 2022, Engro accelerated its sustainability agenda by redirecting its resources toward projects designed to mitigate environmental risks. A great example of this is our recent agreement with WWF Pakistan to conduct widespread afforestation and reforestation. Launched in 2022, nearly 350 acres of barren land have already been re-planted on university campuses across the Country, including Fatima Jinnah Women's University in Islamabad. Regular meetings are being held in KPK, Punjab, and Balochistan to identify potential new plantations and local communities that may help take the project further. Third-party verification of carbon sequestration is also in the works so that certified emission-reduction may be claimed.



















Engro's environmental initiatives are not limited to greenery and carbon neutrality. The Group is promoting circularity through the Circular Plastics Program – a collaboration with Karachi School of Business and Leadership (KSBL), Akhtar Hameed Khan Memorial Trust (AHKMT), and COMSATS University Islamabad to establish the Circular Plastics Institute. The aim is to research and implement sound waste management and encourage recycling.







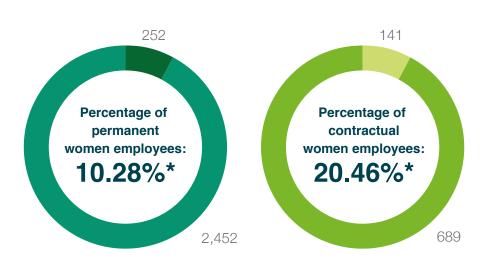
Engro is also developing a Waste Management Pilot with AHKMT. Under Impact Investments, it has signed a JV with social entrepreneur Wali Khanani whereby the latter will invest PKR 6.1 million into the business, Resin8, through funding from Engro Polymer & Chemicals Limited.

Our Sustainablity Report offers program-wise data for all of our social investments.

diversity, equity, and inclusion (DE&I)

Engro recognises the sheer potential that lies in its people. They, with varied skills, backgrounds, and experiences, are our greatest collective asset. Through dedicated Diversity, Equity & Inclusion (DE&I) campaigns, we aim to ensure that the talent at Engro is comprised of stellar individuals from all walks of life. Engro is a proud supporter of women leadership and strives to provide its women employees a respectful and balanced work environment for them to thrive.

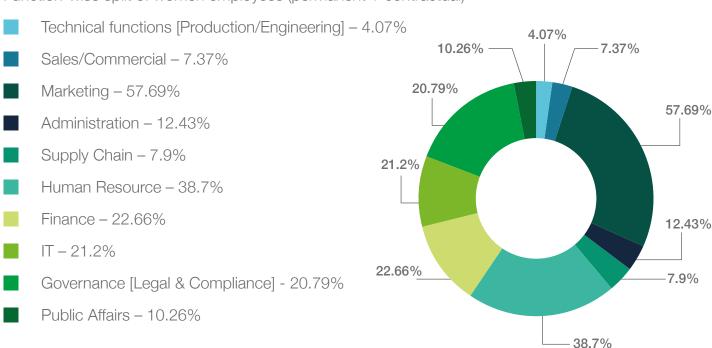
Engro aims for recruitment efforts to reflect a 50% gender ratio.





*As of December 31, 2022

Function-wise split of women employees (permanent + contractual)



women-friendly policies

Engro enables women employees by offering various commute facilities, including in-house carpooling option and a partnership with Careem. It also offers local and international travel and accomodation for all permanent women employees and trainees with children up to a certain age.

Engro also offers its women 6 months of paid maternity leave and its men 15 days of paid paternity leave to support their partners at home. We have a daycare for children between 4 months to 6 years.



we thrive!

In March 2022, ECORP HR arranged a variety of networking opportunities for women on the occasion of Women's Day. More than 200 of them participated in activities such as:

- Cycling
- Clay therapy
- Making leather journals
- Heritage photo walk Super Savari
- Self-defense classes
- Financial wellness session
- Yoga/meditation
- Horse riding
- Art therapy
- Drum circles

break ke baad (BKB)

One of our trailblazer intiatives is a 12-month returnship program designed to increase employability of women looking to resume work after mid-career breaks. The program has a flexible working model which offers associates full-time employment, part-time employment and flexible working hours.

Break Ke Baad seeks to induct applicants with at least 3 years of prior experience, after a gap of at least 2 years. In 2022, 800+ applications were received and 14 BKB Associates were hired across Engro. This year, a BKB Associate has also been placed at our Thar site for the first time.

diversity, equity & inclusion (DE&I) leaders program

The Diversity, Equity & Inclusion (DE&I) Leaders Program equips employees at all levels with the skills and tools necessary to inculcate a culture of inclusion across the Company. A key part of the program is studying various forms of exclusion and discriminatory behaviours common in office spaces, and the adverse effects they may perpetuate on employee productivity.

Engro's DE&I Leaders Program has been designed on a sustainable model that features in-house volunteer trainers (DE&I Ambassadors) to ensure Engro employees undergo comprehensive and customized sensitization training. This year, over 110 employees volunteered to be DE&I Ambassadors and took the 3-day DE&I Ambassador Train-the-Trainer certification, in collaboration with Carnelian. These certified DE&I Ambassadors will now roll out the program across various Engro locations, in different functions and levels.













As a way forward, our subsidiaries have also been working hard to promote DE&I across the board. Some of the many other related initiatives/achievements from this year included:

engro fertilizers

- Women's Wellness Campaign for mental health
- "Today's Women Shaping Tomorrow's World" campaign for women entrepreneurs
- Resilient Women Experiential Learning Program for team-building and skills-development
- Trainer's Club to develop women leadership ALC:
- Self-defence trainings with The Method

engro energy

- Women's Entrepreneurship Day in-house bazaar
- Financial Wellness for Women training

engro polymer & chemicals

- First-ever woman supervisor hired in Lab and Customer Support department
- Graduation of first cohort of Persons with Disabilities (PWD)
- Breaking the Glass Ceiling Program
- Best Case Study Award from the International Labour Organization at National Women

engro vopak & elengy terminals

- Inclusion & Diversity Network comprising change ambassadors from Vopak AME division to educate employees and create/sustain a culture that celebrates differences
- Sustainable Coast Program for better fisheries management to ultimately reduce pressure on marine ecosystems through training, technology and awareness





Throughout 2022, Engro undertook several sports-related projects to train and so, mobilize the Pakistani youth to contribute to our communities and a shared future. These included:

engro cricket coaching project

With an aim to develop cricket at the grassroots level, Engro joined hands with the Pakistan Cricket Board (PCB) to launch the Engro Cricket Coaching Project-part of the PCB Pathway Cricket Programme. Under this commitment, high-performing foreign coaches are training 100 junior cricketers (aged 13 to 19 years) in various disciplines related to the sport, such as fast-bowling, spin bowling, fielding, batting, and power-hitting.



engro volleyball development program

Engro partnered with the Pakistan Volleyball Federation on the Engro Volleyball Development Program wherein a National Training Camp was set up for qualified foreign coaches to train budding talent. The goal is that, one day, the national Pakistan Volleyball Team will bring home Olympic Gold.



To convert raw talent into world-class footballers whilst investing in our communities, Engro has been an official sponsor for Karachi United (KU) for the past 2 years. This collaboration boosts KU's outreach programs and 11 Centers of Excellence in inner-city locations that provide free football coaching, education, and health assistance to more than 1,000 boys and girls. The Engro Football Training Program will produce a consistent pipeline of players to represent the club at national and international levels.



engro mind sports program

Recognizing the role of mind sports in children's cognitive development, Engro and the Mind Sports Association of Pakistan have partnered to promote chess, bridge, and scrabble and related workshops, tournaments, and inter-school championships across the Country. In addition, a Child Prodigy Program has been established to encourage outstanding young talent, especially girl prodigies, to participate in regional tournaments.



engro corporation limited

annual report 2022

chairman's and vice chairman's Message

Dear Shareholders,

On behalf of the Board of Directors of Engro Corporation Limited, we are pleased to present to you our Annual Report for 2022.

This past year, the world witnessed a multitude of events that slowed down the economy: geopolitical tensions grew, climate change impacts intensified, and COVID restrictions continued in China. Rising inflation, an energy crisis, and supply chain disruptions have combined to produce the most challenging set of global circumstances.

Pakistan has been impacted more acutely by soaring food and fuel prices, leading to inflation hitting a 50-year high. Almost 15% of the population was directly impacted by the floods, and the rest of the Country reeled from basic grain shortages and lack of economic opportunity. The unprecedented floods and their aftermath only added to the challenge as the value of the Rupee plunged and foreign reserves dwindled precipitously.

Despite this macroeconomic uncertainty, Engro's business model remained resilient, and we stayed committed to continuous growth and expansion with a vision to further contribute to Pakistan's GDP. Some of our businesses, like Engro Fertilizers, showed great resilience, and built upon an indigenous supply chain that survived the vagaries of the exchange rate and global market variations.

As a responsible corporate enterprise, Engro strives relentlessly in its pursuit to solve some of the most pressing issues of our time, including energy security, food security, connectivity and human development. This drive in our overall strategy will continue as we envision to create value addition in our portfolio by augmenting synergy in the Group's overall performance and profitability.

As part of its commitment to making energy available and affordable, Engro Energy continued full capacity extraction from its Thar mine, and achieved COD for Phase II to enhance capacity. Engro Elengy Terminal also operated at capacity, fulfilling 15% of Pakistan's natural gas requirement. These achievements have been critical in enabling Pakistan to gain access to energy, which is the cornerstone of any modern economy. Furthermore, in our pursuit to support green energy, the Company announced its first 400MW hybrid wind and solar project. We are especially excited about this project since it reinforces our aspiration to see the Country transition to an energy mix

that has a significant reliance on indigenous and renewable inputs.

Ensuring adequate crop yields and production for food security, Engro Fertilizers played its part by ensuring stable fertilizer supply, and remains committed to further improving the agricultural value chain. The Company understand that it is crucial to do so, especially after global supply chain disruptions and the floods destroying 45% of croplands.

Standing by its commitment to contribute towards telecommunication infrastructure, Engro Enfrashare increased its footprint in the connectivity space by expanding this infrastructure, while maintaining a market share of over 50% among independent tower companies. Digital divide through poor access to connectivity is a prevalent problem in Pakistan that was exacerbated due to the floods, impacting the Country's critical telecommunication infrastructure. With a vision to create new avenues for human development, Engro's effort in this space will pave a path for up-skilling, enabling the Country's workforce, especially its youth, to become globally competitive through access to information and technology, along with the accompanying benefits.

Our people continue to be our key driving force. Engro's success is built on their skills and creativity, and we are committed to human development based on Character and Good Manners (CGM), ensuring that we have the best possible talent, from all backgrounds, driving our growth and innovation. The Company continued to invest in training and development of our people through the Engro Leadership Academy. Talent development programs remain a cornerstone of the Engro employee experience. In 2022, the Company continued to invest in Diversity, Equity & Inclusion programs like Break Ke Baad, Uraan, TechKaro, and ENable All, to name a few. Exciting and enriched experiences lead to dynamic ideas and innovation, and we remain committed to further developing an empowered learning organization.

Engro realizes its responsibility towards environmental sustainability, and giving back to society has always been one of the important cornerstones. It has focused on milestone projects such as the Circular Plastics

Institute, Sustainable Coasts Initiative, and Indus River Dolphin Project. Engro is also a signatory to the World Economic Forum's ESG Commitments, and supporter of King Charles' Terra Carta – a charter under the Sustainable Markets Initiative, both of which prioritize nature, people, and the planet in global value creation.

In these challenging times, Engro has stayed true to its vision and commitments by taking calculated risks, and responding to market changes with vigilance. It emerged more resilient and reinvigorated, and our confidence in the Company is reflected not only in numbers but also in the trust that you, as shareholders, continue to place in us as stewards of your capital.

2022 has been a year of unprecedented challenges, and we would like to commend Engro's leadership for its unwavering determination in navigating the Company through these strenuous times. We would also like to take this opportunity to express appreciation to our customers, partners, service providers, regulators, the Government of Pakistan, and all our stakeholders, for their trust in the Board of Directors to steward the vision of the Organization.

Engro remains committed to further the tremendous growth opportunities that exist around us, helping build a prosperous future for all. The spirit of Pakistan and its people is one of determination and resilience, giving us a great cause for optimism. Working as one nation is the need of the hour to persevere and overcome the obstacles ahead.

Jus

Hussain Dawood
Chairman

Shahzada Dawood
Vice Chairman



president's message

Dear Shareholders,

I am pleased to present to you the Annual Report of Engro Corporation Limited (ECORP/Engro/Company) for the year ended December 31, 2022.

The year 2022 was one of economic fluctuations and rising geo-political tensions. Global economic growth tapered from 6% in 2021 to 3.2% in 2022, while inflation remained higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, commodity price volatility, and the energy crisis, all contributed to a bleak economic landscape.

In Pakistan's case, dwindling foreign exchange reserves, inflationary pressures, and a rapidly devaluing Pakistani Rupee posed serious challenges. The situation was further exacerbated by devastating floods that affected over 33 million people, submerged 9.4 million acres of cropland under water, and gave a staggering blow to an already fragile economy, with total losses amounting to USD 30 billion.

Given the circumstances, for Engro, 2022 turned out to be a year of resilience during which our business performance remained stable due to a diversified portfolio and shareholder value was preserved on account of the Group's rapid adaptation to changes in market conditions. The Company posted a consolidated Profit after Tax (PAT) of PKR 46.1 billion for 2022 – down 12% from 2021. This dip is attributable to the Super Tax charge of PKR 7.7 billion and one-off adjustment of the EPTL Tariff True-Up. On a standalone basis, our profit stood at PKR 21.2 billion vs PKR 18.5 billion in 2021, translating into Earnings per Share (EPS) of PKR 36.8 for 2022.

During the fiscal year, the agricultural sector recorded a growth of 4.4%. However, the second half of the year was challenging due to the severe floods in the Country. Engro Fertilizers (EFERT) contributed to food security in Pakistan and achieved an import substitution of USD 1.3 billion, saving the Country precious foreign exchange. Despite record high urea prices internationally, EFERT ensured the availability of locally-produced urea to farmers at a discount of approximately 66% compared to international prices. EFERT posted a revenue of PKR 157 billion versus PKR 132 billion in 2021 and PAT stood at PKR 16 billion versus PKR 21.1 billion last year, mainly due to the levying of Super Tax amounting to PKR 3.8 billion.

Engro Polymer & Chemicals achieved the highest-ever PVC sales of 242 KT, maintaining domestic market leadership with a market share of 95%. The business also recorded its highest-ever export

sales of USD 21 million and registered a record revenue of PKR 82 billion compared to PKR 70 billion – a 17% increase. The PAT stood at PKR 11.7 billion against PKR 15.1 billion in 2021, mainly due to the Super Tax impact of PKR 1.5 billion and lower PVC prices.

Mining operations and Engro Powergen Thar ensured a supply of consistent and affordable energy to the Country. Phase II of the SECMC mine expansion was successfully completed, doubling its existing mining capacity. Moreover, SECMC and the Government of Sindh approved Phase III of the expansion. The business continues to work extensively to gain a foothold in the renewables market. Engro Energy is currently evaluating the development of Pakistan's first hybrid 1 GW renewable energy (RE) park. The project has the potential to provide approximately USD 400 million in import substitution.

Engro Vopak witnessed growth while providing storage solutions for bulk liquid chemicals and LPG. Engro Elengy & Vopak Terminals successfully marked 25 years of strategic partnership in 2022 – a testament to years of safe operations and superior HSE standards. The Elengy Terminal played a critical role in alleviating Pakistan's energy shortage by enabling supply of approximately 15% of the Country's total gas consumption.

Engro Enfrashare performed exceptionally well through efficient tower deployment and operational efficiencies and has continued to expand its national footprint. The business added 1,083 new towers, taking the total to 3,329 tower sites, catering to all four Mobile Network Operators. In addition, 49% of Engro Enfrashare's business sites were solarized to ensure energy optimization.

FrieslandCampina Engro continued its growth momentum in key business segments, dairy and ice cream, despite economic headwinds. The business posted a PAT of PKR 2.5 billion against PKR 1.8 billion in 2021, on the back of a top-line increase of 41% vs last year.

Engro Eximp Agriproducts remains a key contributor to the national foreign exchange reserves, with a focus on exports. The business generated a revenue of USD 31 million through the export of rice, while continuing to develop a foothold in the local market. While revenues were strong, the Company had to mark an inventory write-off to address a discrepancy in inventory in the accounting books at the warehouse and reassess the value of the rice plant in lieu of increase in steel prices and Rupee devaluation. The net impact on profitability is negative PKR 600 million. This loss is one-off in nature and

has been incorporated in the 2022 results.

Engro Eximp FZE, Engro's global trading arm, initiated commercial activity in UAE with the vision to consolidate the Group's trading activities under one roof and achieved a turnover of approximately USD 215 million. In addition to this, FZE is laser-focused on enabling the reach of Pakistani products across the globe.

At Engro, there is a continued focus on building the capabilities of our people. The Company launched its Talent Development Program, facilitating employees to manage their career trajectories. We also remain committed to creating an inclusive and diverse workplace. Engro introduced its flagship 'Break Ke Baad' program aimed at facilitating women's return to the workforce after a career break. The Company will continue to build on programs and initiatives that support and augment employees' careers.

On sustainability, Engro is finalizing its sustainability reporting in line with WEF's Stakeholder Capitalism Metric pledge. In addition, we are charting our course to become agents of change to tackle any future climate events.

Engro has always believed in the immense potential of Pakistan and endeavours to uplift the skills of our talented youth, especially in sports and education. Our youth development initiatives focus on promoting sports at the grassroots level. Our programs include Engro Mind Sports Program with the Mind Sports Association of Pakistan, Engro Cricket Coaching Project under Pakistan Cricket Board's Pathway Cricket Program, Engro Volleyball Development Program with Pakistan Volleyball Federation, and Engro Football Training Program with Karachi United. In 2022, 8 national chess events with 20 students and 3 international chess events between Turkey, Azerbaijan, and Pakistan, with 300+ participants, took place under the Engro Mind Sports Program. Over 100 students were inducted this year into the Engro Cricket Coaching Project, being trained by notable international coaches. The Engro Football Training Program saw thousands of young athletes train with and play at Karachi United, where young footballers from all walks of life unite under one passion. Finally, volleyball saw a major comeback in Pakistan when we hosted the Engro Central Asian Volleyball Championship – an international tournament.

As one of Pakistan's premier conglomerates, we will continue to contribute towards enabling the recovery of our economy at this pivotal juncture. Engro is confident that, with effective policy measures, the economy will regain momentum in the medium-term and grow through increased exports, import substitution, and potential foreign investment.

Engro is well-positioned to play a significant role in addressing some of Pakistan's pressing issues. We are committed to expanding business operations across our 4 key verticals and exploring new opportunities for growth, with a focus on exports and internationalization, while maintaining a resilient and agile business model.

Our efforts for excellence this year were lauded at various national and international forums. Engro Corporation was recognized by the Pakistan Stock Exchange as one of Pakistan's Top 25 Companies and by the CFA Society of

Pakistan for excellent investor relations. We also received, among others, 10 Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards by HR Metrics, were named Most Outstanding Company in Pakistan in the Industrials Sector and in the Small/Mid Caps Sector in Asiamoney's Outstanding Companies Poll, and received the United Nations Global Compact Sustainability Award.

I would like to extend my gratitude to our Chairman, Vice Chairman, and the Board of Directors for navigating us through a challenging year. I would also like to thank the Government of Pakistan for facilitating us, and all our stakeholders for reposing their trust in us.

To the entire Engro family, I commend each one of you for an astounding level of resilience and commitment to excellence – thank you.

I look forward to a prosperous 2023.





awards & recognitions

Engro Corporation

- 10 Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards by HR Metrics
- United Nations Global Compact (UNGC) Sustainability Award
- Most Outstanding Company (Industrial sector) in Pakistan at Asiamoney 2022 Asia's Outstanding Companies Poll Awards for 4th consecutive year
- Pakistan's Most Outstanding Company (Small/Mid-Caps sector) at Asiamoney 2022 Asia's Outstanding Companies Poll Awards for 4th consecutive year
- PSX Top 25 Companies Award
- Best Investor Relations Award (runner up for 4th consecutive year) at CFA Society's 19th Annual Excellence Awards
- Recognizing Gender Diversity Award (runner up) at CFA Society's 19th Annual Excellence Awards

Engro Fertilizers

- 12 Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards by HR Metrics
- Best in Country Award by British Safety Council UK
- Best Corporate Report Award 2021 (3rd position) and Best Sustainability Report Award by ICAP and ICMA Pakistan
- Second Most Inclusive Company 2022 (last 6 cumulative years)
- PSX Top 25 Companies Award (5th position)
- RoSPA Fleet Safety Gold Award (for 2nd consecutive year)
- RoSPA Health and Safety Gold Award for achieving zero TRIR
- Amir S Chinoy Corporate Excellence Award at Management Association of Pakistan's 37 Corporate Excellence Awards (for 3rd consecutive year)
- Best ECommerce App, Best Mobile App and Best Digital Innovation awards (Humsafar App) at Pakistan Digital Awards 2022
- Best ESG Reporting Award at CFA Society's 19th Annual Excellence Awards
- Best National Taxpayer (Manufacturing sector) by Rawalpindi Chamber of Commerce and Industry (RCCI)
- Employer of Choice Gender Diversity Awards by PBC and IFC (3rd position)
- Best Presented Annual (BPA) Report Awards (Integrated Reporting) by South Asian Federation of Accountants (SAFA)
- British Safety Council International Safety Award (Distinction) for outstanding HSE systems and HSE performance in Daharki

Engro Polymer & Chemicals

- PSX Top 25 Companies Award
- 11 Global Diversity, Equity, & Inclusion Benchmark (GDEIB) Awards by HR Metrics
- Account Response Rate Leader Award from Customer Gauge Survey
- Gender Diversity Award at Gender Diversity Awards by Pakistan Business Council Customer Gauge Awards
- 3 CSR Awards at the 11th Annual Corporate Social Responsibility Summit & Awards by The Professional Network
- Best Corporate Report Award (2nd position) by ICAP and ICMA Pakistan
- Best Presented Annual Report at SAFA Awards (joint Silver award)

- Risk Alive Inspire Award for Operational Risk Excellence
- AA long-term rating and A1+ short-term rating (PACRA upgradation)
- Top 10 Best Practice Case Studies Award by ILO United Nations Project on Women Empowerment

Engro Vopak & Elengy Terminals

- 13 Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards by HR Metrics
- Multiple Gender Diversity Awards at Gender Diversity Awards by Pakistan Business Council
- 7th International Awards on Environment, Health & Safety by The Professionals Network
- Honourable Mention at Gender Diversity Awards
- Team of the Year Award (AME region) by Royal Vopak
- Golden Step Award by Vopak Asia and Middle-East Division for Q1

Engro Eximp Agriproducts

- Generated USD 31 million in exports for Pakistan
- 3rd largest basmati rice exporter from Pakistan
- 'AA rating' by the British Retail Consortium (BRC) for 6th consecutive year

Engro Energy

- Silver Prize at Women Tech Network Awards (Diversity & Inclusion Best Practices category)
- 12 Global Diversity, Equity and Inclusion Benchmark (GDEIB) Awards by HR Metrics

Sindh Engro Coal Mining Company

- International Safety (Merit) Award by British Safety Council
- National Energy Globe Award for Thar Million Trees Project
- Silver award (Environmental Sustainability Program category) by Gulf International Sustainability Awards (GSA)

Engro Powergen Qadirpur

Best Presented Annual Report Award by South Asian Federation of Accountants (SAFA) in 'Power' and 'Energy' categories (joint winner)

Engro Powergen Thar

- World's Top Coal Plants by POWER Magazine in Coal-Fired category
- ISO 14001 certification for Environmental Management
- Dubbed 'Coal Power Project of the Year' by Asian Power Awards in Silver category International Safety Awards
- Bronze Award at the first-ever NEPRA CSR Awards

Engro Enfrashare

- Certificate of Appreciation from Ufone for Disaster Recovery during floods
- Certificate of Appreciation from Ufone for Network Excellence, maintaining KPIs above targets and SLA exceed for Q1 and Q2
- Certificate of Appreciation from Telenor for maintaining KPIs and SLA exceed in Q1 and Q2 (above 99.5%)
- Certificate of Appreciation from Jazz on maintaining USF Network Availability (above 99.5%)







The Directors of Engro Corporation Limited (Company) are pleased to present the Annual Report and audited financial statements for the year ended December 31, 2022.

principal activity

The principal activity of the Company is to manage its investments in subsidiaries, associates, and joint ventures which are engaged in manufacturing and trading of fertilizer, manufacturing and marketing of Chlor-Vinyl products, providing critical telecommunication infrastructure, processing and packaging of dairy products, power generation, coal mining, foods, LNG and bulk chemical handling terminal and storage businesses.

macroeconomic environment

global economy

Global economic growth contracted from 6% in CY'2021 to 3.2% in CY'2022, primarily on the back of the spill-over effects of the Russia-Ukraine crisis and resurgence of COVID-19 lockdowns in China. Russia's invasion of Ukraine destabilized the global economy. The war has intensified geopolitical fragmentation and aided a severe global energy crisis. On the back of this, energy markets have exhibited volatility throughout the year, resulting in supply-side inflationary pressures. High prices of crude oil, on account of supply shortages, caused a slowdown in oil-reliant economies. Frequent lockdowns in China under its zero-COVID policy have resulted in disruption of trade flows, which further exacerbated the precarious macroeconomic situation.

As a result, global central banks resorted to monetary tightening with interest rate hikes as their primary lever to manage the high inflation push. This global monetary tightening and strengthening of the dollar has adversely impacted many emerging markets, leading to tightening financial conditions and high cost of imported goods.

Pakistan's economy

The Pakistani economy exhibited a growth of 6% in CY'2022 and gained momentum in post-COVID recovery. However, growth is expected to shrink to 2-3% in CY'2023 due to macroeconomic headwinds. Catastrophic floods led to a potential damage of ~USD 30 billion, a spike in energy prices spurred by the removal of fuel and electricity subsidies, massive depreciation of the Rupee, and a surge in global commodity prices. This pushed average headline inflation to ~20%.

The current account deficit widened to 4.6% of GDP, compared to 0.8% last year, owing to inadequate exports and high reliance on imports. Moreover, political instability in the Country posed further challenges to the economy, overall. Surrounding all these challenges is the risk of sovereign default due to drying up of foreign currency reserves. Given the precarious state of foreign exchange reserves, businesses across Pakistan are facing difficulties on account of varying concerns, including LC-opening and foreign services procurement.

In response to significant inflationary pressures and imbalances that emerged in the external sector and financial markets, State Bank of Pakistan (SBP) adopted a monetary policy tightening of 625 basis points (9.75% to 16%) during the year. In addition, the Government imposed a Super Tax of 4% prospectively, as well as on prior year earnings, and an additional one-time tax of 6% on selected sectors retrospectively on 2021 earnings. These measures were taken in an attempt to secure an IMF bailout plan.

On the other hand, the Government has successfully secured commitments of more than USD 9 billion in pledges for post-flood recovery from international donors such as Saudi Arabia, World Bank, and the European Union. This will help alleviate pressure on Pakistan and contribute considerably to paving the road to recovery.

At this juncture, the right mix of fiscal and monetary policies via a stable macroeconomic environment will allow companies to increase economic growth over time and lead to the revival of business confidence.

year at a glance

2022 was a year of resilience for Engro. Despite economic challenges, Engro Corporation's performance largely remained positive due to its diversified portfolio, barring the impact of Super Tax. The Group rapidly adapted to changes in market conditions, not compromising on growth, and maintained high utilization levels across businesses.

Inflationary pressures were evident across the Group, affecting margins. In response, the Group deployed cost optimization measures to ensure long-term sustainability of its operations and successfully limited its cost push below average inflation of ~20%. Further, effective capital allocation and Engro's presence in the critical sectors of the economy has enabled our portfolio to be resilient in these challenging times, which is hedged against volatility in foreign exchange and interest rates.

With reference to imposition of a 4% super tax on retrospective years' earnings and additional discriminatory Super Tax of 6% on selected sectors, the Group appealed before the Sindh High Court and the matter was decided in its favour. Whilst having the support of our legal and tax advisors, it prudently decided to maintain provision to the extent of the 4% Super Tax.

During the year, the Company and its subsidiaries achieved various growth and operational milestones:

I. Engro Polymer & Chemicals achieved its highest-ever PVC sales of 242 KT with the help of a PVC expansion of 300 KT and VCM debottlenecking of 50 KT.

engro corporation limited annual report 2022 annual report 2022 enabling growth

- II. Phase II of Sindh Engro Coal Mining Company mine expansion was successfully completed, doubling its existing mining capacity to 7.6 MTPA. It achieved COD on October 1, 2022, as per plan, with an operational availability of 100%, despite heavy rains during the year. Moreover, the Government of Sindh has approved Phase III of the mine expansion, which is expected to be completed by early 2024. Post-expansion, Thar coal would become the cheapest source of base load energy.
- III. With the goal to bridge the digital divide and enable inclusion through world-class digital infrastructure in Pakistan, we have made an equity commitment of PKR 21.5 billion towards our Connectivity vertical, Engro Enfrashare. This will cater to the growing demand for Build-to-Suit Towers. During the year, the business added 1,083 new towers to its portfolio, taking the total operational sites to 3,328 with a tenancy ratio of 1.17x. Now, 50% of our tower sites are solarized, highlighting a push toward sustainable energy and focusing on optimized energy margins. Building on this momentum, we aim to have 5,000+ towers by the end of 2024.
- IV. During the year, Engro Eximp FZE Engro's global trading arm initiated commercial activity in UAE with the vision to consolidate the Group's trading activities under one roof. In addition to this, Engro Eximp FZE plans to leverage its position to further the reach of Pakistani products with third-party contracts across the globe and streamline inflow of goods to the domestic market.
- V. We remain focused on building a sustainable import substitution model and an export-oriented structure. Our businesses enabled import substitution of ~USD 1.7 billion through indigenous production of PVC, fertilizers, and coal extraction. We also successfully exported rice, caustic soda, and PVC resin worth USD 52 million.

business performance review

The Company posted a standalone PAT of PKR 21,196 million against PKR 18,516 million for the comparative year, translating into an EPS of PKR 36.79 per share. The 14% increase in profitability is primarily owing to higher interest income, as well as higher dividends from the Polymer, Fertilizer and Energy businesses which has been partially offset by Super Tax.

The Company's consolidated revenue grew by 14% to PKR 356,428 million against PKR 311,587 million for the comparative year. The consolidated Profit after Tax (PAT) for the year end 2022 was PKR 46,111 million – down by 12% due to Super Tax of PKR 7,151 million and one-off adjustment of EPTL tariff true up of PKR 2,911 million. The PAT attributable to the shareholders decreased to PKR 24,332 million from PKR 27,942 million in 2021, resulting in an Earnings per Share (EPS) of PKR 42.23 compared to PKR 48.50 for 2021.

Business Overview	Revenue (PKR in Mn)		Profit after Tax (PKR in Mn)	
	2022	2021	2022	2021
Fertilizer & Food ¹	237,576	188,766	17,788	22,903
Polymer & Chemicals	82,060	70,022	11,689	15,061
Telecom Infrastructure	9,095	4,489	(253)	(669)
Energy	83,070	87,525	15,351	14,649
Terminals	21,912	17,390	4,874	3,913

¹includes EFERT, FCEPL and EEAP

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enabling growth

engro fertilizers

Revenue

(amount in millions)

PKR

157,016

Contributing to food security in Pakistan and an import substitution of USD 1.3 billion.

The local agricultural sector has been adversely affected by the current macroeconomic downturn and severe flooding in monsoon 2022. Urea sales stood at 1,935 KT versus last year's record of 2,295 KT, mainly attributable to LTR turnaround at the Base plant during the year. Engro Fertilizer made history by executing the longest and most complex turnaround in 50 years with zero TRIR – a testament to the Group's commitment towards excellence in safety and plant reliability. The performance of the operation facility is expected to improve in the coming years due to greater efficiency following the completion of this reliability project.

International urea prices softened by ~52% to land at USD 456/T (landed cost equivalent to PKR 6,705/bag) by the end of 2022, due to capacity expansions around the globe. International phosphate prices decreased to USD 730/T on the back of a slowdown in global demand and commodity cycle reversal. In the midst of global commodity price volatility, the local fertilizer industry ensured availability of locally-produced urea to farmers at a discount of ~66% over international prices. This enabled import substitution to the tune of USD 4.5 billion in 2022, wherein Engro Fertilizers' contribution stood at USD 1.3 billion, equating to 29%.

The Fertilizer business recorded a revenue of PKR 157 billion versus PKR 132 billion in 2021, primarily driven by an increase in local urea and global commodity prices. The PAT stood at PKR 16 billion versus PKR 21 billion last year, demonstrating a decrease mainly due to a Super Tax amounting to PKR 3.8 billion. High phosphate prices and the impact of floods drove a decline in sales to 333 KT from 366 KT in 2021. IN CHANGE IN CO. SAHARA ENGRO LIMBS FACILITY HIGH SCHOOL **Engro Learning Centre**



Revenue

of PKR 82 billion compared to PKR 70 billion – up by 17%, mainly attributable to higher PVC volumes and prices. The PAT stood at PKR 12 billion against PKR 15 billion in 2021, primarily (amount in millions) due to a Super Tax impact of PKR 1.2 billion. The business recorded its highest-ever domestic sales of 231 KT against 207 KT in 2021, translating to a market share of 94%. Post serving the local PVC demand, the business also **PKR** recorded its highest-ever export sales of 25 KT, including caustic soda exports of 15 KT, 82,060 generating foreign exchange of USD 21 million.

opportunities.

Sole producer of PVC resin in Pakistan, providing import substitution and export

International PVC prices averaged at USD 1,106/MT during the year, due to supply concerns resulting from the resurgence of COVID-19 in China. Despite this, supplies to the domestic PVC downstream market remained uninterrupted due to Engro Polymer & Chemicals' steady production. Timely expansion and operational reliability of the plant supported Pakistan in

The petrochemical business continued its upward momentum by registering a record revenue

avoiding USD 134 million incremental outflows in the form of import substitution.



increase. The business is well positioned to capture future growth, expected to be driven by an increase in data usage, localization of smartphone assembling and other policy-level

interventions made by the Government.



engro vopak & elengy terminals

Revenue

(amount in millions)

PKR **21,912**

Engro Vopak witnessed growth while providing storage solutions for bulk liquid chemicals and LPG. Engro Elengy continued to help alleviate the energy shortage in Pakistan.

Engro Vopak Terminal recorded its highest-ever volumetric increase in chemical handling to 1,331 KT, against 1,280 KT last year. This can be attributed mainly to higher imports of phosphoric acid and paraxylene, which were offset by lower LPG marine imports of 32% over last year, driven by the reopening of the Taftan Border.

Overall profitability of the terminal business was impacted slightly by the imposition of the Super Tax during 2022. But the business successfully completed 25 years of safe operations without lost work or injuries, maintaining exceptional health, safety, and quality standards.

The LNG terminal handled 74 vessels and delivered 219 bcf re-gasified LNG to the SSGC network, accounting for 13%-15% of the total gas supply in Pakistan, with an availability factor of 97.6%.



frieslandcampina engro

Revenue

(amount in millions)

PKR **73,473**

FrieslandCampina Engro flourished on the back of strong volumetric sales in both the Dairy and Ice Cream segments.

FrieslandCampina Engro Pakistan (FCEPL) demonstrated a topline growth of 40%, reporting a net revenue of PKR 73 billion against PKR 52 billion from last year. Despite an economic downturn and external instabilities such as steep increases in commodity prices and depreciation of the Rupee, FCEPL's agile business model enabled it to thrive in the face of adversity. The business recorded a PAT growth of 39% from PKR 1.8 billion in 2021 to PKR 2.5 billion in 2022, due to volumetric growth driven by the expansion of its distribution network.

FCEPL also intensified its efforts towards rectifying the damage done by the floods, focusing on animal welfare in Sindh and Balochistan, near its facility in Sukkur and Nara Farm.





Revenue

(amount in millions)

PKR

7,085

Continued focus on exports

As a key contributor to the national foreign exchange reserves, Engro Eximp Agriproducts continued its focus on exports. It generated a revenue of USD 31 million through exports of 37 KT rice, versus 24 KT last year, on the back of ease in supply chain disruptions.

The business continued developing its foothold in the local market as domestic volumes stood at 11 KT during the period.

During the year, the management of EEAPL discovered a significant difference between the inventory balance in the books and the physical inventory available in warehouses. Detailed analysis conducted by the internal team revealed unsubstantiated postings in the inventory valuation model. Post investigation, it was concluded that the impact of these differences aggregate to PKR 2.4 billion and it relates to both the current and prior periods. In the financial statement, the impact has been fully recognized in the profit and loss account by the subsidiary company as per applicable accounting standards.

Management has taken necessary action and developed a corrective strategy to ensure such instances are not repeated. The Board of Directors reviewed the internal investigation report on the matter and directed the management to engage a third-party audit firm to conduct a further detailed review, together with root cause analysis and recommendations, to strengthen controls and systems.

capital allocation update

During the year, Engro invested across its verticals, thereby creating substantial shareholder value and further enhancing the Group's contribution toward Pakistan's progress. Some of the many highlights of the year include:

- I. Engro Energy, in collaboration with the Government of Sindh, is currently evaluating the development of Pakistan's first hybrid 1 GW renewable energy (RE) park. The project has potential to provide ~ USD 400 million in import substitution. Phase I of the project, with a capacity of 400 MW, is planned to be operational by early 2024, with confirmed land availability. This initiative aims to reduce electricity costs for industrial consumers by approximately 20% and support the Government's goal of increasing the share of renewable energy in Pakistan's energy mix to 30% by 2030. The Company has also been successful in securing interest from buyers, as evidenced by the ~670 MW worth of MOUs that have been signed. At the same time, it is working with policymakers to build a landscape conducive to project execution.
- II. The Company ventured into the telecommunication infrastructure industry with the goal of enabling telecom access throughout Pakistan and unlocking significant value in the sector. Our subsidiary is well on track to reach its target of 5,000+ towers by 2024. Furthermore, the Company is actively exploring new investment opportunities and has recently announced its interest in pursuing mergers and acquisition activities.
- III. The Company has announced a share buyback program of up to 70 million shares, to be repurchased until July 23, 2023. The management team, with the support of the Board of Directors, believes that Engro has the potential to continue creating value for shareholders and presents a high upside opportunity at current market prices.
- IV. The Company conducted a comprehensive techno-commercial analysis and FEED to evaluate the feasibility of building an indigenous PDH and PP facility in Pakistan. Despite strong local market conditions and ample technical expertise, high capital expenditure projections due to an unprecedented increase in EPC contracts led to the decision to temporarily hold the project. However, Engro will continuously reevaluate the situation and remains open to the possibility of restarting work on the project in the future.
- V. Engro Fertilizers, in collaboration with other fertilizer manufacturers, has entered a contract with Mari Petroleum Company Limited (MPCL) to construct a compression unit at the Mari Field. This will help maintain an appropriate level of delivery pressure, allowing the manufacturing facility to function at optimal levels on indigenous gas for a foreseeable future.
- VI. Engro Polymer & Chemicals has initiated a FEED study for a ~ 50 KTPA VCM facility which is well underway. As the Pakistani market continues to expand, it is dedicated to remaining the prime supplier of PVC to the local market, while maximizing profits through in-house production and tapping into export potential.

VII. In line with its strategy of diversification and import substitution, Engro Polymer & Chemicals is progressing with its Hydrogen Peroxide project of ~28 KMT. The project's completion date is expected in the third quarter of 2023. This will strengthen the Company's financial position and add a key product to its portfolio.

2023 – focus buckets

We are pleased to report our portfolio performance. However, it is important to acknowledge that the external environment is likely to remain uncertain and may pose challenges in the future. As Engro's presence is in the critical sectors of the economy, including food and energy, continuity of business operations will remain imperative. To protect and enhance value for our shareholders, we plan to implement a strategy that focuses on proactively managing potential disruptions and diversifying our operations across different regions.

Following are some of the key strategic initiatives being pursued by the Group:

- We foresee a razor-sharp focus on optimizing expenses. Our emphasis on cost-efficiency, caution, and adaptability has enabled us to navigate difficult times. This will entail increasing operational efficiency through process automation, use of technology to monitor spend and identifying value pockets in key business divisions.
- Despite economic headwinds, plant reliability and efficiency have and will remain a priority. Targetted interventions will be proactively taken to secure the wellbeing of our assets.
- Given the precarious state of foreign exchange reserves, the Group companies devised a strategy to proactively secure critical raw material and instruments. This ensured minimal disruptions at operating facilities and supported margin realization across our portfolio. Our teams will continue to deliver on the same strategy going forward to sustainably execute business operations.
- The Company is also developing a robust export strategy that aims to utilize its valuable resources, including land, natural resources, and human capital. Our intent is to further develop our export base in rice and Chlor-Vinyl products. We will explore export opportunities in various industries such as food, agriculture, chemicals, technology, and mining.
- Internationalization will be a major priority. The Company is focusing on international ventures with global partners, which will enable geographical diversification and market the Engro brand around the world.

near-term outlook

The near-term growth outlook is soft due to macroeconomic instability caused by a deteriorating external financing position, political uncertainty, and fiscal challenges. However, with effective policy measures, the economy is expected to regain momentum in the medium-term and grow through increased exports, import substitution, and potential foreign investment. Overall, the long-term prospects appear positive and the Company has always remained positive on the potential of Pakistan.

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Engro Corporation is well-positioned to play a significant role in addressing some of Pakistan's most pressing issues and improving the lives of its citizens. We are committed to expanding our business operations across our 4 key verticals and exploring new opportunities for growth, with a focus on creating sustainable value for all and maintaining a resilient and agile business model.

fertilizers

Agriculture in Pakistan is facing significant challenges due to a combination of political and economic uncertainty and the recent flooding. As the economy relies on agricultural output heavily, the obstacles expected in the upcoming months are significant.

But the right government interventions and assistance from relevant agencies, we believe, can bring about a recovery. Our Company remains dedicated to playing its part by providing discounted prices on essential fertilizers from international markets.

petrochemicals

The Polymer business plays a pivotal role in preserving foreign currency through import substitution, as well as generating foreign currency through exports.

Engro Polymer & Chemicals remains committed to serving as a key feedstock supplier to major Pakistani industries like construction and textile. In light of the looming gas shortage, it is exploring alternative energy sources for its business to reduce power costs and mitigate the risk of gas availability, while also continuing to identify new projects and markets. In addition to the above, the Company also expects to receive adequate gas supplies from the Government, being a critical raw material provider to the export-oriented textile sector.

energy

Energy security remains one of the most pressing issues in Pakistan. An import-driven energy policy is not sustainable for the country and so, with the aim of providing indigenous affordable energy, Thar coal will remain high on the government's merit order list for the power sector as it provides hedging against rising fuel prices. To meet potential energy demand, our mining business has successfully expanded capacity to 7.6 million TPA and will continue to expand up to 11.4 million TPA by early 2024.

The management is collaborating with cement manufacturers and power producers using imported coal to utilize indigenous Thar coal. We believe that fully utilizing Thar coal can address both energy sector problems and our burgeoning foreign exchange crisis.

To enable the drive toward sustainable energy, the Energy business, in collaboration with the regulators and industry stakeholders, has made progress on the feasibility of the 400 MW Renewable Energy Park (RE Park) in Jhimpir. This will play a vital part in promoting and paving the way towards a sustainable future by providing affordable and green electricity at large. The Company has confirmed availability of ~6,700 acres of land for the same, which is sufficient to support an electricity generation capacity of more than 400 MW. It also has ~670 MW of commitments in place from potential customers.

terminal operations

The LNG terminal is also working to alleviate energy shortages. As the market's demand for energy grows, we will continue to explore new opportunities to increase shareholder value.

Engro Vopak's unique position in the liquid chemicals handling industry allows it to remain a market leader in the chemical handling and storage business, with expectations to perform even better. However, marine LPG imports are expected to remain under pressure due to imports through the Taftan Border area.

Nonetheless, we are pleased to continue our successful 25-year relationship with Royal Vopak, a market leader, which paves the way for Engro and Royal Vopak to collaborate further, domestically and internationally, by utilizing their combined resources and expertise.

foods

The challenging macroeconomic circumstances may result in a moderation in consumer discretionary spending and hamper our growth momentum. However, the Company will prioritize ensuring a consistent supply of nutritious and safe products. It will continue driving growth by proactively engaging with suppliers and distributors to ensure a seamless supply chain and focus on improving profitability.

telecommunication infrastructure

The growing demand for mobile data and high-quality services is motivating MNOs to improve through aggressive Built-to-Suit roll outs. As a result, the business outlook for Enfrashare remains strong as it enables MNOs to concentrate on their core business by undertaking the telecommunication tower-related capex and optimizing operational efficiencies. The present macroeconomic situation will result in inflationary pressures, requiring further cost optimization for the business.

Engro Enfrashare will continue to maintain its market leadership as an Independent Tower Company through internal and external growth opportunities. It is on track to reach the earlier-set goal of becoming a 5,000+ Tower Company by the year 2024.

As a responsible corporate citizen, operating in Pakistan for nearly 60 years, Engro will continue to contribute towards enabling the recovery of our economy at this pivotal juncture.

distribution to shareholders

The Board endeavors to maximize overall portfolio returns and is pleased to propose a final cash dividend of PKR 1 per share for the year ended December 31, 2022. The total dividend attributable to the year is PKR 34 per share, including the total interim cash dividend of PKR 33 per share during the year.

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credit ratings and gearing

During 2022, credit rating agencies reaffirmed the credit strength of the Company and its subsidiaries.

Company	Rating Agency	Long-term Rating	Short-term Rating
Engro Corporation Limited	PACRA	AA+	A1+
Engro Fertilizers Limited	PACRA	AA	A1+
Engro Polymer & Chemicals Limited	PACRA	AA	A1+
Engro Eximp Agriproducts (Private) Limited	PACRA	A-	A2
Engro Enfrashare (Private) Limited	VIS	A-	A2
Engro Powergen Thar (Private) Limited	PACRA	AA-	A1
Engro Elengy Terminal (Private) Limited	PACRA	AA-	A1

These credit ratings reflect the entities' financial and management strengths, as well as favourable credit standing, and are a testament to our strong balance sheet and robust performance with consistent dividend payouts.

Consolidated borrowings at year-end remained stable at PKR 255,291 million from PKR 222,203 million on December 31, 2021. The gearing for the year is 51% versus 48% as at 2021 year-end, leaving sufficient room to increase leverage for future growth opportunities.

risk management

Engro Corporation and its subsidiaries use the Lean Enterprise Risk Management framework in assessing and managing risk. It is our policy to view risk management as integral to the creation, protection, and enhancement of shareholder value by managing the significant uncertainties and risks that could possibly influence the achievement of corporate goals and objectives.

Engro's diversified businesses operate in a complex business environment and it requires assessment of each business' strategy and quantum of risk that the business is willing to accept by adequately assigning responsibilities throughout the organization. Each subsidiary assesses the probability and impact of risk that the entity is exposed to and assigns responsibilities to manage those risks on an on-going basis. Risks are identified across the organization and ranked based on their impact and probability. Upon identification, a strategy is devised to mitigate its impact, which is monitored by the Management Committee and the Board.

Engro Corporation has identified the following significant risks and mitigation strategies:

economic and regulatory risk	Continuous pr	roactive	efforts an	d dialogues	with
	policymakers h	nelp our	businesses	respond to	tough
	economic condi	itions and	regulatory cl	nallenges.	

foreign exchange riskEngro's investment portfolio exposes us to foreign exchange risk. By viewing the complete portfolio, it is ensured that

maximum adequate natural hedges exist.

interest rate risk The Company's borrowings and investment of surplus funds

exposes us to an interest rate risk. This is mitigated by regular monitoring of interest rates for adverse movements and investing surplus funds in short-term instruments.

liquidity risk The purpose of Engro's treasury policies is to ensure

availability of sufficient funds to meet contractual commitments and requirements for potential portfolio growth. Liquidity risk is mitigated through internal cash generation and committed facilities with financial

institutions.

credit risk Careful selection of strong financial institutions with strong

credit ratings helps in mitigating this risk.

business operation risk Concerns of energy, sourcing imported raw materials and

other operational risks are assessed on a regular and ongoing basis. The Company proactively takes measures, i.e. the gas compression project, to enhance exports and

enable a sustainable value chain.

board of directors

The Board of Directors reviews all significant matters of the Company. These include its strategic direction, annual business plans and targets, decisions on long-term investments and borrowings. It is committed to maintaining high standards of Corporate Governance.

The existing Board was elected on April 26, 2021. It comprises of 10 directors, including the CEO, and possess a diverse mix of gender, knowledge, and expertise to enhance its effectiveness. The Board consists of 3 women directors and 7 men directors, categorized as follows:

- 3 Independent men directors
- 2 Independent women directors
- 3 Non-Executive men directors
- 1 Non-Executive women director
- 1 Executive Director

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Following are the names of the personnel who, at any time during 2022, were Directors on the Board of the Company:

- 1. Mr. Hussain Dawood
- 2. Mr. Shahzada Dawood
- 3. Mr. Abdul Samad Dawood
- 4. Ms. Sabrina Dawood
- 5. Mr. Muhammad Abdul Aleem
- 6. Mr. Rizwan Diwan
- 7. Mr. Khawaja Igbal Hassan
- 8. Ms. Henna Inam
- 9. Ms. Dominique Russo
- 10. Mr. Ghias Khan

In 2022, the Board held 10 meetings to cover its complete cycle of activities. It has established three committees to assist it in carrying out fiduciary duties. These committees, along with their membership details, are as follows:

Board Audit Committee	Board Investment Committee	Board People Committee
4 meetings held in 2022	8 meetings held in 2022	10 meetings held in 2022
Mr. Muhammad Abdul Aleem	Mr. Shahzada Dawood	Ms. Henna Inam
Mr. Rizwan Diwan	Mr. Muhammad Abdul Aleem	Mr. Shahzada Dawood
Mr. Khawaja Iqbal Hassan	Mr. Rizwan Diwan	Mr. Khawaja Iqbal Hasan
Ms. Henna Inam	Ms. Dominique Russo	Ms. Dominique Russo

statement of directors' responsibilities

The Directors confirm compliance with the Corporate & Financial Reporting Framework of the Securities and Exchange Commission of Pakistan Code of Governance for the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.

- Appropriate accounting policies have been consistently applied in preparation of the financial statements, except for changes resulting on initial application of standards and amendments or interpretations to existing standards. Accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures therefrom have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no material departure from the best practices of corporate governance.

remuneration policy for non-executive and independent directors

The Board of Directors has approved a 'Remuneration Policy for Non-Executive and Independent Directors', salient features of which are:

- The remuneration shall be appropriate and commensurate with the level of responsibility and expertise of the directors, aimed at attracting and retaining the directors needed to govern the Company successfully and encourage value addition. The remuneration shall not compromise nor influence, in any way, the independence of the directors.
- The Board, if deemed appropriate, may engage an independent consultant to determine the appropriate level of remuneration of its directors.
- No remuneration shall be paid to an Executive Director or any Non-Executive Directors who are employees in other Engro entities, for attending meetings of the Board and its committees.
- Any travel and other necessary expenses incurred by the directors for attending meetings of the Board and its committees shall be reimbursed at actual.

compensation of directors

The Company has a formal policy and transparent procedures for the remuneration of its directors in accordance with the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The policy also provides travel and daily allowance entitlements for Non-Executive Directors for business-related travel.

The remuneration, including the directors' fee for attending the Board or Board Committee Meeting, paid to the Directors and CEO, is disclosed on Note 28 to the Unconsolidated Financial Statements.

adequacy of internal financial controls

The Board of Directors is ultimately responsible for Engro's system of internal control and for reviewing its effectiveness. The Board, whilst maintaining its overall responsibility, has delegated the detailed design and operation of the system of internal controls to the CEO.

Engro's system of internal controls comprises of clear governance structures, authority limits and accountabilities, well understood policies, procedures and a budgeting process. The Board meets quarterly to consider Engro's financial performance, financial and operating budgets, business growth and developmental plans, capital expenditure proposals and other key performance indicators. The Board Audit Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring the effectiveness of internal controls.

related parties

The Company maintains a comprehensive list of all related parties. All such parties with whom the Company has entered into transactions during the year, along with the nature of its relationship and percentage holdings, have been appropriately disclosed in Note 52 of the Financial Statements.

Certain back-office business functions, e.g., human resources, information technology, treasury, accounts payable and corporate communications, etc, have been strategically centralized at the Company to optimize operations, eliminate duplication and reduction of costs through synergy. It ensures robust governance and risk management, as well as timely insights due to standardized processes, systems, and reporting. The Company has entered cost sharing agreements with its subsidiaries and associated entities, ensuring that all transactions with its related parties arising in the normal course of business are carried out on an arm's length basis at standard commercial terms and conditions.

In compliance with the Code of Corporate Governance and applicable laws, every quarter, a comprehensive list of all related party transactions is placed before the Board Audit Committee for review and based on its recommendation, are subsequently approved by the Board.

auditors

The existing auditors, A.F. Ferguson & Co., Chartered Accountants, had retired and being eligible, have offered themselves for re-appointment. The Board Audit Committee recommends their appointment as auditors for the year ending December 31, 2023.

human capital

At Engro, there is a continued focus on capability development and growth of our people. Having built the foundation for people transformation, we are now empowered to focus on the Talent agenda. A critical step in this pursuit has been the launch of our Talent Development Program (TDP), which aims to empower employees so they may manage their own development and career trajectories. Complementing the TDP, succession planning of key roles has been integral to developing the talent pipeline.

Diversity and inclusion are fundamental enablers of our culture. All interventions are geared towards embedding Diversity, Equity, and Inclusion (DE&I) into our work environment and levelling the playing field for all. As we remain committed to creating an informed and equitable workplace, the DE&I Leaders Program was held this year to sensitize employees and make role models who truly exhibit our inclusive values. This year, our flagship Break Ke Baad program inducted a new batch of women returning from career breaks in various functions across the Group. Catering to another important aspect, a Digital Accessibility Training, as part of the #EnabaleAll initiative, was held to assist internal teams in creating content, that is accessible for Persons with Disabilities. Furthermore, Engro inducted its first ever Person with Disabilities (PWD) Internship program.

In our aim to provide an improved employee experience through structured processes backed by technological advancements, Engro has centralized and digitized its operations. "Putting People First" has always been at the core of our philosophy and continues to reflect in our initiatives and steps towards an enlightened future.

social capital

The performance of a corporate entity in the larger context of the environment, society, and economic returns determines its social capital. We believe that a robust and prosperous society is imperative for the growth of businesses and hence, take pride in our corporate governance and remain cognizant of our responsibility towards the environment and society.

We continue to develop programs and interventions to positively contribute toward addressing some of Pakistan's most pressing issues across our value chains and deploy philanthropic capital for the betterment of the communities in which we operate. Our education, skills development, healthcare, and other community programs provide opportunities that drive a long-term symbiotic relationship between our businesses and communities. Details of our environmental and social programs are available in our Sustainability Reports.

health, safety, and environment (HSE)

HSE is a core value at Engro and we remain fully committed to adopting the best practices. Our approach builds on continuous learning from our experiences, HSE standards, and best-in-class industry practices. We continuously strive toward zero occupational injuries, illnesses, and HSE incidents. We are duty-bound to practice inherent safety in design while also maintaining compliance with both Federal and Provincial regulatory requirements wherever the Company operates.

With a drive to continually excel and adopt world-class HSE management systems, Engro has embarked on a multi-year journey to move from a compliance-based approach to an adaptive, risk-based HSE management system in partnership with DuPont Sustainable Solutions (DSS+) – a renowned international HSE consultant. A dedicated team under Engro's Central Technical Division (CTD) led the critical change management process across the Organization.

Significant efforts are being made to develop organizational capability on world-class HSE risk assessment methodology, including Hazard Identification (HAZID), Process Hazards Analysis (PHA), Layer of Protection Analysis (LOPA), and Bow Tie Analysis. In 2022, a total of 4,000 hours were invested in capacity-building training sessions for selected risk-based champions on a "train the trainer" concept. Full transformation of the HSE system will be completed within 7 years (2021 - 2027). As a first step, quick scanning of high-consequence threats (Major Accident Hazards) is to be completed by the end of 2023 for all Engro Group Companies. In 2022, approximately 12,000 hours were spent reviewing the high-consequence threats and effectiveness of their associated barriers for Engro Fertilizers (in Daharki), Engro Polymer & Chemicals (in Port Qasim), and Engro Powergen Thar (in Thar). The output of this exercise is fed to a high-level dashboard to provide visibility of HSE analytics to senior leadership for effective risk management. It shall also provide input to the enterprise risk register.

The Group HSE (GHSE) team works with its affiliates to drive the implementation of health, safety, and environmental initiatives and provide continuous oversight and guidance. The team maintains corporate HSE standards by reinforcing our agenda of safety for all through compliance audits, performance tracking, gap analysis, and incident investigations. The Company will pursue these obligations by enforcing a goal-oriented HSE Management System derived from international standards and industry best practices. Compliance with HSE standards is a part of our Leadership Competency Model, used for evaluating our employees.

The key focus during 2022 was on developing Engro Corporation's HSE standards to institutionalize minimum requirements that would be enforced across all Engro locations. Second Party audits were conducted at numerous sites to assess the effectiveness of the HSE Management System and provide guidance regarding areas of improvement. A large part of GHSE's efforts was applied to developing and putting in a new HSE MIS platform – VelocityEHS – to manage HSE work processes better and enable analytics on the database to identify key areas requiring attention. The platform comprises 4 modules – EHS, ESG, Risk Assessment, and MOC (Management of Change). GHSE also led and/or participated in examining adverse outcome events to conduct root cause analysis and define action items to prevent a recurrence. SME support during the development of new projects in defining the HSE requirements and facilitating implementation was also made available as required.

pattern of shareholding

Majority shareholders of Engro Corporation are The Dawood Group, including Dawood Hercules Corporation Limited. Other shareholders include local and foreign institutions and the general public.

A statement of the general pattern of shareholding, along with the pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework, and the statement of purchase and sale of shares undertaken in 2022 by Directors, Executives, their Spouses, and/or Minor Children, is shown in the shareholding section of this Report.

material changes due to subsequent events

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this Report.

acknowledgment

The Directors would like to express their deep appreciation for the Company's shareholders, who have consistently demonstrated their confidence in the Company. We would also like to place on record their sincere appreciation for the commitment, dedication and innovative thinking put in by each member of the Engro family and are confident that they will continue to do so in the future.

Druo

Hussain Dawood Chairman

Mad

Ghias Khan President & CEO

governance control framework

internal control framework responsibility

The Board is ultimately responsible for Engro's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The Board, whilst maintaining its overall responsibility for managing risk within the Company, has delegated the detailed design and operation of the system of internal controls to the CEO.

framework

The Company maintains an established risk-based control framework comprising clear structures, authority limits, and accountabilities, well understood policies and procedures for review processes. All policies and control procedures are documented. The Board establishes corporate strategy and the Company's business objectives. Divisional management integrates these objectives into divisional business strategies with supporting financial objectives.

review

The Board meets quarterly to consider Engro's financial performance, financial and operating budgets and forecasts, business growth and development plans, capital expenditure proposals and other key performance indicators. The Board Audit Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring the effectiveness of internal controls.

There is a Company-wide policy governing appraisal and approval of investment expenditure and asset disposals.

audit

Engro has an Internal Audit function. The Board Audit Committee annually reviews the appropriateness of resources and authority of this function. The Head of Internal Audit functionally reports to the Audit Committee.

The Board Audit Committee approves the audit program, based on an annual risk assessment of the operating areas. The Internal Audit function carries out reviews on the financial, operational and compliance controls, and reports on findings to the Board Audit Committee, CEO and the divisional management.

directors

As at December 31, 2022, the Board comprises of 1 executive director, 5 independent directors and 4 non-executive directors. The Board has the collective responsibility of ensuring that the affairs of Engro are managed competently and with integrity.

A non-executive Director, Mr. Hussain Dawood, Chairs the Board and the CEO is Mr. Ghias Khan. Biographical details of the Directors have been provided in the previous section.

A Board of Directors' meeting calendar is issued annually which schedules the meetings of the Board and the Board Committees. The full Board met 10 times, including meetings for longer term planning, giving consideration both to the opportunities and risks of future strategy.

All Board members are given appropriate documentation in advance of each Board meeting. This normally includes a detailed analysis on businesses and full papers on matters where the Board will be required to make a decision or give its approval.

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statement of compliance with listed companies

(code of corporate governance) regulations, 2019

year ended december 31, 2022

Engro Corporation Limited (hereinafter referred to as "the Company") has complied with the requirments of the Listed Companies (Code of Corporate Governance) Regulation, 2019, ("the Regulations") in the following manner:

1. The total number of directors are 10 as per the following:



^{*} Including the CEO, who is a Deemed Director.

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr Muhammad Abdul Aleem Mr Rizwan Diwan Mr Khawaja Iqbal Hassan
Independent Directors - Women	Ms Henna Inam Ms Dominique Russo
Non-Executive Directors	Mr Hussain Dawood Mr Shahzada Dawood Mr Abdul Samad Dawood
Non-Executive Director-Women	Ms Sabrina Dawood
Executive Director	Mr Ghias Khan

- 3. The directors have confirmed that none of them is serving as a director on more than 7 listed companies, including this Company
- 4. The Company has prepared a Code of Conduct and ensured that appropriate steps have been taken to disseminate it throughout the Company, along with its supporting policies and procedures
- 5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies, along with their dates of approval or updating, is maintained by the Company

- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017, (the Act) and these Regulations
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board
- 8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- 9. 9 Directors are duly certified or exempted from the Directors' Training Program
- 10. The Board had approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations
- 11. The Chief Financial Officer and CEO duly endorsed the financial statements before approval of the Board
- 12. The Board has formed committees comprising of members given below:
 - a) Board Audit Committee
 - Mr. Muhammad Abdul Aleem Chairman
 - Mr. Rizwan Diwan
 - Mr. Khawaja Iqbal Hassan
 - Ms. Henna Inam
 - b) Board People Committee, i.e. HR and Remuneration Committee
 - Ms. Henna Inam Chairperson
 - Mr. Shahzada Dawood
 - Mr. Khawaja Igbal Hassan
 - Ms. Dominique Russo
 - c) Board Investment Committee
 - Mr. Shahzada Dawood Chairman
 - Mr. Muhammad Abdul Aleem
 - Mr. Rizwan Diwan
 - Ms. Dominique Russo
- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance

- 14. The frequency of meetings of the committee were as per following:
 - a) Board Audit Committee 4 meetings held during the year
 - b) Board People Committee 10 meetings held during the year
 - c) Board Investment Committee 8 meetings held during the year
- 15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company
- 16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard

And

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Trus

Mr. Hussain Dawood Chairman



Mr. Ghias Khan President & CEO





independent auditor's review report
To the members of Engro Corporation Limited
Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Engro Corporation Limited for the year ended December 31, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2022.

Alleguen

Chartered Accountants
Karachi

Date: 08 March, 2023

UDIN: CR2022101139KlwQd5P2

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network

State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan

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KARACHI = LAHORE = ISLAMABAD

categories of shareholding

as at december 31, 2022

S. No.	Cateogry of Shareholders	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their Spouse and Minor Children	13	38,266,610	6.64
2	Executives	2	52,650	0.01
3	Associated Companies, Undertakings and Related Parties	11	229,984,896	39.92
4	NIT and ICP	1	105	0.00
5	Banks, Development Financial Institutions, Non Banking Financial Institutions	28	14,671,835	2.55
6	Insurance Companies	24	28,245,193	4.90
7	Modarabas and Mutual Funds	108	31,641,859	5.49
8	Share holders holding 5%	1	214,469,810	37.22
9	General Public : a. local b. Foreign	15,561	144,085,396	25.01
10	Others	489	89,214,686	15.48
Total (excluding : share holders holding		ng 10%) 16,237	576,163,230	100.00

Free Float Shares as at December 31, 2022

Total outstanding shares 576,163,230
Free Float shares 296,191,720
Free Float as a % of total outstanding shares 51.41%

information of shareholding required under reporting framework is as follows:

1. Directors, CEO, and their spouse and minor children

S. No.	Name	No. of Shares Held
1	Mr. Hussain Dawood	17,791,927
2	Mr. Shahzada Dawood	6,536,109
3	Mr. Abdul Samad Dawood	1,263,941
4	Ms. Sabrina Dawood	3,662,370
5	Mr. Mohammad Abdul Aleem	304,153
6	Mr. Rizwan Diwan	110
7	Mr. Khawaja Iqbal Hassan	50,000
8	Ms. Henna Inam	110
9	Ms. Dominique Russo	1
10	Mr. Ghias Uddin Khan	750,000
11	Ms. Kulsum Dawood W/o Hussain Dawood	7,857,659
12	Ms. Ayesha Dawood W/o Abdul Samad Dawood	44
13	Ms. Humera Aleem W/o Mohammad Abdul Aleem	50,186
	Total	38,266,610

S. No.	Name	No. of Sh	nares Held
1	Dawood Hercules Corporation Limited	21	4,469,810
2	Dawood Investments (Private) Limited	1	1,579,845
3	Dawood Corporation (Private) Limited		3,436,290
4	Engro Corporation Limited Provident Fund		164,810
5	Engro Corporation Limited MPT Employees Defined Contribution Gratu	ity Fund	135,620
3	Engro Corporation Limited MPT Employees Defined Contribution Gratu	ity Fund	64,270
7	Engro Foods Limited Employees Gratuity Fund		52,220
3	Dawood Foundation		41,861
9	Engro Corporation Limited MPT Employees Defined Contribution Pension	on Fund	21,780
10	Engro Fertilizers Limited Non-MPT Employees Gratuity Fund		9,890
11	Engro Corporation Limited Gratuity Fund		8,500
	Total	22	9,984,896
3. NIT a	and ICP		
	Total		105
4. Bank	s, Development Financial Institutions, Non Banking Financial Institutions		
	Total	1	4,671,835

14,071,055

5. Insurance Companies

Total 28,245,193

6. Modarabas and Mutual Funds

S. No.	Name	No. of Shares Held	41	Meezan Asset Allocation Fund	107,015
1	Meezan Islamic Fund	4,174,899	42	APF-Equity Sub Fund	102,250
2	Al-Ameen Shariah Stock Fund	2,086,275	43	Nafa Pension Fund Equity Sub-fund Account	100,831
3	NBP Stock Fund	1,865,882	44	HBL Financial Sector Income Fund Plan I - MT	99,000
4	NIT-Equity Market Opportunity Fund	1,854,684	45	NBP Savings Fund - MT	93,500
5	Atlas Stock Market Fund	1,651,529	46	NBP Sarmaya Izafa Fund	92,670
6	MCB Pakistan Stock Market Fund	1,494,401	47	HBL Growth Fund	90,000
7	NBP Islamic Stock Fund	1,326,358	48	Faysal Stock Fund	90,000
0			49	AKD Index Tracker Fund	86,461
8	Atlas Islamic Stock Fund	1,197,369	50	Pakistan Capital Market Fund	79,000
9	KSE Meezan Index Fund	1,176,333	51	NBP Balanced Fund	76,218
10	Al Meezan Mutual Fund	1,016,629	52	JS Large Cap. Fund	70,300
11	Alhamra Islamic Stock Fund	936,000	53	Alfalah GHP Value Fund	66,880
12	Meezan Tahaffuz Pension Fund - Equity Sub Fund	880,252	54	JS Islamic Fund	60,500
13	NIT Islamic Equity Fund	857,610	55	NBP Islamic Active Allocation Equity Fund	57,490
14	UBL Stock Advantage Fund	853,459	56	Al Habib Islamic Stock Fund	57,000
15	ABL Stock Fund	841,196	57	MCB Pakistan Dividend Yield Plan	56,900
16	NBP Islamic Sarmaya Izafa Fund	681,377	58	Meezan Pakistan Exchange Traded Fund	48,461
17	National Investment (Unit) Trust	628,598	59	NBP Mahana Amdani Fund - MT	46,711
18	ABL Islamic Stock Fund	519,519	60	Faysal Islamic Stock Fund	45,644
19	Alhamra Islamic Asset Allocation Fund	515,000	61	NITIPF Equity Sub-Fund	44,750
20	Alfalah GHP Islamic Stock Fund	412,112	62		39,572
21	Lakson Equity Fund	366,810	63	JS Pension Savings Fund - Equity Account HBL Investment Fund	•
22	Al-Ameen Islamic Ret. Sav. Fund-Equity Sub Fund	365,808			35,287
23	JS Growth Fund	356,707	64	UBL Asset Allocation Fund	34,425
24	Faysal MTS Fund - MT	316,005	65	Lakson Tactical Fund	34,094
25	Nafa Islamic Pension Fund Equity Account	313,900	66	HBL Islamic Stock Fund	33,427
26	Meezan Balanced Fund	275,599	67	Lakson Islamic Tactical Fund	27,679
27	Alfalah GHP Stock Fund	260,125	68	AWT Islamic Stock Fund	27,620
28	Faysal Islamic Dedicated Equity Fund	253,692	69	AWT Stock Fund	27,196
29	Alhamra Islamic Pension Fund - Equity Sub Fund	192,500	70	B.R.R. Guardian Modaraba	26,922
30	UBL Retirement Savings Fund - Equity Sub Fund	173,437	71	Faysal Asset Allocation Fund	25,000
31	MCB Pakistan Asset Allocation Fund	170,000	72	NIT Asset Allocation Fund	25,000
32	Pakistan Pension Fund - Equity Sub Fund	165,000	73	NITPF Equity Sub-Fund	24,100
	·	154,534	74	ABL Islamic Pension Fund - Equity Sub Fund	24,040
33	Meezan Dedicated Equity Fund	•	75	HBL - Stock Fund	24,025
34	APIF - Equity Sub Fund	154,500	76	HBL Islamic Asset Allocation Fund	24,025
35	Pak-Qatar Islamic Stock Fund	145,460	77	JS Islamic Pension Savings Fund-Equity Account	23,500
36	Atlas Islamic Dedicated Stock Fund	144,700	78	First Capital Mutual Fund	22,800
37	Unit Trust of Pakistan	138,093	79	NBP Financial Sector Income Fund - Mt	21,000
38	ABL Islamic Dedicated Stock Fund	137,407	80	HBL Equity Fund	20,000
39	Al-Ameen Islamic Asset Allocation Fund	136,565	81	Agipf Equity Sub-Fund	19,290
40	Alfalah GHP Alpha Fund	117,384	82	Alfalah GHP Islamic Dedicated Equity Fund	19,179
			83	UBL Dedicated Equity Fund	18,900
			84	NBP Pakistan Growth Exchange Traded Fund	16,988
			85	Al Ameen Islamic Dedicated Equity Fund	16,900
			00	74.74.110011 Iolariilo Dodioatoa Equity Faria	10,000

S. No. Name

No. of Shares Held

S. No.	Name	No. of Shares Held
95. No. 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108	HBL IPF Equity Sub Fund NIT Pakistan Gateway Exchange Traded Fund Al Habib Stock Fund UBL Pakistan Enterprise Exchange Traded Fund JS Momentum Factor Exchange Traded Fund ABL Pension Fund - Equity Sub Fund AL Habib Asset Allocation Fund Alfalah GHP Dedicated Equity Fund JS Global Capital Limited AGPF Equity Sub-fund Al Habib Islamic Pension Fund-equity Sub Fund JS Global Capital Limited - MF HBL PF Equity Sub Fund Al Habib Pension Fund-equity Sub Fund JS Global Capital Limited-MM-MZN-ETF Tri-star Mutual Fund Limited Faysal Islamic Pension Fund-Equity Sub Fund First Interfund Modaraba JS Global Capital Limited-MM-MZN-ETF JS Global Capital Limited-MM-MZN-ETF JS Global Capital Limited-MM-MZN-ETF First UDL Modaraba Total	15,146 15,080 15,000 14,906 13,110 12,880 11,000 10,653 8,188 7,760 6,500 5,569 5,500 1,201 1,004 945 929 492 103 76 57 2
7. Share	eholder holding 5% or more voting rights in the Company Dawood Hercules Corporation Limited	214,469,810
8. Gene	eral Public (Individual) Total	144,085,396
9. Other	Total	89,214,686
10. Exe	cutives Total	52,650
Total		576,163,230



No. of Sharesholdings				
No of Shareholders	From	То	Total Shares	
3,908 3,619 1,831 3,592 1,221 505 271 190 156 112 64 59 67 64 35 26 31 24 19 16 18 20 18 15 12 7	1 101 501 1,001 5,001 10,001 15,001 20,001 25,001 30,001 35,001 40,001 45,001 50,001 55,001 60,001 65,001 70,001 75,001 80,001 85,001 90,001 100,001 110,001 115,001 115,001 125,001 135,001 135,001 140,001 145,001 150,001	100 500 1,000 5,000 10,000 15,000 20,000 25,000 30,000 35,000 40,000 45,000 50,000 60,000 65,000 70,000 75,000 80,000 85,000 90,000 90,000 105,000 110,000 115,000 120,000 120,000 130,000 145,000 150,000 150,000 150,000	151,980 1,000,898 1,426,405 8,799,484 8,846,853 6,231,201 4,826,135 4,315,203 4,326,293 3,674,663 2,429,078 2,516,312 3,235,080 3,383,487 2,005,571 1,619,652 2,091,727 1,754,015 1,483,602 1,315,107 1,589,678 1,863,607 1,776,750 1,532,078 1,300,030 790,507 1,530,001 854,492 1,162,592 1,066,927 1,372,007 1,002,562 1,775,354 1,219,723	

No. of Sharesholdings				
No of Shareholders	From	То	Total Shares	
5	155,001	160,000	786,830	
8	160,001	165,000	1,317,124	
8	165,001	170,000	1,341,278	
6	170,001	175,000	1,035,952	
6	175,001	180,000	1,060,828	
3	180,001	185,000	543,253	
4	185,001	190,000	749,232	
6	190,001	195,000	1,153,280	
1	195,001	200,000	200,000	
4	200,001	205,000	808,250	
1	205,001	210,000	210,000	
3	210,001	215,000	644,000	
2	215,001	220,000	433,500	
5	220,001	225,000	1,111,575	
2	225,001	230,000	455,595	
1	230,001	235,000	231,940	
5	235,001	240,000	1,190,281	
3	240,001	245,000	725,165	
4	245,001	250,000	993,729	
1	250,001	255,000	253,692	
2	255,001	260,000	520,000	
6	260,001	265,000	1,574,200	
5	265,001	270,000	1,339,629	
3	270,001	275,000	817,933	
3	275,001	280,000	829,643	
1	280,001	285,000	284,847	
2	290,001	295,000	585,711	
4	295,001	300,000	1,193,240	
7	300,001	305,000	2,127,966	
2	305,001	310,000	618,045	
2	310,001	315,000	627,109	
3	315,001	320,000	951,024	
3	320,001	325,000	965,417	
2	335,001	340,000	676,364	
1	345,001	350,000	350,000	
3	355,001	360,000	1,069,716	
1	360,001	365,000	364,292	
3	365,001	370,000	1,102,218	
2	375,001	380,000	752,690	
1	380,001	385,000	381,040	

No of Shareholders	From	To	
- 1		То	Total Shares
1 1 2 1 2 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1	385,001 390,001 395,001 400,001 410,001 425,001 430,001 440,001 475,001 475,001 500,001 510,001 515,001 525,001 535,001 540,001 545,001 550,001 585,001 600,001 610,001 615,001 635,001 640,001 645,001 665,001 680,001	390,000 395,000 400,000 405,000 415,000 435,000 445,000 460,000 480,000 505,000 515,000 520,000 525,000 530,000 540,000 545,000 550,000 560,000 560,000 605,000 615,000 620,000 630,000 640,000 645,000 650,000 670,000 685,000	388,870 390,960 796,600 400,766 826,622 429,677 866,003 883,519 456,000 477,436 995,068 500,010 515,000 519,519 1,565,676 1,582,304 536,700 545,000 550,465 556,750 1,162,969 587,986 1,203,744 1,838,402 619,883 628,598 637,189 644,212 650,000 667,927 681,377
1 1 3 1	680,001 685,001 695,001 710,001	685,000 690,000 700,000 715,000	681,377 686,518 2,095,509 712,009
1 1 1 2 1	745,001 745,001 765,001 780,001 795,001 815,001	750,000 750,000 770,000 785,000 800,000 820,000	750,009 750,000 768,900 780,685 1,600,000 819,425

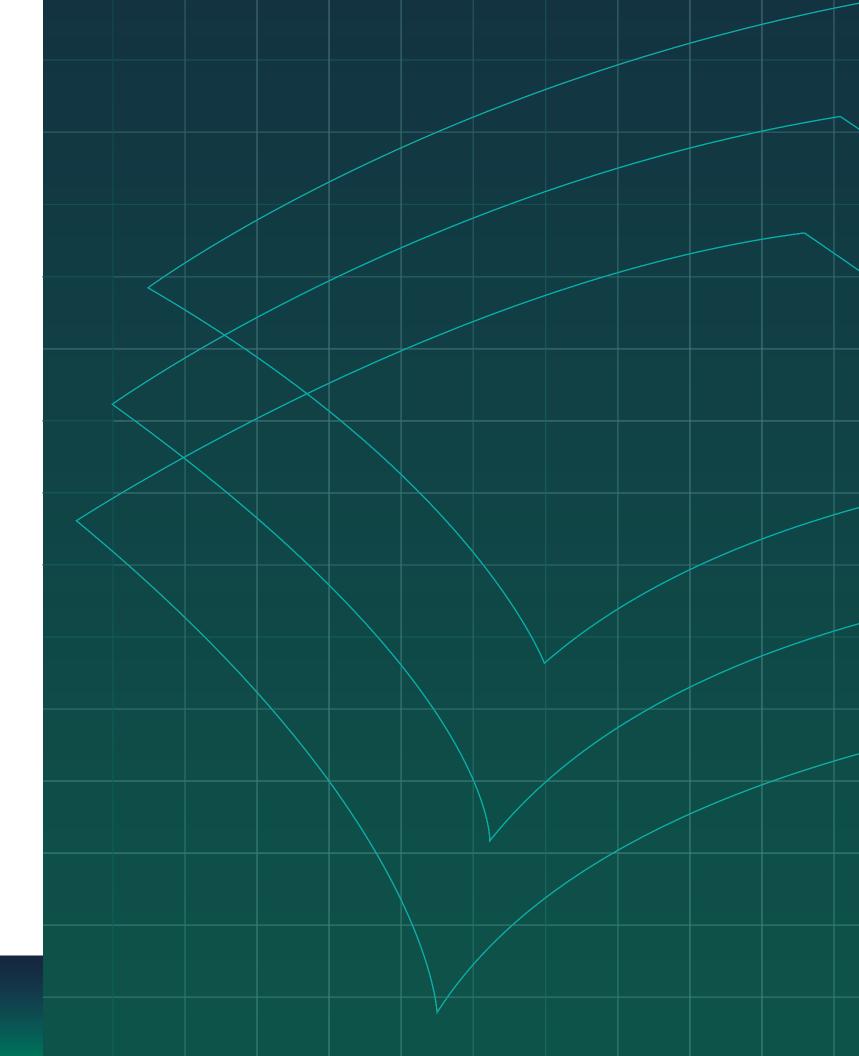
	No. of Sha	resholdings	
No of Shareholders	From	То	Total Shares
1	830,001	835,000	832,000
1	840,001	845,000	841,196
3	850,001	855,000	2,559,259
1	855,001	860,000	857,610
2	865,001	870,000	1,735,580
1	880,001	885,000	880,252
1	885,001	890,000	889,452
1 2	895,001	900,000	896,500
1	935,001 955,001	940,000 960,000	1,871,212 956,790
1	1,015,001	1,020,000	1,016,629
1	1,055,001	1,060,000	1,057,865
1	1,115,001	1,120,000	1,116,410
1	1,150,001	1,155,000	1,154,124
1	1,175,001	1,180,000	1,176,333
1	1,195,001	1,200,000	1,197,369
1	1,200,001	1,205,000	1,203,707
1	1,230,001	1,235,000	1,233,945
1	1,260,001	1,265,000	1,263,941
1	1,275,001	1,280,000	1,278,134
1	1,325,001	1,330,000	1,326,358
1	1,330,001	1,335,000	1,334,286
1	1,365,001	1,370,000	1,369,433
1	1,410,001	1,415,000	1,410,949
1	1,470,001	1,475,000	1,470,515
1	1,485,001	1,490,000	1,489,931
1	1,490,001	1,495,000	1,494,401
1	1,515,001 1,530,001	1,520,000	1,518,000
3	1,570,001	1,535,000 1,575,000	1,530,466 4,716,246
1	1,580,001	1,585,000	1,585,000
1	1,635,001	1,640,000	1,636,434
1	1,650,001	1,655,000	1,651,529
1	1,710,001	1,715,000	1,710,233
1	1,850,001	1,855,000	1,854,684
2	1,865,001	1,870,000	3,733,099
1	1,900,001	1,905,000	1,901,728
1	1,910,001	1,915,000	1,913,928
1	1,930,001	1,935,000	1,934,150
1	2,000,001	2,005,000	2,001,000

	No. of Sha	resholdings	
No of Shareholders	From	То	Total Shares
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2,085,001 2,210,001 2,295,001 2,325,001 2,770,001 3,105,001 3,295,001 3,435,001 3,660,001 3,795,001 4,430,001 4,570,001 4,570,001 6,020,001 6,535,001 7,855,001 11,575,001 13,830,001 117,790,001 20,005,001 214,465,001	2,090,000 2,215,000 2,300,000 2,330,000 2,640,000 2,775,000 3,110,000 3,300,000 3,440,000 3,885,000 4,175,000 4,435,000 4,575,000 4,800,000 5,645,000 6,025,000 6,540,000 7,860,000 11,580,000 13,835,000 17,795,000 20,010,000 214,470,000	2,086,275 2,213,889 2,300,000 2,330,000 2,636,260 2,772,620 3,109,370 3,299,046 3,436,290 3,662,370 3,800,000 3,880,786 4,174,899 4,434,856 4,574,007 4,796,571 5,640,816 6,021,609 6,536,109 7,857,659 8,803,825 11,579,845 13,832,159 17,791,927 20,007,634 214,469,810

Details of Purchase/sale of shares by Directors, Executive* and their spouses/minor children during 2022:

Shahzada Dawood	S. No.	Executive Name	Date of Transaction	Transaction	Number of Shares	Price Per Share
2 Abdul Samad Dawood January 17, 2022 Sold 404000 271.77 3 Muhammad Abdul Aleem January 13, 2022 Bought 20000 272.18 4 Muhammad Abdul Aleem January 7, 2022 Bought 20000 278.00 5 Muhammad Abdul Aleem March 28, 2022 Bought 15000 282.50 6 Muhammad Abdul Aleem March 21, 2022 Bought 15000 264.00 7 Hussain Dawood March 11, 2022 Bought 48000 269.16 8 Hussain Dawood W/o Hussain Dawood March 10, 2022 Bought 50000 269.05 9 Kulsum Dawood W/o Hussain Dawood March 9, 2022 Bought 15000 269.45 10 Shabrzada Dawood March 9, 2022 Bought 15000 268.46 11 Hussain Dawood March 9, 2022 Bought 15000 268.36 12 Hussain Dawood March 7, 2022 Bought 15000 268.37 14 Hussain Dawood <t< td=""><td>1</td><td>Shahzada Dawood</td><td>January 17, 2022</td><td>Bought</td><td>404000</td><td>272.23</td></t<>	1	Shahzada Dawood	January 17, 2022	Bought	404000	272.23
3 Muhammad Abdul Aleem January 13, 2022 Bought 20000 272.18 4 Muhammad Abdul Aleem January 7, 2022 Bought 20000 278.00 5 Muhammad Abdul Aleem March 28, 2022 Bought 15000 262.50 6 Muhammad Abdul Aleem March 21, 2022 Bought 30000 264.00 7 Hussain Dawood March 11, 2022 Bought 48000 269.16 8 Hussain Dawood Wo Hussain Dawood March 10, 2022 Bought 37100 269.45 9 Kulsum Dawood Wo Hussain Dawood March 10, 2022 Bought 18500 269.46 10 Shahzada Dawood March 9, 2022 Bought 152000 268.46 11 Hussain Dawood March 9, 2022 Bought 152000 268.46 12 Hussain Dawood March 7, 2022 Bought 15000 268.76 14 Hussain Dawood March 7, 2022 Bought 15000 268.76 15 Kulsum Dawood Wo Hussain Dawood <td>2</td> <td></td> <td></td> <td>0</td> <td></td> <td></td>	2			0		
5 Muhammad Abdul Aleem March 28, 2022 Bought 15000 262.50 6 Muhammad Abdul Aleem March 21, 2022 Bought 30000 264.00 7 Hussain Dawood March 11, 2022 Bought 48000 269.16 8 Hussain Dawood March 11, 2022 Bought 50000 269.05 9 Kulsum Dawood W/o Hussain Dawood March 10, 2022 Bought 37100 269.45 10 Shahzada Dawood March 10, 2022 Bought 18500 269.46 11 Hussain Dawood March 9, 2022 Bought 15000 268.46 12 Hussain Dawood March 9, 2022 Bought 15000 268.86 13 Hussain Dawood March 8, 2022 Bought 15000 268.76 15 Kulsum Dawood W/o Hussain Dawood March 7, 2022 Bought 15000 268.76 16 Hussain Dawood March 7, 2022 Bought 15000 268.73 17 Kulsum Dawood W/o Hussain Dawood	3	Muhammad Abdul Aleem	3 .	Bought	20000	272.18
6 Muhammad Abdul Aleem March 21, 2022 Bought 30000 264.00 7 Hussain Dawood March 11, 2022 Bought 48000 269.16 8 Hussain Dawood March 11, 2022 Bought 50000 269.05 9 Kulsum Dawood W/o Hussain Dawood March 10, 2022 Bought 37100 269.45 10 Shahzada Dawood March 10, 2022 Bought 18500 269.45 11 Hussain Dawood March 9, 2022 Bought 152000 268.46 12 Hussain Dawood March 8, 2022 Bought 50000 268.88 13 Hussain Dawood March 8, 2022 Bought 150000 268.73 14 Hussain Dawood March 7, 2022 Bought 150000 268.73 15 Kulsum Dawood W/o Hussain Dawood March 7, 2022 Bought 150000 272.94 16 Hussain Dawood March 4, 2022 Bought 5500 271.78 18 Hussain Dawood March 3, 2022	4	Muhammad Abdul Aleem		Bought	20000	278.00
7 Hussain Dawood March 11, 2022 Bought 48000 269.16 8 Hussain Dawood March 11, 2022 Bought 50000 269.05 9 Kulsum Dawood W/o Hussain Dawood March 10, 2022 Bought 37100 269.45 10 Shahzada Dawood March 10, 2022 Bought 18500 269.46 11 Hussain Dawood March 9, 2022 Bought 152000 268.46 12 Hussain Dawood March 9, 2022 Bought 50000 268.48 13 Hussain Dawood March 8, 2022 Bought 110000 268.37 14 Hussain Dawood March 7, 2022 Bought 15000 268.76 15 Kulsum Dawood W/o Hussain Dawood March 7, 2022 Bought 15000 268.73 16 Hussain Dawood March 4, 2022 Bought 15000 268.73 17 Kulsum Dawood W/o Hussain Dawood March 3, 2022 Bought 65000 268.73 19 Hussain Dawood April 8, 2	5	Muhammad Abdul Aleem	March 28, 2022	Bought	15000	262.50
8 Hussain Dawood March 11, 2022 Bought 50000 269.05 9 Kulsum Dawood w/o Hussain Dawood March 10, 2022 Bought 37100 269.45 10 Shahzada Dawood March 10, 2022 Bought 18500 269.46 11 Hussain Dawood March 9, 2022 Bought 152000 268.46 12 Hussain Dawood March 9, 2022 Bought 50000 268.81 13 Hussain Dawood March 9, 2022 Bought 110000 268.87 14 Hussain Dawood March 7, 2022 Bought 15000 268.76 15 Kulsum Dawood w/o Hussain Dawood March 7, 2022 Bought 15000 268.76 16 Hussain Dawood March 4, 2022 Bought 15000 268.76 17 Kulsum Dawood w/o Hussain Dawood March 3, 2022 Bought 5500 271.78 18 Hussain Dawood April 8, 2022 Bought 65000 268.73 19 Hussain Dawood April 8, 20	6	Muhammad Abdul Aleem	March 21, 2022	Bought	30000	264.00
9 Kulsum Dawood w/o Hussain Dawood March 10, 2022 Bought 37100 269.45 10 Shahzada Dawood March 10, 2022 Bought 18500 269.46 11 Hussain Dawood March 9, 2022 Bought 152000 268.46 12 Hussain Dawood March 9, 2022 Bought 50000 268.88 13 Hussain Dawood March 8, 2022 Bought 110000 268.81 14 Hussain Dawood March 7, 2022 Bought 15000 268.76 15 Kulsum Dawood W/o Hussain Dawood March 7, 2022 Bought 25000 268.01 16 Hussain Dawood March 4, 2022 Bought 25000 268.01 17 Kulsum Dawood W/o Hussain Dawood March 4, 2022 Bought 5500 271.78 18 Hussain Dawood April 8, 2022 Bought 65000 268.73 19 Hussain Dawood April 7, 2022 Bought 72003 270.44 21 Hussain Dawood May 23, 202	7	Hussain Dawood	March 11, 2022	Bought	48000	269.16
10 Shahzada Dawood March 10, 2022 Bought 18500 269.46 11 Hussain Dawood March 9, 2022 Bought 152000 268.46 12 Hussain Dawood March 9, 2022 Bought 50000 268.88 13 Hussain Dawood March 8, 2022 Bought 110000 268.73 14 Hussain Dawood W/o Hussain Dawood March 7, 2022 Bought 150000 268.71 15 Kulsum Dawood W/o Hussain Dawood March 4, 2022 Bought 25000 268.01 16 Hussain Dawood W/o Hussain Dawood March 4, 2022 Bought 10000 272.94 17 Kulsum Dawood W/o Hussain Dawood March 3, 2022 Bought 5500 271.78 18 Hussain Dawood April 8, 2022 Bought 65000 268.73 19 Hussain Dawood April 7, 2022 Bought 127997 272.53 20 Hussain Dawood May 23, 2022 Bought 160000 267.02 22 Shahzada Dawood	8	Hussain Dawood	March 11, 2022	Bought	50000	269.05
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33 Shahzada Dawood June 10, 2022 Bought 25,200 264.03					,	
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34 Muhammad Abdul Aleem June 8, 2022 Bought 2,331 260.10			· · · · · · · · · · · · · · · · · · ·	_	,	
	34	Muhammad Abdul Aleem	June 8, 2022	Bought	2,331	260.10

^{*}For the purpose of declaration of shares traded, all direct reportees of the CEO are considered as Exective.



shareholder information

annual general meeting

The annual shareholders meeting will be held at Karachi School of Business and Leadership (KSBL), situated at National Stadium Road, Opp. Liaquat National Hospital, Karachi on Thursday, March 30, 2023, at 02:30 pm.

Shareholders as of March 22, 2023, are encouraged to participate and vote.

Any shareholder may appoint a proxy to vote on his or her behalf. Proxies should be filed with the Company at least 48 hours before the meeting time.

CDC Shareholders or their Proxies are requested to bring with them copies of their Computerized National Identity Cards or passports, along with the Participant's ID number and their account number at the time of attending the AGM in order to facilitate their identification.

ownership

On December 31, 2022, there were 16, 237 shareholders on record of the Company's ordinary shares.

electronic transmission of annual report 2022

In compliance with the Section 223(6) of Companies Act, 2017, the Company has electronically transmitted the Annual Report 2022 through email to shareholders whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited. In those cases, where email addresses are not available with the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited, printed notice of AGM, along with the QR enabled code/weblink to download the said financial statements have been dispatched. However, the Company would provide hard copies of the Annual Report to the Shareholders on their demand at their registered addresses, free of cost, within one week of such a request.

Further, shareholders are requested to kindly provide the valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited, if you hold shares in physical form or to the respective Participant/Investor Account Services if shares are held in book entry form.

e-dividend mandate (mandatory)

In accordance with the provisions of Section 242 of the Companies Act, 2017, a listed company, is required to pay cash dividend ONLY through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders are requested to provide the information mentioned on an E-Dividend Mandate Form available at the Company's website www.engrofertilizers.com and send the same to your brokers/the Central Depository Company Ltd if the shares are held in the electronic form or to the Company's Shares Registrar if the shares are held in paper certificate form.

quarterly results

The Company issues quarterly financial statements and holds periodic briefings with security analysis to discuss the results and the business environment.

All annual/quarterly reports and periodic briefing presentations are regularly posted on the Company's website.

change of address

All registered shareholders should send information on changes of address to:

M/s. FAMCO Associates (Private) Limited 8-F, Near Hotel Faran Nursery, Block-6 P.E.C.H.S. Shahra-e-Faisal Karachi-74000

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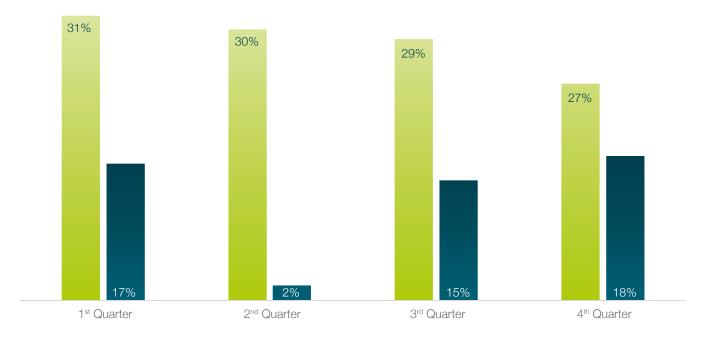
profit and loss quarterly analysis

Amount in millions	1st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Annual
Sales	88,333	89,122	91,285	87,688	356,428
Cost of Sales	(61,116)	(62,166)	(64,642)	(63,884)	(251,808)
Gross Profit	27,217	26,956	26,643	23,804	104,620
Selling and distribution expenses	(1,889)	(1,537)	(2,058)	(3,842)	(9,326)
Administrative expenses	(1,670)	(3,059)	(2,652)	(4,395)	(11,777)
Other Income	3,986	5,637	4,129	8,122	21,874
Other operating expenses	(2,700)	(4,173)	(1,355)	(1,807)	(10,035)
Finance Cost	(5,127)	(6,874)	(7,112)	(9,631)	(28,744)
Remeasurement loss on GIDC					
provision and loss allowance					
on subsidy receiveble	-	(949)	(356)	(321)	(1,626)
Share of Income from Joint Venture	988	284	818	1,125	3,215
Profit Before Taxation	20,805	16,285	18,057	13,054	68,201
Tax	(5,907)	(14,370)	(4,160)	2,347	(22,090)
Profit from continuing operations	14,898	1,915	13,897	15,401	46,111
Loss from discontinued operations	0.24	(0.17)	-	-	0.07
Profit attributable to					
Owners of the Holding Company	7,972	(558)	8,017	8,901	24,332
Non-Controlling Interest	6,926	2,473	5,880	6,500	21,779
	14,898	1,915	13,897	15,401	46,111



■ Earning Per Share ■ Dividend Per Share

Quarterly Gross & Net Profit Margin



■ Gross Profit Margin ■ Net Profit Margin

horizontal analysis balance sheet

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	2022	22 Vs. 21	2021	21 Vs. 20	2020	20 Vs. 19	2019	19 Vs. 18	2018	18 Vs. 17	2017	17 Vs. 16	2016
Horizontal Analysis	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs
EQUITY AND LIABILITIES													
EQUITY													
Share Capital	5,762	-	5,762	-	5,762	-	5,762	10.0	5,238	-	5,238	-	5,238
Share Premium Unappropriated Profits	13,068 142,128	- 3.5	13,068 137,386	10.4	13,068 124,425	9.4	13,068 113,729	0.6	13,068 113,101	- 4.2	13,068 108,587	(2.2)	13,068 111,008
Reserves	5,864	6.2	5,523	7.0	5,161	1.4	5,088	3.7	4,908	7.6	4,563	0.9	4,523
Non-Controlling Interest	73,762	(9.0)	81,061	13.9	71,179	23.6	57,603	16.9	49,272	24.4	39,619	12.4	35,253
	240,584	1	242,800	10.6	219,595	12.5	195,249	5.2	185,587	8.5	171,074	1.2	169,091
NON-CURRENT LIABILITIES	156 174	11.7	100.010	0.4	105.000	(0.4)	100,600	111	101 110	F.1.6	70.051	00.0	60.610
Borrowings Government grant	156,174 1,472	11.7 36	139,818 1,080	3.4 100	135,230	(2.4)	138,600	14.4	121,110	54.6	78,351 -	29.3	60,610
Derivative Financial Instruments	-	-	-	-	-	_	_	_	_	-	-	(100.0)	2
Lease liability	62,370	17.3	53,163	5.0	50,625	(0.6)	50,941	100.0	-	-	-	-	-
Deferred Taxation	13,395	(17.6)	16,257	11.6	14,568	8.7	13,399	59.0	8,428	(21.1)	10,683	18.9	8,983
Others	6,587	(40.2)	11,018	(35.9)	17,202	635.4	2,339	800.4	260	15.8	224	14.0	197_
CURRENT LIABILITIES	239,998	8	221,336	1.7	217,625	6.0	205,280	58.2	129,799	45.4	89,258	27.9	69,791
Current portion of													
- Borrowings	27,700	19.9	23,110	1.9	22,688	14.3	19,856	92.5	10,316	(16.8)	12,392	(0.9)	12,509
- Lease liabilities	9,047	48.0	6,111	24.6	4,906	11.3	4,407	100.0	-	-	-	-	-
- Others	26,081	35.5	19,247	54.9	12,423	(57.1)	28,926	25,306.8	114	10.3	103	1.4	102
- Government grant	353	92.2	184	100.0	-	- 4 / T / A	- 77 140	-	-	-	- 00 470	- 01.7	- 01 005
Trade and Other Payables Accrued Interest / Mark up	156,944 2,765	48.7 102.3	105,555 1,366	18.6 (0.4)	88,996 1,372	15.4 (58.6)	77,142 3,316	33.0 47.8	58,014 2,243	50.8 53.5	38,479 1,461	21.7 28.3	31,625 1,138
Short-term Borrowings	32,985	41.7	23,270	86.1	12,505	(19.4)	15,512	133.6	6,641	(34.2)	10,085	82.2	5,536
Others	12,958	866.0	1,341	255.8	377	(32.3)	557	26.3	441	(56.2)	1,007	86.0	542
	268,833	49.2	180,186	25.8	143,267	(4.3)	149,716	92.5	77,769	22.4	63,528	23.5	51,451
TOTAL EQUITY AND LIABILITIES	749,415	16.3	644,321	11.0	580,487	5.5	550,245	40.0	393,155	21.4	323,860	11.5	290,333
ASSETS											,		
ASSETS NON-CURRENT ASSETS											,		
ASSETS NON-CURRENT ASSETS Property, Plant and Equipment	329,877	16.9	282,155	7.7	261,957	3.4	253,374	24.0	204,409	29.9	157,355	19.7	131,408
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset	13,329	35.7	9,819	40.4	6,992	44.1	4,851	100.0	204,409	29.9 -	157,355 -	19.7	131,408
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease	13,329 52,160	35.7 15.4	9,819 45,204	40.4 1.5	6,992 44,557	44.1 (2.2)	4,851 45,564	100.0 100.0	-	-	-	-	-
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments	13,329 52,160 36,081	35.7 15.4 5.4	9,819 45,204 34,217	40.4 1.5 6.8	6,992 44,557 32,045	44.1 (2.2) 6.9	4,851 45,564 29,963	100.0 100.0 (5.2)	- - 31,590	- - (1.9)	- - 32,196	- - (7.2)	131,408 - - - 34,701
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument	13,329 52,160 36,081 737	35.7 15.4 5.4 694.5	9,819 45,204 34,217 93	40.4 1.5 6.8 100.0	6,992 44,557 32,045	44.1 (2.2) 6.9	4,851 45,564 29,963	100.0 100.0 (5.2)	- - 31,590 -	- - (1.9) -	- - 32,196 -	(7.2)	- - 34,701 -
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments	13,329 52,160 36,081	35.7 15.4 5.4	9,819 45,204 34,217	40.4 1.5 6.8	6,992 44,557 32,045	44.1 (2.2) 6.9	4,851 45,564 29,963	100.0 100.0 (5.2)	- - 31,590	- - (1.9)	- - 32,196	- - (7.2)	-
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets	13,329 52,160 36,081 737 2,275 3,783 3,918	35.7 15.4 5.4 694.5 (5.2) 5.3 45.3	9,819 45,204 34,217 93 2,398 3,593 2,697	40.4 1.5 6.8 100.0 120.6 (30.4) 23.1	6,992 44,557 32,045 - 1,087 5,161 2,191	44.1 (2.2) 6.9 - 13.1 (12.8) (38.0)	4,851 45,564 29,963 - 961 5,921 3,533	100.0 100.0 (5.2) - 202.6 100.0 (21.1)	31,590 - 318 - 4,477	(1.9) - 25.6 - (34.5)	32,196 - 253 - 6,834	(7.2) - 13.7 - (34.3)	34,701 - 222 - 10,405
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets Financial asset at amortised cost Others	13,329 52,160 36,081 737 2,275 3,783	35.7 15.4 5.4 694.5 (5.2) 5.3	9,819 45,204 34,217 93 2,398 3,593	40.4 1.5 6.8 100.0 120.6 (30.4)	6,992 44,557 32,045 - 1,087 5,161	44.1 (2.2) 6.9 - 13.1 (12.8)	4,851 45,564 29,963 - 961 5,921	100.0 100.0 (5.2) - 202.6 100.0	31,590 - 318 -	(1.9) - 25.6	32,196 - 253	(7.2) - 13.7	34,701 - 222
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets Financial asset at amortised cost Others CURRENT ASSETS	13,329 52,160 36,081 737 2,275 3,783 3,918 442,161	35.7 15.4 5.4 694.5 (5.2) 5.3 45.3	9,819 45,204 34,217 93 2,398 3,593 2,697 380,175	40.4 1.5 6.8 100.0 120.6 (30.4) 23.1 7.4	6,992 44,557 32,045 - 1,087 5,161 2,191 353,990	44.1 (2.2) 6.9 - 13.1 (12.8) (38.0) 2.9	4,851 45,564 29,963 - 961 5,921 3,533 344,168	100.0 100.0 (5.2) - 202.6 100.0 (21.1) 42.9	31,590 - 318 - 4,477 240,794	(1.9) - 25.6 - (34.5) 22.5	32,196 - 253 - 6,834 196,637	(7.2) - 13.7 - (34.3) 11.3	34,701 - 222 - 10,405 176,736
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets Financial asset at amortised cost Others CURRENT ASSETS Store, Spares and Loose Tools	13,329 52,160 36,081 737 2,275 3,783 3,918 442,161 9,835	35.7 15.4 5.4 694.5 (5.2) 5.3 45.3 16.3	9,819 45,204 34,217 93 2,398 3,593 2,697 380,175	40.4 1.5 6.8 100.0 120.6 (30.4) 23.1 7.4	6,992 44,557 32,045 - 1,087 5,161 2,191 353,990 9,069	44.1 (2.2) 6.9 - 13.1 (12.8) (38.0) 2.9	4,851 45,564 29,963 - 961 5,921 3,533 344,168 7,637	100.0 100.0 (5.2) - 202.6 100.0 (21.1) 42.9 (0.7)	31,590 - 318 - 4,477 240,794 7,688	(1.9) - 25.6 - (34.5) 22.5 0.6	32,196 - 253 - 6,834 196,637 7,639	(7.2) - 13.7 - (34.3) 11.3 6.9	34,701 - 222 - 10,405 176,736 7,148
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets Financial asset at amortised cost Others CURRENT ASSETS	13,329 52,160 36,081 737 2,275 3,783 3,918 442,161	35.7 15.4 5.4 694.5 (5.2) 5.3 45.3	9,819 45,204 34,217 93 2,398 3,593 2,697 380,175	40.4 1.5 6.8 100.0 120.6 (30.4) 23.1 7.4	6,992 44,557 32,045 - 1,087 5,161 2,191 353,990	44.1 (2.2) 6.9 - 13.1 (12.8) (38.0) 2.9	4,851 45,564 29,963 - 961 5,921 3,533 344,168 7,637 19,913	100.0 100.0 (5.2) - 202.6 100.0 (21.1) 42.9	31,590 - 318 - 4,477 240,794	(1.9) - 25.6 - (34.5) 22.5	32,196 - 253 - 6,834 196,637	(7.2) - 13.7 - (34.3) 11.3 6.9 22.1	34,701 - 222 - 10,405 176,736 7,148 10,704
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets Financial asset at amortised cost Others CURRENT ASSETS Store, Spares and Loose Tools Stock-in-Trade Trade Debts Loans, Advances, Deposits & Prepayments	13,329 52,160 36,081 737 2,275 3,783 3,918 442,161 9,835 30,243 71,195 6,850	35.7 15.4 5.4 694.5 (5.2) 5.3 45.3 16.3 5.6 (4.0) 19.5 45.4	9,819 45,204 34,217 93 2,398 3,593 2,697 380,175 9,310 31,513 59,563 4,712	40.4 1.5 6.8 100.0 120.6 (30.4) 23.1 7.4 2.7 75.7 17.7 22.0	6,992 44,557 32,045 - 1,087 5,161 2,191 353,990 9,069 17,938 50,617 3,861	44.1 (2.2) 6.9 13.1 (12.8) (38.0) 2.9 18.7 (9.9) (2.7) (20.7)	4,851 45,564 29,963 961 5,921 3,533 344,168 7,637 19,913 51,995 4,868	100.0 100.0 (5.2) - 202.6 100.0 (21.1) 42.9 (0.7) 15.6 179.1 53.5	31,590 - 318 - 4,477 240,794 7,688 17,228 18,629 3,171	(1.9) 25.6 (34.5) 22.5 0.6 31.9 36.6 57.5	32,196 - 253 - 6,834 196,637 7,639 13,066 13,642 2,013	(7.2) - 13.7 - (34.3) 11.3 6.9	34,701 - 222 - 10,405 176,736 7,148 10,704 13,733 1,390
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets Financial asset at amortised cost Others CURRENT ASSETS Store, Spares and Loose Tools Stock-in-Trade Trade Debts Loans, Advances, Deposits & Prepayments Other Receivables	13,329 52,160 36,081 737 2,275 3,783 3,918 442,161 9,835 30,243 71,195 6,850 52,356	35.7 15.4 5.4 694.5 (5.2) 5.3 45.3 16.3 5.6 (4.0) 19.5 45.4 64.3	9,819 45,204 34,217 93 2,398 3,593 2,697 380,175 9,310 31,513 59,563 4,712 31,867	40.4 1.5 6.8 100.0 120.6 (30.4) 23.1 7.4 2.7 75.7 17.7 22.0 28.3	6,992 44,557 32,045 - 1,087 5,161 2,191 353,990 9,069 17,938 50,617 3,861 24,843	44.1 (2.2) 6.9 13.1 (12.8) (38.0) 2.9 18.7 (9.9) (2.7) (20.7) 8.5	4,851 45,564 29,963 961 5,921 3,533 344,168 7,637 19,913 51,995 4,868 22,897	100.0 100.0 (5.2) 202.6 100.0 (21.1) 42.9 (0.7) 15.6 179.1 53.5 91.2	31,590 - 318 - 4,477 240,794 7,688 17,228 18,629 3,171 11,972	(1.9) 25.6 (34.5) 22.5 0.6 31.9 36.6 57.5 4.8	32,196 - 253 - 6,834 196,637 7,639 13,066 13,642 2,013 11,428	(7.2) - 13.7 - (34.3) 11.3 6.9 22.1 (0.7) 44.7 16.8	34,701 - 222 - 10,405 176,736 7,148 10,704 13,733
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets Financial asset at amortised cost Others CURRENT ASSETS Store, Spares and Loose Tools Stock-in-Trade Trade Debts Loans, Advances, Deposits & Prepayments Other Receivables Current portion of net investment in lease	13,329 52,160 36,081 737 2,275 3,783 3,918 442,161 9,835 30,243 71,195 6,850 52,356 5,683	35.7 15.4 5.4 694.5 (5.2) 5.3 45.3 16.3 5.6 (4.0) 19.5 45.4 64.3 41.9	9,819 45,204 34,217 93 2,398 3,593 2,697 380,175 9,310 31,513 59,563 4,712 31,867 4,005	40.4 1.5 6.8 100.0 120.6 (30.4) 23.1 7.4 2.7 75.7 17.7 22.0 28.3 23.0	6,992 44,557 32,045 - 1,087 5,161 2,191 353,990 9,069 17,938 50,617 3,861 24,843 3,255	44.1 (2.2) 6.9 13.1 (12.8) (38.0) 2.9 18.7 (9.9) (2.7) (20.7) 8.5 28.0	4,851 45,564 29,963 	100.0 100.0 (5.2) - 202.6 100.0 (21.1) 42.9 (0.7) 15.6 179.1 53.5 91.2 100.0	31,590 - 318 - 4,477 240,794 7,688 17,228 18,629 3,171 11,972	(1.9) - 25.6 (34.5) 22.5 0.6 31.9 36.6 57.5 4.8	32,196 - 253 - 6,834 196,637 7,639 13,066 13,642 2,013 11,428	(7.2) - 13.7 - (34.3) 11.3 6.9 22.1 (0.7) 44.7 16.8	34,701 - 222 - 10,405 176,736 7,148 10,704 13,733 1,390 9,783
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets Financial asset at amortised cost Others CURRENT ASSETS Store, Spares and Loose Tools Stock-in-Trade Trade Debts Loans, Advances, Deposits & Prepayments Other Receivables Current portion of net investmnet in lease Cash and Bank Balances	13,329 52,160 36,081 737 2,275 3,783 3,918 442,161 9,835 30,243 71,195 6,850 52,356 5,683 44,987	35.7 15.4 5.4 694.5 (5.2) 5.3 45.3 16.3 5.6 (4.0) 19.5 45.4 64.3 41.9	9,819 45,204 34,217 93 2,398 3,593 2,697 380,175 9,310 31,513 59,563 4,712 31,867 4,005 40,805	40.4 1.5 6.8 100.0 120.6 (30.4) 23.1 7.4 2.7 75.7 17.7 22.0 28.3 23.0 74.7	6,992 44,557 32,045 - 1,087 5,161 2,191 353,990 9,069 17,938 50,617 3,861 24,843 3,255 23,353	44.1 (2.2) 6.9 13.1 (12.8) (38.0) 2.9 18.7 (9.9) (2.7) (20.7) 8.5 28.0 11.8	4,851 45,564 29,963 	100.0 100.0 (5.2) - 202.6 100.0 (21.1) 42.9 (0.7) 15.6 179.1 53.5 91.2 100.0 75.9	31,590 - 318 - 4,477 240,794 7,688 17,228 18,629 3,171 11,972 - 11,881	(1.9) - 25.6 (34.5) 22.5 0.6 31.9 36.6 57.5 4.8 - 24.3	32,196 - 253 - 6,834 196,637 7,639 13,066 13,642 2,013 11,428 - 9,558	(7.2) - 13.7 - (34.3) 11.3 6.9 22.1 (0.7) 44.7 16.8 - 62.0	34,701 - 2222 - 10,405 176,736 7,148 10,704 13,733 1,390 9,783 - 5,900
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets Financial asset at amortised cost Others CURRENT ASSETS Store, Spares and Loose Tools Stock-in-Trade Trade Debts Loans, Advances, Deposits & Prepayments Other Receivables Current portion of net investment in lease Cash and Bank Balances Short-term Investments	13,329 52,160 36,081 737 2,275 3,783 3,918 442,161 9,835 30,243 71,195 6,850 52,356 5,683	35.7 15.4 5.4 694.5 (5.2) 5.3 45.3 16.3 5.6 (4.0) 19.5 45.4 64.3 41.9	9,819 45,204 34,217 93 2,398 3,593 2,697 380,175 9,310 31,513 59,563 4,712 31,867 4,005	40.4 1.5 6.8 100.0 120.6 (30.4) 23.1 7.4 2.7 75.7 17.7 22.0 28.3 23.0 74.7 (11.9)	6,992 44,557 32,045 - 1,087 5,161 2,191 353,990 9,069 17,938 50,617 3,861 24,843 3,255 23,353 93,493	44.1 (2.2) 6.9 - 13.1 (12.8) (38.0) 2.9 18.7 (9.9) (2.7) (20.7) 8.5 28.0 11.8 26.3	4,851 45,564 29,963 - 961 5,921 3,533 344,168 7,637 19,913 51,995 4,868 22,897 2,544 20,893 74,004	100.0 100.0 (5.2) - 202.6 100.0 (21.1) 42.9 (0.7) 15.6 179.1 53.5 91.2 100.0 75.9 (9.5)	31,590 - 318 - 4,477 240,794 7,688 17,228 18,629 3,171 11,972	(1.9) - 25.6 (34.5) 22.5 0.6 31.9 36.6 57.5 4.8	32,196 - 253 - 6,834 196,637 7,639 13,066 13,642 2,013 11,428	(7.2) - 13.7 - (34.3) 11.3 6.9 22.1 (0.7) 44.7 16.8	34,701 - 222 - 10,405 176,736 7,148 10,704 13,733 1,390 9,783
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets Financial asset at amortised cost Others CURRENT ASSETS Store, Spares and Loose Tools Stock-in-Trade Trade Debts Loans, Advances, Deposits & Prepayments Other Receivables Current portion of net investmnet in lease Cash and Bank Balances	13,329 52,160 36,081 737 2,275 3,783 3,918 442,161 9,835 30,243 71,195 6,850 52,356 5,683 44,987 86,105	35.7 15.4 5.4 694.5 (5.2) 5.3 45.3 16.3 5.6 (4.0) 19.5 45.4 64.3 41.9 10.2 4.5	9,819 45,204 34,217 93 2,398 3,593 2,697 380,175 9,310 31,513 59,563 4,712 31,867 4,005 40,805 82,372	40.4 1.5 6.8 100.0 120.6 (30.4) 23.1 7.4 2.7 75.7 17.7 22.0 28.3 23.0 74.7	6,992 44,557 32,045 - 1,087 5,161 2,191 353,990 9,069 17,938 50,617 3,861 24,843 3,255 23,353	44.1 (2.2) 6.9 13.1 (12.8) (38.0) 2.9 18.7 (9.9) (2.7) (20.7) 8.5 28.0 11.8	4,851 45,564 29,963 	100.0 100.0 (5.2) - 202.6 100.0 (21.1) 42.9 (0.7) 15.6 179.1 53.5 91.2 100.0 75.9	31,590 - 318 - 4,477 240,794 7,688 17,228 18,629 3,171 11,972 - 11,881 81,791	(1.9) 	32,196 - 253 - 6,834 196,637 7,639 13,066 13,642 2,013 11,428 - 9,558 69,879	(7.2) - 13.7 - (34.3) 11.3 6.9 22.1 (0.7) 44.7 16.8 - 62.0 8.0	34,701 - 2222 - 10,405 176,736 7,148 10,704 13,733 1,390 9,783 - 5,900
NON-CURRENT ASSETS Property, Plant and Equipment Right of use asset Net investment in lease Long-term Investments Derivative financial instrument Intangible Assets Financial asset at amortised cost Others CURRENT ASSETS Store, Spares and Loose Tools Stock-in-Trade Trade Debts Loans, Advances, Deposits & Prepayments Other Receivables Current portion of net investment in lease Cash and Bank Balances Short-term Investments	13,329 52,160 36,081 737 2,275 3,783 3,918 442,161 9,835 30,243 71,195 6,850 52,356 5,683 44,987 86,105	35.7 15.4 5.4 694.5 (5.2) 5.3 45.3 16.3 5.6 (4.0) 19.5 45.4 64.3 41.9 10.2 4.5	9,819 45,204 34,217 93 2,398 3,593 2,697 380,175 9,310 31,513 59,563 4,712 31,867 4,005 40,805 82,372	40.4 1.5 6.8 100.0 120.6 (30.4) 23.1 7.4 2.7 75.7 17.7 22.0 28.3 23.0 74.7 (11.9) (100.0)	6,992 44,557 32,045 - 1,087 5,161 2,191 353,990 9,069 17,938 50,617 3,861 24,843 3,255 23,353 93,493 67	44.1 (2.2) 6.9 13.1 (12.8) (38.0) 2.9 18.7 (9.9) (2.7) (20.7) 8.5 28.0 11.8 26.3 (94.9)	4,851 45,564 29,963 961 5,921 3,533 344,168 7,637 19,913 51,995 4,868 22,897 2,544 20,893 74,004 1,326	100.0 100.0 (5.2) - 202.6 100.0 (21.1) 42.9 (0.7) 15.6 179.1 53.5 91.2 100.0 75.9 (9.5) 100.0	31,590 - 318 - 4,477 240,794 7,688 17,228 18,629 3,171 11,972 - 11,881 81,791	(1.9) 25.6 (34.5) 22.5 0.6 31.9 36.6 57.5 4.8 	32,196 - 253 - 6,834 196,637 7,639 13,066 13,642 2,013 11,428 - 9,558 69,879	(7.2) - 13.7 - (34.3) 11.3 6.9 22.1 (0.7) 44.7 16.8 - 62.0 8.0	34,701 - 222 - 10,405 176,736 7,148 10,704 13,733 1,390 9,783 - 5,900 64,726

engro corporation limited annual report 2022

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vertical analysis balance sheet

(In millions)

(111 11111110113)											
	2022	22 Vs. 21	2021	21 Vs. 20	2020	20 Vs. 19	2019	19 Vs. 18	2018	18 Vs. 17	2017
Vertical Analysis	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
EQUITY AND LIABILITIES											
EQUITY											
Share Capital	5,762	0.8	5,762	0.9	5,762	1.0	5,762	1.0	5,238	1.3	5,238
Share Premium	13,068	1.7	13,068	2.0	13,068	2.3	13,068	2.4	13,068	3.3	13,068
Unappropriated Profits	142,128	19.0	137,386	21.3	124,425	21.4	113,729	20.7	113,101	28.8	108,587
Reserves Non-Controlling Interest	5,864 73,762	0.8 9.8	5,523 81,061	0.9 12.6	5,161 71,179	0.9 12.3	5,088 57,603	0.9 10.5	4,908 49.272	1.2 12.5	4,563 39,619
Non-Controlling interest	240,584	32.1	242,800	37.7	219,595	37.8	195,249	35.5	185,587	47.2	171,074
NON-CURRENT LIABILITIES	2 .0,00 .	0211	2 .2,000	0111	2.0,000		. 00,2 10		.00,00.		,
Borrowings	156,174	20.8	139,818	21.7	135,230	23.3	138,600	25.2	121,110	30.8	78,351
Government grant	1,472	0.2	1,080	0.2	0	-	0	-	0	-	0
Derivative Financial Instruments Lease liability	0 62,370	- 8.3	0 53,163	- 8.3	0 50,625	- 8.7	0 50,941	9.3	0	- -	0
Deferred Taxation	13,395	1.8	16,257	2.5	14,568	2.5	13,399	2.4	8,428	2.1	10,683
Others	6,587	0.9	11,018	1.7	17,202	3.0	2,339	0.4	260	0.1	224
	239,998	32.0	221,336	34.4	217,625	37.5	205,280	37.3	129,799	33.0	89,258
CURRENT LIABILITIES											
Current portion of - Borrowings	27,700	3.7	23,110	3.6	22,688	3.9	19,856	3.6	10,316	2.6	12,392
- Lease liabilities	9,047	1.2	6,111	0.9	4,906	0.8	4,407	0.8	-	-	-
- Others	26,081	3.5	19,247	3.0	12,423	2.1	28,926	5.3	114	0.0	103
- Government grant	353	0.0	184	0.0	0	-	0	-	0	-	0
Trade and Other Payables	156,944	20.9	105,555	16.4	88,996	15.3	77,142	14.0	58,014	14.8	38,479
Accrued Interest / Mark up Short-term Borrowings	2,765 32,985	0.4 4.4	1,366 23,270	0.2 3.6	1,372 12,505	0.2 2.2	3,316 15,512	0.6 2.8	2,243 6,641	0.6 1.7	1,461 10,085
Others	12,958	1.7	1,341	0.2	377	0.1	557	0.1	441	0.1	1,007
	268,833	35.9	180,186	28.0	143,267	24.7	149,716	27.2	77,769	19.8	63,528
TOTAL EQUITY AND LIABILITIES	749,415	100.0	644,321	100.0	580,487	100.0	550,245	100.0	393,155	100.0	323,860
			,		,		·		,		,
ASSETS											
NON-CURRENT ASSETS											
Property, Plant and Equipment	329,877	44.0	282,155	43.8	261,957	45.1	253,374	46.0	204,409	52.0	157,355
Right of use asset	13,329	1.8	9,819	1.5	6,992	1.2	4,851	0.9	· -	-	-
Net investment in lease	52,160	7.0	45,204	7.0	44,557	7.7	45,564	8.3			
Long-term Investments	36,081	4.8	34,217	5.3	32,045	5.5	29,963	5.4	31,590	8.0	32,196
Derivative financial instrument Intangible Assets	737 2,275	0.1 0.3	93 2,398	0.0 0.4	0 1,087	- 0.2	0 961	0.2	0 318	- 0.1	0 253
Financial asset at amortised cost	3,783	0.5	3,593	0.6	5,161	0.9	5,921	1.1	-	-	-
Others	3,918	0.5	2,697	0.4	2,191	0.4	3,533	0.6	4,477	1.1	6,834
CLIDDENT ASSETS	442,161	59.0	380,175	59.0	353,990	61.0	344,168	62.5	240,794	61.2	196,637
CURRENT ASSETS Store, Spares and Loose Tools	9,835	1.3	9,310	1.4	9,069	1.6	7,637	1.4	7,688	2.0	7,639
Stock-in-Trade	30,243	4.0	31,513	4.9	17,938	3.1	19,913	3.6	17,228	4.4	13,066
Trade Debts	71,195	9.5	59,563	9.2	50,617	8.7	51,995	9.4	18,629	4.7	13,642
Loans, Advances, Deposits & Prepayments	6,850	0.9	4,712	0.7	3,861	0.7	4,868	0.9	3,171	0.8	2,013
Other Receivables	52,356	7.0	31,867	4.9	24,843	4.3	22,897	4.2	11,972	3.0	11,428
Current portion of investment in lease Cash and Bank Balances	5,683 44,987	0.8 6.0	4,005 40,805	0.6 6.3	3,255 23,353	0.6 4.0	2,544 20,893	0.5 3.8	- 11,881	3.0	9,558
Short-term Investments	86,105	11.5	82,372	12.8	93,493	16.1	74,004	13.4	81,791	20.8	69,879
Assets classified as held for sale		-	-	-	67	0.0	1,326	0.2	<u> </u>	-	-
	307,254	41.0	264,146	41.0	226,496	39.0	206,077	37.5	152,361	38.8	127,223
TOTAL ASSETS	749,415	100.0	644,321	100.0	580,487	100.0	550,245	100.0	393,155	100.0	323,860

horizontal analysis profit and loss account

(In millions)

Horizontal Analysis	2022 Rs.	22 Vs. 21 %	2021 Rs.	21 Vs. 20 %	2020 Rs.	20 Vs. 19 %	2019 Rs.	19 Vs. 18 %	2018 Rs.	18 Vs. 17 %	2017 Rs.	17 Vs. 16 %	2016 Rs
Sales	356,428	14.39	311,587	25.23	248,818	10.21	225,765	31.59	171,568	33.42	128,593	(18.20)	157,208
Cost of Sales	(251,808)	19.22	(212,133)	22.78	(172,773)	9.93	(157,167)	30.47	(120,460)	28.44	(93,786)	(22.72)	(121,365)
Gross Profit	104,619	4.08	99,455	30.78	76,045	10.85	68,599	34.22	51,108	46.84	34,806	(2.89)	35,843
Selling and Distribution Expenses	(9,326)	19.27	(7,819)	(0.33)	(7,845)	(3.19)	(8,103)	(4.54)	(8,488)	8.13	(7,850)	(34.87)	(12,052)
Administrative Expenses	(11,777)	53.76	(7,659)	6.59	(7,185)	18.96	(6,040)	34.31	(4,497)	13.71	(3,955)	9.65	(3,607)
	83,517	26.45	83,977	26.95	61,015	35.56	54,456	24.12	38,123	22.22	23,002	17.89	20,184
Other Operating Expenses	(11,660)	(3.24)	(10,912)	42.54	(7,655)	(6.64)	(8,199)	48.56	(5,519)	129.84	(2,401)	2.24	(2,349)
Other Income	21,874	78.97	12,222	(31.10)	17,738	30.01	13,643	49.15	9,147	(12.79)	10,489	(84.76)	68,838
Operating Profit	93,730	9.90	85,287	19.96	71,098	18.70	59,900	43.47	41,752	34.30	31,089	(64.13)	86,674
Finance Cost	(28,744)	66.40	(17,274)	(15.63)	(20,473)	38.80	(14,750)	170.49	(5,453)	6.29	(5,131)	(15.03)	(6,038)
Share of Income from Joint Venture and associates	3,215	(0.36)	3,227	15.40	2,796	143.55	1,148	792.36	129	(91.21)	1,463	14.89	1,273
Profit Before Taxation	68,201	(4.27)	71,240	33.36	53,421	15.39	46,297	27.10	36,427	32.84	27,422	(66.52)	81,909
Provision for Taxation	(22,090)	18.40	(18,657)	106.61	(9,030)	(42.52)	(15,710)	22.78	(12,795)	14.94	(11,132)	33.94	(8,311)
Loss from Discontinued Operations	0.07	(97.58)	29	(110.48)	(279)	(6.81)	(300)	(100.00)	-	-	-	-	-
Net Profit After Taxation	46,111	(12.35)	52,612	19.27	44,112	45.64	30,288	28.17	23,632	45.07	16,290	(77.87)	73,598
Non-Controlling Interest Profit attributable to	21,779	(11.72)	24,670	29.77	19,011	38.21	13,755	25.92	10,924	58.72	6,883	53.26	4,491
Owners of the Holding Company	24,332	(12.92)	27,942	11.32	25,100	51.82	16,533	30.10	12,708	35.08	9,407	(86.39)	69,107

vertical analysis profit and loss account

Vertical Analysis	2022 Rs.	22 Vs. 21 %	2021 Rs.	21 Vs. 20 %	2020 Rs.	20 Vs. 19 %	2019 Rs.	19 V s. 18 %	2018 Rs.	18 Vs. 17 %	2017 Rs.
Sales	356,428	100.00	311,587	100.00	248,818	100.00	225,765	100.00	171,568	100.00	128,593
Cost of Sales	(251,808)	(70.96)	(212,133)	(68.08)	(172,773)	(69.44)	(157,167)	(69.62)	(120,460)	(70.21)	(93,786)
Gross Profit	104,619	29.04	99,455	31.92	76,045	30.56	68,599	30.38	51,108	29.79	34,806
Selling and Distribution Expenses	(9,326)	(2.62)	(7,819)	(2.51)	(7,845)	(3.19)	(8,103)	(4.54)	(8,488)	8.13	(7,850)
Administrative Expenses	(11,777)	(3.30)	(7,659)	(2.46)	(7,185)	(2.89)	(6,040)	(2.68)	(4,497)	(2.62)	(3,955)
	83,517	26.45	83,977	26.95	61,015	35.56	54,456	24.12	38,123	22.22	23,002
Other Operating Expenses	(11,660)	(2.96)	(10,912)	(3.50)	(7,655)	(3.08)	(8,199)	(3.63)	(5,519)	(3.22)	(2,401)
Other Income	21,874	6.14	12,222	3.92	17,738	7.13	13,643	6.04	9,147	5.33	10,489
Operating Profit	93,730	26.30	85,287	27.37	71,098	28.57	59,900	26.53	41,752	24.34	31,089
Finance Cost	(28,744)	(8.06)	(17,274)	(5.54)	(20,473)	(8.23)	(14,750)	(6.53)	(5,453)	(3.18)	(5,131)
Share of Income from Joint Venture and associates	3,215	0.90	3,227	1.04	2,796	1.12	1,148	0.51	129	0.07	1,463
Net Profit Before Taxation	68,201	19.13	71,240	22.86	53,421	21.47	46,297	20.51	36,427	21.23	27,422
Provision for Taxation	(22,090)	(6.20)	(18,657)	(5.99)	(9,030)	(3.63)	(15,710)	(6.96)	(12,795)	(7.46)	(11,132)
Loss from Discontinued Operations	0.07	0.00	29	0.01	(279)	(0.11)	(300)	(0.13)	-	-	-
Net Profit After Taxation	46,111	12.94	52,612	16.89	44,112	17.73	30,288	13.42	23,632	13.77	16,290
Non-Controlling Interest	21,779	6.11	24,670	7.92	19,012	7.64	13,755	6.09	10,924	6.37	6,883
Profit attributable to Owners of the Holding Company	24,332	6.83	27,942	8.97	25,100	10.09	16,533	7.32	12,708	7.41	9,407

engro corporation limited annual report 2022 annual report 2022 enabling growth enabling growt

six years

summary

(In millions)	2022 Rs.	2021 Rs.	2020 Rs.	2019 Rs.	2018 Rs.	2017 Rs.
Summary of Balance Sheet						
Shareholders' Funds / Equity Long-term Borrowings Lease Liabilities - IFRS 16 Capital Employed Property, Plant & Equipment Net Current Assets / Working Capital	240,584 183,874 71,417 424,458 329,877 75,168	242,800 162,928 59,274 405,728 282,155 113,182	219,595 157,918 55,531 377,513 261,957 110,823	195,249 158,456 55,348 353,705 253,374 80,625	185,587 131,426 - 317,014 204,409 84,908	171,074 90,743 - 261,818 157,355 76,087
Summary of Profit and Loss						
Sales Gross Profit EBITDA Profit After Tax	356,428 103,517 113,318 46,111	311,587 99,455 101,690 52,612	248,818 76,045 88,017 44,112	225,765 68,599 72,331 30,288	171,568 51,108 49,507 23,633	128,593 34,806 40,079 16,290
Summary of Cash Flows						
Net Cash Flow from Operating Activities Net Cash Flow from Investing Activities Net Cash Flow from Financing Activities	76,720 (88,882) (54,759)		63,392 (7,323) (31,774)		28,940 (12,397) 14,213	21,120 (9,008) 3,186
Summary of Actual Production			— (Units) —			
Urea (metric tons) NPK (metric tons) PVC Resin (metric tons) EDC (metric tons) Caustic Soda (metric tons) Caustic Flakes (metric tons) VCM (metric tons) Power (mega hours) Dairy and Juices (liters in thousands) Drying Unit of Rice Processing Plant (metric tons) Ice Cream (liters in thousands)	137,075 239,000 102,000 97,000 9,000 219,000	2,104,722 144,564 243,000 94,000 92,000 8,000 203,000 5,086,123 334,986 148,839 24,218	2,263,806 140,552 153,000 79,000 77,000 2,000 148,000	134,784 197,000 110,000 105,000 4,000 184,000	132,790 202,000 107,000 105,000 - 195,000	1,806,977 109,059 187,000 107,000 105,000 - 180,000 1,737,394 320,344 59,371 17,467

financial ratios

of six years (2017 through 2022)

Ratios	2022	2021	2020	2019	2018	2017
Profitability Ratios: Gross Profit Margin Net Profit Margin EBITDA Margin to Sales Operating Leverage Ratio Return on Equity (after Tax) Return on Equity (before Tax) Return on Capital Employed Return on Assets (before Tax) Operating Margin	29% 13% 28% 0.66 15% 22% 22% 9% 26%	32% 17% 31% 0.78 18% 24% 22% 11% 27%	31% 18% 34% 2.06 18% 21% 19% 9% 29%	30% 14% 32% 1.45 12% 18% 18% 27%	30% 14% 29% 0.86 9% 15% 14% 9% 24%	27% 13% 30% 3.46 7% 12% 13% 8% 24%
Liquidity Ratios: Current Ratio Quick / Acid Test Ratio Cash and Cash Equivalent to Current Liabilities Cash Flow from Operations to Sales	1.14	1.47	1.58	1.38	1.96	2.00
	0.99	1.24	1.39	1.19	1.64	1.68
	0.49	0.68	0.45	0.27	1.01	0.85
	0.22	0.16	0.25	0.17	0.17	0.16
Activity / Turnover Ratios: Total Assets Turnover Ratio Fixed Assets Turnover Ratio No. of Days Inventory No. of Days in Receivables No.of Days in Payables Operating cycle	0.51	0.51	0.44	0.48	0.48	0.42
	1.08	1.10	0.97	0.99	0.95	0.89
	45	43	40	43	46	46
	67	65	75	57	34	39
	189	167	170	145	131	23
	(78)	(60)	(55)	(45)	(51)	(62)
Investment / Market Ratios: Earnings per Share (Restated) Price Earnings Ratio Price to Book Ratio Dividend Yield Ratio Dividend Payout Ratio Dividend Cover Ratio Cash Dividend per Share Market Value per Share at the end of the year; and - High during the year - Low during the year Breakup value per share	42.23	48.50	43.57	28.69	22.06	16.33
	6.20	5.62	7.06	12.03	13.20	16.83
	0.63	0.65	0.81	1.02	0.90	0.93
	13%	10%	7%	9%	8%	7%
	81%	54%	57%	87%	95%	129%
	1.24	1.87	1.74	1.15	1.05	0.78
	34.00	26.00	25.00	25.00	21.00	21.00
	262.01	272.42	307.36	345.25	291.08	274.75
	298.40	319.90	366.00	351.54	350.22	399.16
	225.30	265.31	237.65	226.14	280.30	253.43
	417.56	421.41	381.13	338.88	322.11	296.92
Capital Structure Ratios: Financial Leverage Ratio Weighted Average Cost of Debt Debt to Equity Ratio - Book Value Debt to Equity Ratio - Market Value Interest Cover Ratio Debt to Asset Ratio Retention Ratio Sustainable Growth Rate	0.90 14% 0.76 1.22 3.37 0.25 19% 6%	0.77 10% 0.67 1.04 5.12 0.25 46% 9%	0.78 12% 0.72 0.89 3.61 0.27 43% 7%	0.89 9% 0.81 0.80 4.14 0.29 13% 2%	0.74 5% 0.71 0.86 7.68 0.33 5% 0%	0.59 6% 0.53 0.63 6.34 0.28 -29%

financial analysis and

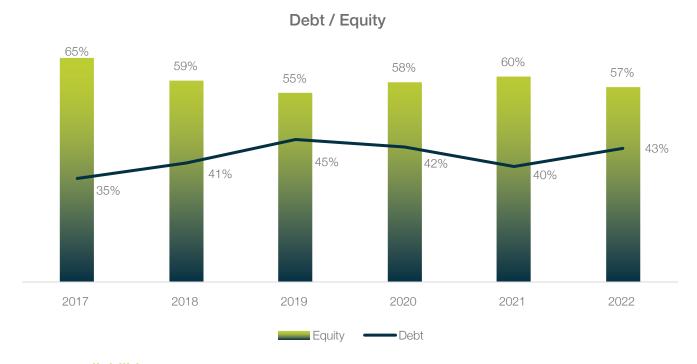
graphical presentation

of consolidated statement of financial position

shareholders' equity

Share Capital has increased from Rs. 5,238 million to Rs. 5,762 million in 2019 due to issuance of bonus shares in 2019 with the ratio of 1 share for every

10 shares held. Reserves have increased significantly due to better profitability and Energy projects coming online in mid 2019.



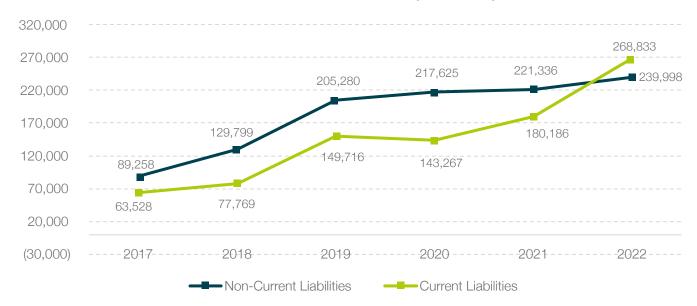
non-current liabilities

Non-current liabilities majorly comprise of Long-Term borrowings from Financial Institutions, Deferred Taxation and Lease Liabilities.

Considering the 6 years trend, borrowings has increased from Rs. 78,850 million to Rs. 156,173 million to fund business expansion in Energy, Connectivity & telecommunication and Polymer verticals. Deferred tax liability has increased from Rs. 10,682 million to Rs. 13,395 million. Deferred tax liability as at December 31, 2022 is mainly represented by temporary differences due to accelerated depreciation allowance.

Liabilities have increased by 8% vs. last year. Subsequent to the adoption of IFRS-16 in 2019, lease liability of Rs. 62,369 million has been recorded as at December 31, 2022.

Non-Current & Current Liabilities (in millions)



current liabilities

Liabilities have increased by 49% vs. last year which is mainly due to increase in short term borrowings and trade and other pavables.

Considering the 6 years trend, current liabilities has increased from Rs. 63,528 million to Rs. 268,833 million which includes increase in trade and other payables by Rs. 89,599 million. Trade and other payables as at December 31, 2022 mainly comprise of payable to SECMC against purchase of coal and increase in advances from customers. Also liabilities have increased by Rs. 6,993 million due to increase in provisions (in respect of GIDC). In 6 years, short term borrowings increased by Rs. 22,900 million (to provide liquidity to polymer and energy segments). Subsequent to the adoption of IFRS-16 in 2019, lease liability has been recorded and current portion amounts to Rs. 9.047 million as at December 31, 2022.

non-current assets

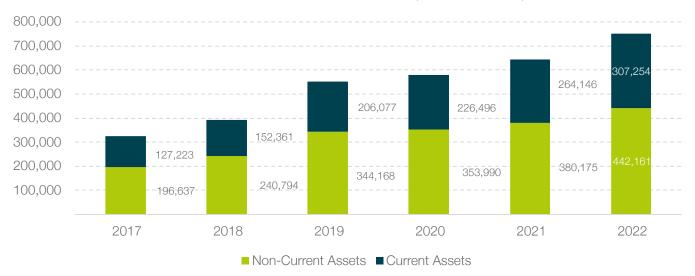
Non-current assets have increased by 16% compared to last year which pertains to expansion in Polymer and Enfrashare businesses.

Furthermore, right of use assets were recognised against lease agreements entered by Enfrashare with landlords in respect of tenanted sites.

Non-current assets increased from Rs. 196,637 million to Rs. 442,161 million in last 6 years which consist of an increase in PPE by Rs. 172,522 million (mainly capitalization of Thar Power Project), increase in Net Investment in Lease by Rs. 52,160 million (sub-letting of FSRU in Elengy).

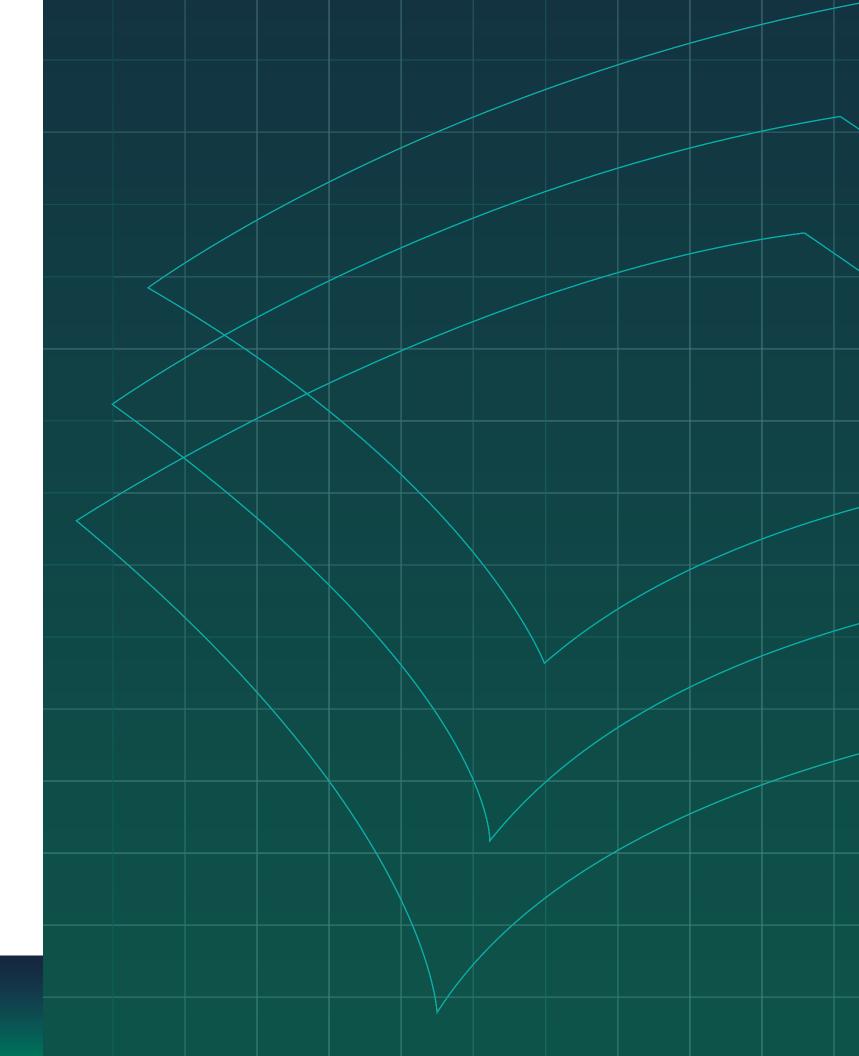
engro corporation limited

Current & Non-current Assets (Amount in Millions)



current assets

Current assets increased by 16% compared to last year. Considering the 6 years trend, the increase in current assets from Rs. 127,233 million to Rs. 307,254 million is due to increase in Short term Investment of Rs. 3,733 million, increase in Trade Debts by Rs. 20,303 million (increase in Energy related receivables) and other receivables by Rs. 10,181 million (includes subsidy receivable from GoP, sales tax receivable and delayed payment interest receivable in energy business).



financial analysis and

graphical presentation

of consolidated statement of profit or loss

revenue

Revenue has increased by 14% (CY: 356,428 vs LY: 311,587). The main contributor in the revenue is Polymer, Fertilizer and Power & Mining segment.

Considering the 6 years trend, the consolidated revenue has an increasing trend from 2017 and onward mainly contributed by Fertilizer segment and Power & Mining segment (Thar power project started contributing in the consolidated revenue from 2019).

cost of revenue

Cost of revenue has increased by 19% (CY:252,911 vs LY:212,133). Cost trend of last 6 years is in line with the variation in revenue.

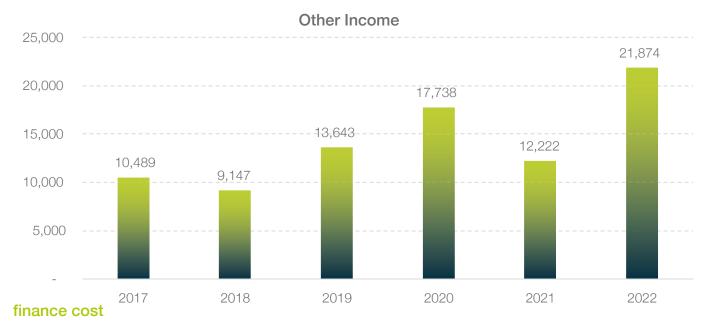




other income

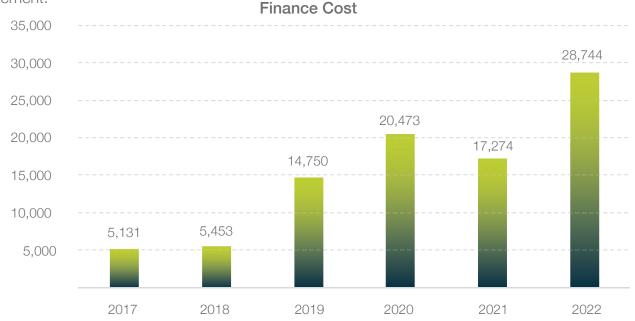
Income has Increased by 79% vs. LY which is mainly due to increase in income on deposits and other financial assets by Rs. 6,442 million, delayed payment income by Rs. 1,531 million and reversal of impairment by Rs. 1,458 million.

Over the period of 6 years, income has increased mainly due to delayed payment charges on overdue receivables and income form financial assets.



Finance cost has Increased by 66% (CY: Rs. 28,744 million vs LY: Rs. 17,274 million). The main reason is increase in interest expense of Polymer, Fertilizer, Connectivity & Telecom and Power and Mining segment owing to repayment of loans.

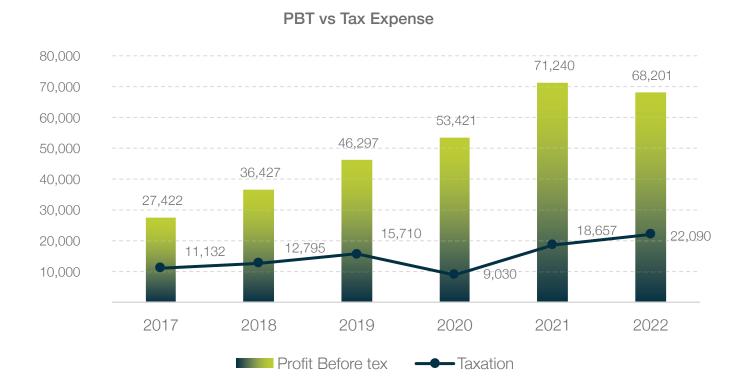
Considering the 6 year trend, finance cost of the group has increased significantly from 2018 due to increased borrowings in Polymer and Energy segment to fund new projects. That power plant commenced operations in July 2019 and borrowing cost is accordingly expensed in profit or loss statement.



taxation

Tax expense has increased by 18% vs.LY mainly due to incidence of super tax on current and prior income partially offset by lower PBT of EFERT and EPCL.

6 years trend shows steady increase in tax due to increase in profitability of the group.



financial analysis and graphical presentation

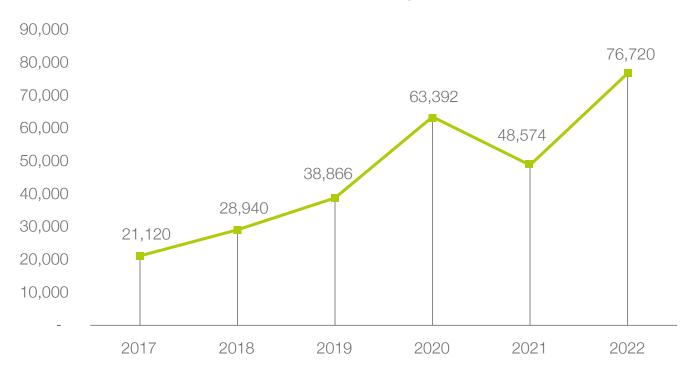
of consolidated statement of cash flow

cash flow from operating activities

Cash inflows from operations have increased by 58% (CY: Rs.76,720 million vs. LY: Rs.48,754 million). This mainly pertains to increase in stock in trade by Rs. 13,746 million and increase in trade and other payables by Rs. 36,640 million. Trade debts have decreased by Rs. 12,063 million and taxes paid have increased by Rs. 5,940 million vs LY as in 2021.

The cashflow from operations in last 6 years has significantly increased mainly due to increase in profitability of Fertilizer segment, turnaround of Polymer business and Energy projects coming online from July 2019.

Net Cashflow from Operating Activities



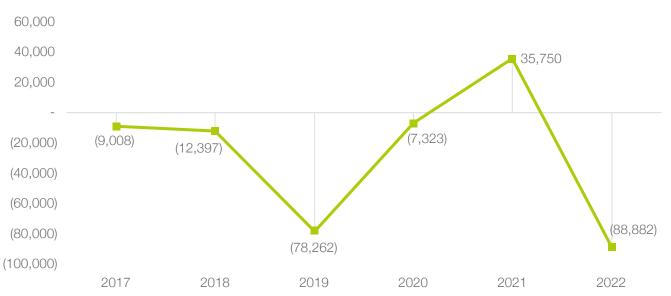
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cash flow from investing activities

Net cash outflow from investing activities has significantly increased by 349% vs. LY. This is mainly due to increase in investments made during the year by Rs. 109,865 million.

Over the last 6 years, the group has mainly spent on the Energy & Polymer segments.

Net Cash Flow from Investing Activities

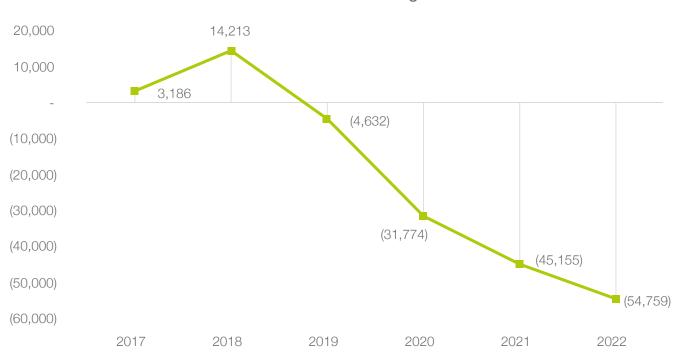


cash flow from financing activities

Net cash outflow from financing activities has increased by Rs. 9,604 million (CY: Rs.-54,759 million vs LY: Rs. -45,155 million). This is mainly due to increased dividend payments by Rs. 8,257 million and increased finance cost on lease liability by Rs. 3,878 million.

Considering the 6 years trend, the group has significantly raised finance between 2017 to 2022 through borrowings to fund its new projects and operations.

Net Cash Flow from Financing Activities



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statement of value addition

& distribution

Rs. in million

wealt	h gene	erated
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Total revenue inclusive of sales tax and other income Bought-in-material and services

wealth distributed

To Employees

Salaries, benefits and other costs

To Government

Taxes, duties and development surcharge

To Society

Donation towards education, health, environment and natural disaster

To Providers of Capital

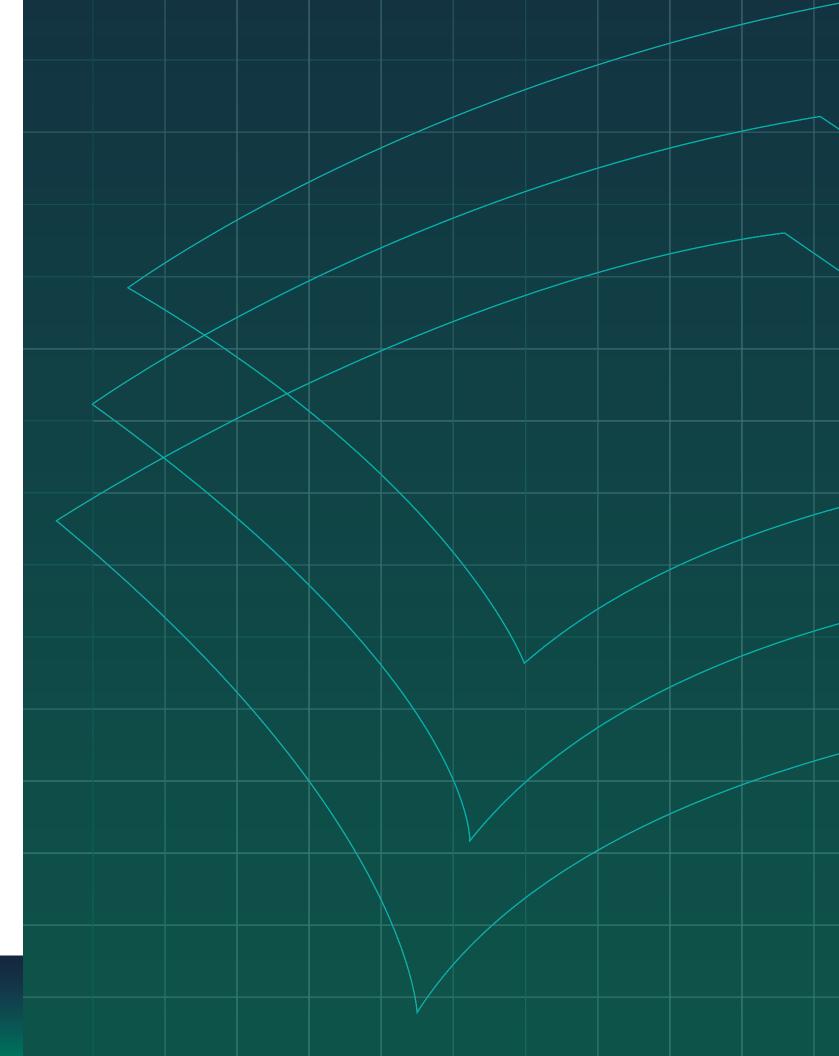
Dividend to shareholders

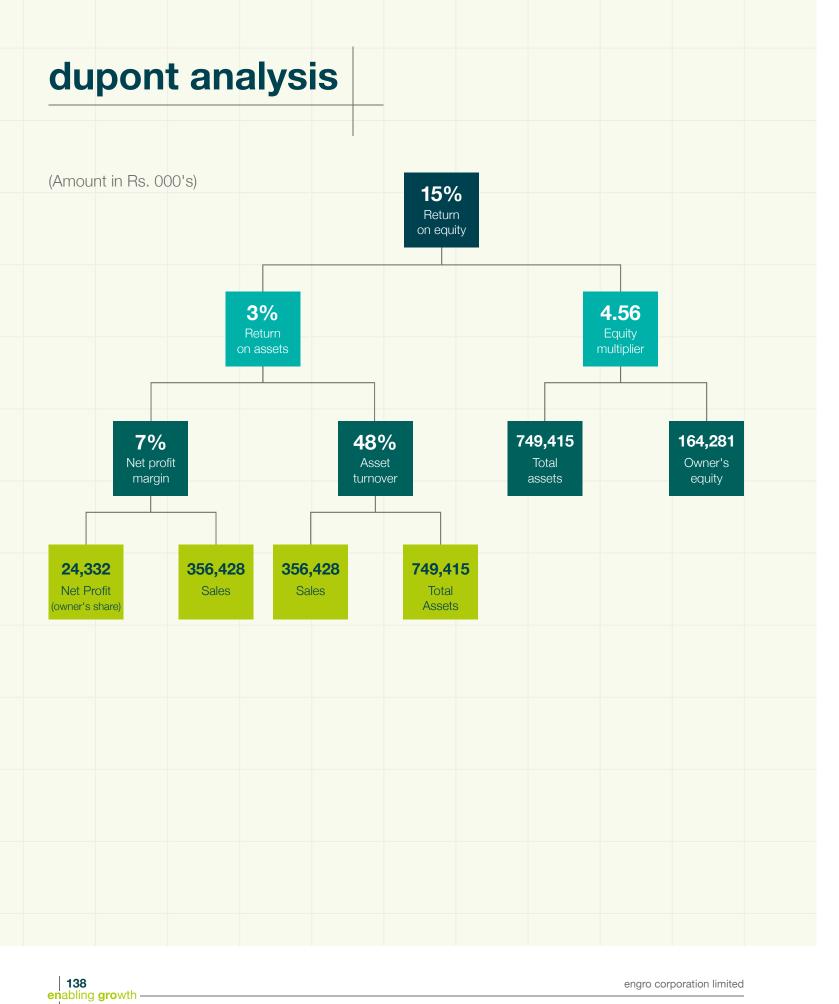
Mark-up/interest expense on borrowed money

Retained for reinvestment and future growth Depreciation, amortization and retained profit

409,914 (246,176) 163,738		349,284 (202,365) 146,919	
14,137	8.60%	12,149	8.30%
62,566	38.20%	48,801	33.20%
801	0.50%	1,197	0.80%
37,042 28,744	22.60% 17.60%	29,751 17,274	20.20% 11.80%
20,448	12.50%	37,747	25.70%
163,738	100.00%	146,919	100.00%

2022





investor relations

financial calendar

Financial Year ended December 31, 2022	
April 21, 2022 August 16, 2022	Announcement of first quarter results Announcement of second quarter results
October 18, 2022	Announcement of third quarter results
February 15, 2023	Announcement of fourth quarter results
March 30, 2023	57 th Annual General Meeting

Financial Year ended December 31, 2023	
April 19, 2023	Announcement of first quarter results
August 16, 2023	Announcement of second quarter results
October 23, 2023	Announcement of third quarter results
February 15, 2024	Announcement of fourth quarter results

Trading Performance During the Financial Period	2022
Opening price Closing price Highest closing price Lowest closing price Average daily volume traded (million shares)	276.38 262.01 296.23 227.64 0.41

Total Shareholder Return*	
1- year period (01 January 2022 to 31 December 2022)	8.68%
3 - year period (01 January 2020 to 31 December 2022)	0.17%
5 - year period (01 January 2018 to 31 December 2022)	9.40%

^{*} Total returns are computed based on the closing unit price on the last trading day of the preceding reporting period, compared with the closing unit price on the last trading day of the current period.

engro corporation limited annual report 2022





A·F·FERGUSON&Co.





independent auditor's report to the members of engro corporation limited report on the audit of the financial statements

opinion

We have audited the annexed financial statements of Engro Corporation Limited (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Key audit matter How the matter was addressed in our audit

income tax matters

(Refer note 26 to the financial statements)

The Company has recognized provisions and has disclosed contingent liabilities in respect of certain income tax matters, which are pending adjudication before various appellate and legal forums.

Provisions and contingencies require management of the Company to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations, and the probability of outcome and financial impact, if any, on the Company in respect of such provisions and contingencies.

Due to significance of amounts involved, inherent uncertainties with respect to the outcome of these matters and use of significant management judgement and estimates to assess the same including related financial impacts, we have considered provisions and contingent liabilities relating to income tax involving the Company as a key audit matter.

Our audit procedures amongst others included the following:

- obtained and examined details of the documentation relating to pending tax matters and discussed the same with the Company's management;
- circularized confirmations to the Company's external legal and tax advisors for their views on matters being handled by them;
- involved internal tax professionals to assess management's conclusions on contingent tax matters and evaluated the consistency of such conclusions with the views of management and external advisors engaged by the Company;
- checked correspondence of the Company with the relevant tax authorities including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved:
- checked mathematical accuracy of the calculations underlying the provisions, if any; and
- assessed the adequacy of the related disclosures made in the financial statements in accordance with the applicable accounting and reporting standards.

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information other than the financial statements and consolidated financial statements and auditor's reports thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and consolidated financial statement and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

responsibilities of management and board of directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to
 fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
 evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not
 detecting a material misstatement resulting from fraud is higher than for one resulting from error, as
 fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of
 internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures
 that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the
 effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the Board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

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A.F. Ferguson & Co. Chartered Accountants Karachi

Date: 08 March, 2023

UDIN: AR2022101134nVCp6rBk

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network

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statement of financial position

for the year ended december 31, 2022

(Amounts in thousand)	Note	2022 Rupe	2021
Assets	Note	Rupe	968
Non-current assets			
Property, plant and equipment Right-of-use assets Intangible assets Long term investments Long term loans and advances Deferred taxation Current assets	4 5 6 7 8 9	983,764 970,153 123,807 46,835,094 5,372,573 475,159 54,760,550	771,023 263,413 194,686 46,835,094 384,154 73,537 48,521,907
Loans, advances, deposits and prepayments	10	2,817,736	11,346,072
Receivables Short term investments Cash and bank balances	11 12 13	1,316,708 47,604,776 165,977 51,905,197	784,106 40,247,237 855,323 53,232,738
Total Assets		106,665,747	101,754,645
Equity and Liabilities			
Equity			
Share capital Share premium General reserve Remeasurement of post employment benefits - Actuarial loss Remeasurement of investments Unappropriated profit	14	5,761,633 13,068,232 4,429,240 (39,773) (854,981) 68,900,878	5,761,633 13,068,232 4,429,240 (18,484) - 67,294,008
Total equity		91,265,229	90,534,629
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations Lease liabilities	15	43,345 937,359 980,704	59,220 17,673 76,893
Current liabilities			
Trade and other payables Current portion of lease liabilities Taxes payable Unclaimed dividends	16 15	5,398,425 214,074 8,571,977 235,338	4,840,491 339,073 5,721,720 241,839
		14,419,814	11,143,123
		15,400,518	11,220,016
Contingencies and commitments	19	400.00==:=	
Total Equity and Liabilities		106,665,747	101,754,645

The annexed notes from 1 to 40 form an integral part of these financial statements.

Muhammad Abdul Aleem Director Mazhar Abbas Hasnani Chief Financial Officer Ghias Khan President & CEO

statement of profit or loss and other comprehensive income

for the year ended december 31, 2022

(Amounts in thousand except for earnings per share)		0000	0004
	Note	2022 Rupo	2021 ees
Dividend income	20	22,174,693	19,399,463
		· · · · ·	
Royalty income	21	1,328,906	1,284,441
		23,503,599	20,683,904
Administrative expenses	22	(4,455,338)	(2,739,030)
		19,048,261	17,944,874
Other income	23	7,549,556	4,761,464
Other operating expenses	24	(2,992,924)	(2,414,054)
Operating profit		23,604,893	20,292,284
Finance cost	25	(87,190)	(50,823)
Profit before taxation		23,517,703	20,241,461
Taxation	26	(2,321,283)	(1,725,308)
Profit for the year		21,196,420	18,516,153
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
 Remeasurement of retirement benefit obligation - Actuarial loss 	29.2.7	(21,289)	(2,109)
Items that will be reclassified to profit or loss			
- Remeasurement of investments	12.2	(854,981)	-
		(876,270)	(2,109)
Total comprehensive income for the year		20,320,150	18,514,044
Earnings per share - basic and diluted	27	36.79	32.14

The annexed notes from 1 to 40 form an integral part of these financial statements.

Muhammad Abdul Aleem
Director

Mazhar Abbas Hasnani Chief Financial Officer

Ghias Khan President & CEO

statement of changes in equity

for the year ended december 31, 2022

(Amounts in thousand)				Reserves			
	Capital				Revenue		
	Share capital	Share premium	General reserve	Remeasurement of post employment benefits - Actuarial gain / (loss)	Remeasurement of investments	Unappropriated profit	Total
Balance as at January 1, 2021	5,761,633	13,068,232	4,429,240	(16,375)	-	63,758,171	87,000,901
Profit for the year	-	-	-	-	-	18,516,153	18,516,153
Other comprehensive loss	-	-	_	(2,109)	-	-	(2,109)
	-	-	-	(2,109)	-	18,516,153	18,514,044
Transactions with owners							
Final cash dividend for the year ended December 31, 2020 @ Rs. 2.00 per share	-	-	-	-	-	(1,152,327)	(1,152,327)
Interim cash dividends for the year ended December 31, 2021 :							
- 1st interim @ Rs. 12.00 per share	-	-	-	-	-	(6,913,959)	(6,913,959)
- 2nd interim @ Rs. 7.00 per share	-	-	-	-	-	(4,033,142)	(4,033,142)
- 3rd interim @ Rs. 5.00 per share	-	-	-	-	-	(2,880,888)	(2,880,888)
	-	-	-	-		(14,980,316)	(14,980,316)
Balance as at December 31, 2021	5,761,633	13,068,232	4,429,240	(18,484)	-	67,294,008	90,534,629
Profit for the year	-	-	-	-	-	21,196,420	21,196,420
Other comprehensive loss	-	-	-	(21,289)	(854,981)	-	(876,270)
	-	-	-	(21,289)	(854,981)	21,196,420	20,320,150
Transactions with owners							
Final cash dividend for the year ended December 31, 2021 @ Rs. 1.00 per share	-	-	-	-	-	(576,163)	(576,163)
Interim cash dividends for the year ended December 31, 2022 :							
- 1st interim @ Rs. 12.00 per share	-	-	-	-	-	(6,913,959)	(6,913,959)
- 2nd interim @ Rs. 11.00 per share	-	-	-	-	-	(6,337,796)	(6,337,796)
- 3rd interim @ Rs. 10.00 per share	-	-	-	-	-	(5,761,632)	(5,761,632)
						(19,589,550)	(19,589,550)
Balance as at December 31, 2022	5,761,633	13,068,232	4,429,240	(39,773)	(854,981)	68,900,878	91,265,229

The annexed notes from 1 to 40 form an integral part of these financial statements.

Muhammad Abdul Aleem
Director

Mazhar Abbas Hasnani Chief Financial Officer

Ghias Khan President & CEO

statement of cash flows

for the year ended december 31, 2022

(Amounts in thousand)	2000	0001
Note	2022 Rup	2021 ees
Cash flows from operating activities		
Cash utilized in operations Royalty received Taxes paid Proceeds from sale of tax losses Retirement and other service benefits paid Long term loans and advances - net	(6,788,931) 1,249,917 (806,851) 934,203 (5,204) (13,419)	(4,148,066) 1,178,244 (826,950) - (36,617) 53,398
Net cash utilized in operating activities	(5,430,285)	(3,779,991)
Cash flows from investing activities		
Dividends received Income on deposits and other financial assets including income	22,174,693	23,156,023
earned on subordinated loans to subsidiaries	5,120,417	3,675,754
Investment in shares of subsidiary company Loan disbursed to subsidiary companies Repayment of loan by subsidiary companies Purchase of Treasury bills, Units of Mutual Funds, Fixed income	(19,540,000) 23,777,000	(20,656,050) (14,450,000) 19,350,000
placements and Pakistan Investment Bonds	(605,128,276)	(336,669,333)
Proceeds from sale of Treasury bills, Units of Mutual Funds, fixed income placement and Pakistan Investment Bonds Purchases of property, plant and equipment Sale proceeds on disposal of property, plant and equipment Purchases of intangibles	560,993,617 (422,681) 76,527 (3,504)	366,337,980 (373,602) 10,314 (129,354)
Net cash (utilized in) / generated from investing activities	(12,952,207)	40,251,732
Cash flows from financing activities		
Payment of financial charges Lease rentals paid Dividends paid	(25,381) (247,354) (19,596,051)	(27,443) (305,872) (15,007,130)
Net cash utilized in financing activities	(19,868,786)	(15,340,445)
Net (decrease) / increase in cash and cash equivalents	(38,251,278)	21,131,296
Cash and cash equivalents at beginning of the year	41,101,610	19,970,314
Cash and cash equivalents at end of the year 31	2,850,332	41,101,610

The annexed notes from 1 to 40 form an integral part of these financial statements.

Muhammad Abdul Aleem
Director

Mazhar Abbas Hasnani Chief Financial Officer Ghias Khan President & CEO

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notes to the

financial statements

for the year ended december 31, 2022

1 legal status and operations

- 1.1 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.
- 1.2 These financial statements denote the standalone financial statements of the Company in which investments in subsidiaries have been accounted for at cost less accumulated impairment losses, if any. The consolidated financial statements of the Company and its subsidiaries have been presented seperately. Details of investments held by the Company in its subsidiaries have been presented in note 7.
- 1.3 The business units of the Company include the following:

Business Unit Geographical Location

Head / Registered Office 6th and 8th floors, The Harbour Front Building, Plot Number HC # 3, Marine Drive, Block 4, Clifton, Karachi.

Islamabad Office 22nd floor, Ufone Tower Jinnah Avenue, Blue Area, Islamabad.

2 summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

- 2.1 Basis of preparation
- 2.1.1 These financial statements have been prepared under the historical cost convention as modified by remeasurement of certain financial assets and liabilities at fair value and recognition of certain staff retirement and other services benefits at present value.
- 2.1.2 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
 - International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

- 2.1.3 Initial application of a Standard, Amendment or an Interpretation to existing Standards
 - a) Amendments to accounting and reporting standards that became effective during the year:

There were certain amendments and interpretations to published accounting and reporting standards that are applicable for the financial year beginning on January 1, 2022 but does not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

b) Amendments to published approved accounting and reporting standards which are not yet effective but have been early adopted by the Company:

IFRS 16 'Leases' - The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.

The Company has applied the practical expedient to all qualifying rent concessions granted in relation to office space acquire under rental basis. As a result, Rs. 12,729 (2021: Rs. 24,205) has been recognized in the statement of profit or loss and other comprehensive income to reflect changes in lease payments arising from rent concessions that meet the conditions of the practical expedient.

c) Standard and amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company:

The following new standards are not effective for the financial year beginning on January 1, 2019 and have not been early adopted by the Company:

There is a standard and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 1, 2022. The standard and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

2.2 Property, plant and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except capital work-in-progress which is stated at cost less impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs (note 2.19). The cost of self constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

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Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Disposal of asset is recognized when significant risks and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other operating expenses / income' in the statement of profit or loss and other comprehensive income.

Depreciation is charged to the statement of profit or loss and other comprehensive income using the straight line method whereby the cost of an operating asset less its estimated residual value is written off over its estimated useful life at rates given in note 4.1. Depreciation on addition is charged from the month following the month in which the asset is available for use and on disposals upto the preceding month of disposal.

The assets' residual values, the method of depreciation and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

2.3 Intangible assets - Computer softwares

a) Acquired

These are stated at cost less accumulated amortization and impairment losses, if any.

Costs associated with maintaining computer software programmes are recognized as an expense when incurred. However, costs that are directly attributable to identifiable software and have probable economic benefits exceeding one year, are recognized as an intangible asset. Direct costs include the purchase cost of software (license fee) and related overhead cost.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Computer software and license cost treated as intangible assets are amortized from the date the software is put to use on a straight-line basis over a period of ranging from 4 to 8 years. Amortization on addition is charged from the month following the month in which the asset is available for use and on disposals upto the preceding month of disposal.

b) Internally generated

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by the management. After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and impairment losses, if any. These are amortized using the straight-line basis over a period of 5 years. Amortization on addition is charged from the month following the month in which the asset is available for use and on disposals upto the month preceding the month of disposal.

Expenditure on research (or the research phase of an internal project) is recognized as an expense in the year in which it is incurred.

Development costs incurred on specific projects are capitalized when all the following conditions are satisfied:

- a) completion of the intangible asset is technically feasible so that it will be available for use or sale;
- b) the Company intends to complete the intangible asset and use or sell it;
- c) the Company has the ability to use or sell the intangible asset;
- d) the intangible asset will generate probable future economic benefits. Among other things this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or if it is to be used internally, the asset will be used in generating such benefits;
- e) there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f) the expenditure attributable to the intangible asset during its development can be measured reliably.

2.4 Right-of-use assets and lease liabilities

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognized as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liability.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

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The lease liabilities are subsequently measured at amortized cost using the effective interest method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in the statement of profit or loss and other comprehensive income if the carrying amount of that right-of-use asset has been reduced to zero.

2.5 Investments

Investment in subsidiary, associate and joint venture companies are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the statement of profit or loss and other comprehensive income.

2.6 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the statement of profit or loss and other comprehensive income. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.7 Financial instruments

2.7.1 Financial assets

Classification, initial recognition and measurement

Financial assets are classified as financial assets at amortized cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVPL). The management determines the classification of financial assets at initial recognition based on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortized cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.t

A financial asset is measured at FVOCI if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVPL if it is not measured at amortized cost or at FVOCI.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets at amortized cost are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognized in profit or loss. Financial assets carried at FVOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income / (loss). Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVPL are included in profit or loss in the period in which they arise.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2.7.2 Financial liabilities

The Company recognizes a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial liability at its fair value minus, in the case of a financial liability not at FVPL, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Subsequently, financial liabilities are stated at amortized cost.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

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2.7.3 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle either on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the Counterparty.

2.8 Receivables

Receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case they are recognized at fair value and subsequently measured at amortized cost using effective interest method less loss allowance.

2.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts, if any.

2.10 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.11 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.12 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

These are classified as current liabilities if payment is due within one year or less or in the normal operating cycle of the business, if longer. If not, they are presented as non-current liabilities.

2.13 Income tax

The tax expense for the year comprises current and deferred tax. Tax expense is recognized in the statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case tax expense is also recognized in other comprehensive income or directly in equity, respectively.

2.13.1 Current

The current income tax charge is based on the taxable income for the year calculated on the basis of tax laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2.13.2 Deferred

Deferred tax is recognized using the liability method on all temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary difference recognized to the extent it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

2.14 Retirement and other service benefit obligations

2.14.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss and other comprehensive income when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates:

- a defined contribution provident fund for its permanent employees and permanent employees of its subsidiaries, associates and joint ventures (here-in-after referred to as Group companies). Monthly contributions are made both by the Company, other Group companies and employees to the fund at the rate of 10% of basic salary;
- a defined contribution pension fund for the benefit of its management employees and management employees of its Group companies. Monthly contributions are made by the Company and other Group companies to the fund at rates ranging from 12.5% to 13.75% of basic salary; and
- a defined contribution gratuity fund for the benefit of management employees and management employees of its Group companies. Monthly contributions are made by the Company and other Group companies to the fund at the rate of 8.33% of basic salary.

2.14.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior years; that benefit is discounted to determine its present value. The calculation is performed annually by an independent actuary using the projected unit credit method. Remeasurement gains and losses are recognized in other comprehensive income.

The Company operates a defined benefit funded gratuity scheme for its management employees.

Annual provision is also made under a service incentive plan for certain categories of experienced employees to continue in the Company's employment.

2.14.3 Employees' compensated absences

The Company accounts for compensated absences on the basis of unavailed leave balance of each employee at the end of the year.

2.15 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

2.16 Share based payment transaction

Cash-settled share-based payments to employees are measured at the fair value of the liability. The fair value determined of the cash-settled share-based payments is recognized as an employee compensation expense on a straight-line basis over the vesting period. Until the liability is settled, the fair value of the liability is remeasured at the end of each reporting period and at the date of settlement, with all changes in fair value recognized in profit or loss for the period.

2.17 Foreign currency transactions and translation

These financial statements are presented in Pakistan Rupees, which is Company's functional currency. Amounts presented in these financial statements have been rounded off to the nearest thousand, unless otherwise stated. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in the statement of profit or loss and other comprehensive income, except where such gains and losses are directly attributable to the acquisition, construction or production of a qualifying asset, in which case, such gains and losses are capitalized as part of the cost of that asset.

2.18 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized on the following basis:

- Dividend income from investments is recognized when the Company's right to receive the payment has been established.

- Mark-up on deposits and other financial assets is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.
- Royalty income from subsidiary and associated companies is recognized on an accrual basis in accordance with the agreements entered therewith.
- Gains and losses arising on sale of investments are included in the statement of profit or loss and other comprehensive income in the year in which they arise.
- Unrealize appreciation / (loss) in the value of investments classified as 'financial assets at fair value through profit or loss' are included in the other comprehensive income and profit or loss in the year in which they arise.

2.19 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset. Borrowing costs include exchange differences arising on foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

2.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) in respect of its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.21 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

3. critical accounting estimates and judgements

The preparation of these financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. The accounting estimates will by definition, seldom equal the related actual results. It also requires management to exercise its judgment 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 expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

3.1 Impairment of investments in subsidiaries, associates and joint venture

In making estimates of future cash flows from investments in subsidiaries, associates and joint ventures, the management considers future dividend stream and an estimate of the terminal value of these investments, which are subject to change.

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3.2 Income taxes

In making the estimates for current income taxes payable by the Company, the management considers the applicable laws and the decisions / judgments of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made taking into account these judgments and the best estimates of future results of operations of the Company.

3.3 Provision for retirement and other service benefits obligations

The present value of these obligations depend on a number of factors that are determined on actuarial basis using a number of assumptions. Further, contributions determination requires assumptions to be made for future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Any changes in these assumptions will impact the carrying amount of these obligations. The underlying assumptions are disclosed in note 29.

3.4 Share based payment transaction

The fair value of share-based compensation expense arising from the Long-term Incentive Plan (LTIP) is estimated using an appropriate option pricing model. It is recognized as expense from the date of grant over the vesting period with a corresponding increase in liability. Market conditions upon which vesting is conditioned, is taken into account when estimating the fair value at measurement date. Vesting conditions, other than market conditions, are not taken into account when estimating the fair value at the measurement date. Instead, these are taken into account by adjusting the number of instruments included in the measurement of the transaction amount.

(Amounts in thousand)

4. property, plant and equipment

Operating assets (note 4.1) Capital work-in-progress (note 4.2)

2022 Ru	2021 upees	
604,260	703,970	
379,504	67,053	
983,764	771,023	

(Amounts in thousand)

4.1 Operating assets

Operating assets	Furniture, fixture and equipment	Vehicles	Total
As at January 1, 2021	FO 4 44 4		000 000
Cost Accumulated depreciation	534,414 (296,583)	352,489 (123,242)	886,903 (419,825)
Net book value	237,831	229,247	467,078
Year ended December 31, 2021			
Opening net book value	237,831	229,247	467,078
Additions - transfers from capital work-in-progress (note 4.2)	197,659	213,196	410,855
Disposals (note 4.4)			
Cost Accumulated depreciation	(2,915)	(11,584) 4,862	(14,499) 7,448
Accumulated depreciation	(329)	(6,722)	(7,051)
Depreciation charge (note 4.3)	(98,947)	(67,965)	(166,912)
Net book value	336,214	367,756	703,970
As at December 31, 2021			
Cost Accumulated depreciation	729,158	554,101	1,283,259
Cost Accumulated depreciation Net book value	729,158 (392,944) 336,214	554,101 (186,345) 367,756	1,283,259 (579,289) 703,970
Accumulated depreciation	(392,944)	(186,345)	(579,289)
Accumulated depreciation Net book value	(392,944)	(186,345)	(579,289)
Accumulated depreciation Net book value Year ended December 31, 2022	(392,944) 336,214	(186,345) 367,756	(579,289) 703,970
Accumulated depreciation Net book value Year ended December 31, 2022 Opening net book value Additions - transfers from capital work-in-progress (note 4.2) Disposals (note 4.4)	(392,944) 336,214 336,214 62,700	367,756 367,756 99,730	703,970 703,970
Accumulated depreciation Net book value Year ended December 31, 2022 Opening net book value Additions - transfers from capital work-in-progress (note 4.2) Disposals (note 4.4) Cost	(392,944) 336,214 336,214 62,700 (3,894)	(186,345) 367,756 367,756 99,730 (90,403)	703,970 703,970 703,970 162,430
Accumulated depreciation Net book value Year ended December 31, 2022 Opening net book value Additions - transfers from capital work-in-progress (note 4.2) Disposals (note 4.4)	(392,944) 336,214 336,214 62,700	367,756 367,756 99,730	703,970 703,970
Accumulated depreciation Net book value Year ended December 31, 2022 Opening net book value Additions - transfers from capital work-in-progress (note 4.2) Disposals (note 4.4) Cost	(392,944) 336,214 336,214 62,700 (3,894) 3,782	(186,345) 367,756 367,756 99,730 (90,403) 39,609	703,970 703,970 703,970 162,430 (94,297) 43,391
Accumulated depreciation Net book value Year ended December 31, 2022 Opening net book value Additions - transfers from capital work-in-progress (note 4.2) Disposals (note 4.4) Cost Accumulated depreciation	(392,944) 336,214 336,214 62,700 (3,894) 3,782 (112)	(186,345) 367,756 367,756 99,730 (90,403) 39,609 (50,794)	703,970 703,970 703,970 162,430 (94,297) 43,391 (50,906)
Accumulated depreciation Net book value Year ended December 31, 2022 Opening net book value Additions - transfers from capital work-in-progress (note 4.2) Disposals (note 4.4) Cost Accumulated depreciation Depreciation charge (note 4.3) Net book value As at December 31, 2022	(392,944) 336,214 336,214 62,700 (3,894) 3,782 (112) (119,372) 279,430	(186,345) 367,756 367,756 99,730 (90,403) 39,609 (50,794) (91,862) 324,830	703,970 703,970 703,970 162,430 (94,297) 43,391 (50,906) (211,234) 604,260
Accumulated depreciation Net book value Year ended December 31, 2022 Opening net book value Additions - transfers from capital work-in-progress (note 4.2) Disposals (note 4.4) Cost Accumulated depreciation Depreciation charge (note 4.3) Net book value As at December 31, 2022 Cost	(392,944) 336,214 336,214 62,700 (3,894) 3,782 (112) (119,372) 279,430	(186,345) 367,756 367,756 99,730 (90,403) 39,609 (50,794) (91,862) 324,830 563,428	703,970 703,970 703,970 162,430 (94,297)
Accumulated depreciation Net book value Year ended December 31, 2022 Opening net book value Additions - transfers from capital work-in-progress (note 4.2) Disposals (note 4.4) Cost Accumulated depreciation Depreciation charge (note 4.3) Net book value As at December 31, 2022	(392,944) 336,214 336,214 62,700 (3,894) 3,782 (112) (119,372) 279,430	(186,345) 367,756 367,756 99,730 (90,403) 39,609 (50,794) (91,862) 324,830	703,970 703,970 703,970 162,430 (94,297) 43,391 (50,906) (211,234) 604,260

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2	Capital work-in-progress	Furniture, fixture and equipment	Advances to suppliers and others	Total
	Year ended December 31, 2021			
	Balance as at January 1, 2021 Additions during the year	44,092 186,176	60,214 316,780	104,306 502,956
	Transferred to: - operating assets (note 4.1) - intangible assets (note 6)	(197,659)	(213,196) (129,354)	(410,855) (129,354)
	Balance as at December 31, 2021	32,609	34,444	67,053
	Year ended December 31, 2022			
	Balance as at January 1, 2022 Additions during the year Reclassification	32,609 98,705	34,444 350,889 28,791	67,053 449,594 28,791
	Transferred to: - operating assets (note 4.1) - intangible assets (note 6)	(62,700)	(99,730) (3,504)	(162,430) (3,504)
	Balance as at December 31, 2022	68,614	310,890	379,504

- 4.3 Depreciation has been allocated to administrative expenses (note 22) and capital work-in-progress amounting to Rs. 205,548 (2021: Rs. 162,427) and Rs. 5,686 (2021: Rs. 4,485) respectively.
- 4.4 Details of the operating asset disposed off during the year are as follows:

Description of asset	Cost	Accumulated depreciation		Sale Proceeds	Gain (note 23)		
			Rupees-				
Vehicle	5,607 2,717 3,520 2,669 2,785 15,058 9,202 5,554 2,882 5,554 3,240 3,267 4,505 3,074 2,750 3,393 2,772 5,507 3,625	5,046 731 249 265 592 13,552 4,432 2,203 245 2,282 1,285 1,296 1,085 653 662 577 785 858 359	561 1,986 3,271 2,404 2,193 1,506 4,770 3,351 2,637 3,272 1,955 1,971 3,420 2,421 2,088 2,816 1,987 4,649 3,266	6,800 2,140 3,165 2,493 2,395 11,000 8,600 3,428 2,841 4,258 2,036 2,332 2,544 2,615 2,420 2,958 2,438 5,498 3,275	6,239 154 (106) 89 202 9,494 3,830 77 204 986 81 361 (876) 194 332 142 451 849 9	Buy Back Policy	Mr. Nadir Salaar Qureshi -employee Mr. Adeel Ibrahim- employee Mr. Rehman Ahmed-employee Mr. Ammad Hassan-employee Mr. Nadir Nasim-employee Mr. Eram Hassan-employee Mr. Eram Hassan-employee Mr. Fahad Dar-employee Mr. Zain Farooq-employee Mr. Shahbaz Ahmed Khan-employee Mr. Iftikhar Ahmed Dar-employee Mr. Khawaja Jawwad Hassan-employee Mr. Asad Shaikh-employee Mr. Abdullah Zubair-employee Mr. Zouhair Ansari-employee Mr. Mubeen Ashfaque-employee Mr. Muhammad Ashar-employee Mr. Sualeh Qamar-employee Miss Tabinda-employee
Other operating assets							
(having net book value less							
than Rs. 500 each)	6,616	6,234	382	3,291	2,908		
December 31, 2022	94,297	43,391	50,906	76,527	25,620		
December 31, 2021	14,499	7,448	7,051	10,314	3,263		

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(Amounts in thousand)

4.5 This mainly represents advance paid to suppliers for purchase of operating assets.

		2022	2021
		Rup	ees
5.	right-of-use assets		
	Balance as at January 1	263,413	515,010
	Additions during the year	964,527	-
	Depreciation charge (note 5.1)	(257,787)	(251,597)
	Balance as at December 31	970,153	263,413

5.1 Depreciation charged on right-of-use assets has been allocated to administrative expenses (note 22) and capital-work-in-progress (note 4.2) amounting to Rs. 240,064 (2021: Rs. 227,967) and Rs. 17,723 (2021: Rs. 23,630) respectively.

intangible assets

Represent various computer softwares which are amortized on straight line basis over a period ranging from 4 to 8 years. Movement during the year is as follows:

As at January 1, 2021	Rupees
Cost Accumulated amortization Net book value	184,857 (88,047) 96,810
Year ended December 31, 2021	
Opening net book value Additions - Transfers from capital work-in-progress (notes 4.2 and 6.1) Amortization charge (note 22) Net book value	96,810 129,354 (31,478) 194,686
As at language 1, 2000	

As at January 1, 2022

314,211 (119,525) 194,686
194,686 3,504 (28,791) (45,592) 123,807
288,924 (165,117) 123,807

6.1 Includes Company's share of cost incurred in respect of One SAP project which is being amortized over a period of 8 years.

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7. long-term investments

Subsidiary companies - at cost (note 7.1) Less: Provision for impairment (note 7.1.1)

Joint venture company - at cost Engro Vopak Terminal Limited 45,000,000 (2021: 45,000,000) Ordinary shares of Rs. 10 each, equity held 50% (2021: 50%)

Associated company - at cost FrieslandCampina Engro Pakistan Limited 306,075,948 (2021: 306,075,948) Ordinary shares of Rs. 10 each, equity held 39.9% (2021: 39.9%)

Others - at cost

Arabian Sea Country Club Limited 500,000 (2021: 500,000) Ordinary shares, of Rs. 10 each, equity held 6% (2021: 6%)

2022	2021
Ru	pees

1	300
47,219,777 (3,900,442) 43,319,335	47,219,777 (3,900,442) 43,319,335
450,000	450,000
3,060,759	3,060,759
5,000 46,835,094	5,000 46,835,094

7.1 Subsidiary companies

Subsidiary Companies		2022		2021
	Equity % held	Investment at cost		
Engro Fertilizers Limited 751,312,057 (2021: 751,312,057) Ordinary shares of Rs. 10 each	56.27	7,519,968	56.27	7,519,968
Engro Polymer and Chemicals Limited 510,733,461 (2021: 510,733,461) Ordinary shares of Rs. 10 each	56.19	6,685,616	56.19	6,685,616
Unquoted				
Engro Energy Limited - 105,581,016 (2021: 76,274,208) Ordinary shares of Rs. 10 each	100	3,797,750	100	3,504,682
- Advance against issuance of Nil (2021: 29,306,808) Ordinary shares of Rs. 10 each		-	100	293,068
		3,797,750		3,797,750
Engro Eximp Agriproducts (Private) Limited - 190,860,900 (2021: 190,860,900) Ordinary shares of Rs. 10 each	100	4,927,000	100	4,927,000
- 10,000,000 (2021: 10,000,000) Redeemable Preference shares of Rs.10 each	100	100,000	100	100,000
Elengy Terminal Pakistan Limited 113,493,731 (2021: 113,493,731) Ordinary shares of Rs. 10 each	56	5,027,000	56	5,027,000
Engro Infiniti (Private) Limited 58,613,140 (2021: 58,613,140) Ordinary shares of Rs. 10 each	100	1,117,000	100	1,117,000
Engro Eximp FZE 1 (2021: 1) Ordinary share of AED 1,000,000 each	100	1,972,505	100	1,972,505
Engro Connect (Private) Limited 1,996,500,000 (2021: 1,996,500,000) Ordinary shares of Rs. 10 each	100	19,965,000	100	19,965,000
		47,219,777		47,219,777

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Balance as

7.1.1The movement in provision for impairment during the year is as follows:

	2022 Rupe	2021 es
at beginning and end of the year	3,900,442	3,900,442

- 7.1.2 Represents provision held against the Company's investment in Engro Eximp Agriproducts (Private) Limited and Engro Infiniti (Private) Limited amounting to Rs. 3,270,092 (2021: Rs. 3,270,092) and Rs. 630,350 (2021: Rs. 630,350) respectively.
- 7.1.3 Certain investments held by the Company have been pledged as explained in note 19.

2022	2021
Rupe	es

8. long-term loans and advances

- Considered good Long term loans and advances to executives 20,083 44,529 and other employees (notes 8.1, 8.4 and 8.5) 6.439 Less: Current portion shown under current assets (note 10) 44.304 13,644 225 5.358.929 383.929 Subordinated loan to subsidiary (notes 8.2 and 8.3) 5.372.573 384.154 Reconciliation of the carrying amount of loans and advances to executives and other employees Balance as at January 1 44,529 82,710 106,555 78,929 Add: Disbursements Less: Repayments / Amortization (131.001)(117.110)Balance as at December 31 20,083 44,529

- Represents subordinated loans availed by Engro Energy Limited, a wholly owned subsidiary company, pursuant to agreements entered into on December 23, 2022 and December 28, 2021 repayable on December 22, 2024 and December 28, 2024, respectively. The total facility available under these agreements amount to Rs 6,000,000 and USD 21,400 (PKR equivalent), and carries mark-up at the rate of 3 months KIBOR plus 0.1% and 6 months KIBOR plus 2% per annum payable on quarterly basis, respectively. There was no movement in the principal balances of loan during the period.
- The maximum amount outstanding at the end of any month during the year ended December 31, 2022 from subsidiary aggregated to Rs. 5,358,929 (2021: Rs. 389,698).
- The maximum amount outstanding at the end of any month during the year ended December 31, 2022 from executives aggregated to Rs. 21,483 (2021: Rs. 61,141).
- Loans given to employees and executives are in accordance with the Company policy, return free and are repayable within a period of 1 to 5 years. Further, as at year-end, these include loans given to key management personnel aggregating to Rs. 9,607 (2021: Rs. 8,133).

(Amounts in thousand)

3.6 The carrying values of the loans and advances are neither past due nor impaired.

		2022	000	2021
9.	deferred taxation	Ru _l	hee	25
	Debit / (Credit) balances arising on account of: - depreciation allowance - provisions - right-of-use of asset - lease liabilities - carried forward tax losses	37,455 4,392 (320,150) 379,973 373,489 475,159		12,800 42,395 (51,765) 70,107 - 73,537
10.	loans, advances, deposits and prepayments			
	Loans and advances - considered good			
	- Current portion of long term loans and advances to executives and other employees (note 8)	6,439		44,304
	- Loan to subsidiary companies (note 10.1)	2,335,238		10,827,611
		2,341,677		10,871,915
	Less: Provision for impairment (note 10.4)	(13,000) 2,328,677		(26,309) 10,845,606
	Advances Deposits and prepayments	367,723 121,336		457,680 42,786
		2,817,736		11,346,072

- 10.1 This includes accrued interest amounting to Rs. 1,242,238 (2021: Rs. 522,611). Disbursements / repayments of loan during the year are as follows:
 - loan amounting to Rs. 13,150,000 was further disbursed to Engro Fertilizers Limited, a subsidiary Company, pursuant to agreement entered into on September 02, 2022. The loan carries mark-up at the rate of 3-month KIBOR plus 0.1%. Out of the outstanding balance, Rs. 17,350,000 was repaid during the period. The balance outstanding as at December 31, 2022 aggregated to Rs. 1,000,000 (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 availed by Engro Powergen Qadirpur Limited, an indirect subsidiary, pursuant to agreement entered into on April 01, 2022. The loan carried mark-up at the rate of 3-month KIBOR plus 0.2%. Entire amount was repaid during the year;
 - loan amounting to Rs. 1,290,000 was disbursed to Engro Connect (Private) Limited, a wholly owned subsidiary company, pursuant to agreement entered into on June 01, 2022. The loan carried mark-up at the rate of 3-month KIBOR plus 0.2% and the same was repaid during the year; and

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- 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 year. The balance outstanding as at December 31, 2022 aggregated to Rs. 93,000 (2021: Rs. 130,000).
- 10.2 The maximum amount outstanding at the end of any month during the year ended December 31, 2022 from subsidiary companies aggregated to Rs. 13,541,691 (2021: Rs. 19,030,207).
- The carrying values of the loans and advances are neither past due nor impaired.
- 10.4 The movement in provision for impairment during the year is as follows:

Balance at beginning of the year

Balance at end of the year

Provision reversed during the year

2022 2021 -----Rupees-----26,309 (13,309) 40,000 (13,691)13,000 26,309 -----Rupees-----

2022

2021

(Amounts in thousand)

11.	receivables		
	Considered good		
	Due from:		
	- Parent Company - Dawood Hercules Corporation Limited	265	-
	 - Direct / Indirect subsidiary companies - Engro Energy Limited - Engro Connect (Private) Limited - Engro Fertilizers Limited - Engro Elengy Terminal (Private) Limited - Engro Infiniti (Private) Limited - Engro Powergen Thar (Private) Limited - Engro Powergen Qadirpur Limited - Engro Power Investments International B.V. - Engro Eximp Agriproducts (Private) Limited - Thar Foundation - Engro Enfrashare (Private) Limited - Erert Agritrade (Private) Limited - Engro Peroxide (Private) Limited - Engro Energy Services Limited - Think PVC (Private) Limited - Engro Plasticizer (Private) Limited - Engro Polymer and Chemicals Limited 	78,379 - 582,395 34,185 - 1,253 28,114 - 46,154 740 461 689 1,433 3,767 452 605 213,971	196,401 43,012 40,273 36,036 34,099 32,342 30,376 25,064 11,523 5,048 3,262 2,525 550 328 50 23
	- Engro Vopak Terminal Limited	47,554	37,714
	 Associated companies FrieslandCampina Engro Pakistan Limited Sindh Engro Coal Mining Company Limited Thar Power Company Limited 	16,085 3,483 1,059,985	40,724 14,879 1,810 556,039
	Engro FoundationRetirement benefit fundsOthers	- 125,797 130,926	163 58,605 169,299
	Considered doubtful		
	Due from:		
	 FrieslandCampina Pakistan Holdings B.V. Financial advisors Less: Provision against doubtful receivables 	143,366 46,952 (190,318) - 1,316,708	143,366 46,952 (190,318) - 784,106

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- 11.1 The maximum amount due from related parties at the end of any month during the year aggregated to Rs. 1,548,919 (2021: Rs. 956,804).
- 11.2 As at December 31, 2022, receivables from related parties aggregating to Rs. 213,866 (2021: Rs. 365,866) were past due but not impaired. The ageing analysis of these receivables is as follows:

2022

2021

		2022 Rup	006	2021 es
3 tc	to 3 months o 6 months re than 6 months	123,740 13,842 76,284 213,866		266,723 19,405 79,738 365,866
12. sho	ort-term investments			
	value through other comprehensive income akistan Investment Bonds (notes 12.1 and 12.2)	29,380,322		-
	value through profit or loss utual fund units (note 12.3)	3,078,051		950
- Tr - Pa	ortized cost easury bills (note 12.4) akistan Investment Bonds (note 12.1) xed income placements (note 12.5)	14,799,413 346,990 15,146,403 47,604,776		5,642,143 34,604,144 40,246,287 40,247,237

- 12.1 These Bonds carries yield of 12.75% to 17.56% (2021: 11.33%) per annum and have maturity terms ranging between two to ten years.
- 12.2 This amount is net of loss on remeasurement of Pakistan Investment Bonds amounting to Rs. 854,981.
- 12.3 This represents investment in 30,467 units (2021: 90,820 units) of Mutual Funds having cost amounting to Rs. 3,050,220 (2021: Rs. 950).
- 12.4 These bills carries yield of 14.75% to 16.87% per annum and have maturity terms ranging from January 2023 to September 2023.
- These represent placements with banks and carries interest at rates ranging from 14.07% to 16.00% (2021: 6.55% to 12.95%) per annum and have maturity terms ranging from January 2023 to October 2023.
- 12.6 Certain investments held by the Company are pledged as disclosed in note 19.

(Amounts in thousand) 2022 2021 -----Rupees----cash and bank balances Cash at banks: In saving accounts - conventional (note 13.1) 119.003 446.993 - islamic (note 13.2) 483 973 In current accounts 45.791 406.657 165,277 854,623

- 13.1 These carry return ranging from 8.25% to 14.50% (2021: 5.5% to 8.25%) per annum.
- These are shariah compliant bank balances and carry profit at rates ranging from 4% to 9.10% (2021: 2.94% to 4.22%) per annum.

700 **165,977**

2022

2022

855,323

2021

2021

14. share capital

14.1 Authorized capital

2022

2021

Cash in hand

	(Number	of shares)		(Number o	f shares)
	700,000,000	700,000,000	Ordinary shares of Rs. 10 each	7,000,000	7,000,000
14.2	2 Issued, subso	cribed and paid-u	up capital		
	2022 (Number o	2021 of shares)		2022 (Number o	2021 f shares)
	197,869,803	197,869,803	Ordinary shares of Rs. 10 each fully paid in cash	1,978,699	1,978,699
	378,293,427	378,293,427	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	3,782,934	3,782,934
	576,163,230	576,163,230		5,761,633	5,761,633

14.3 As at December 31, 2022, the Parent Company and associated companies held 214,469,810 and 39,038,015 (2021: 214,469,810 and 39,038,015) ordinary shares in the Company, respectively.

45	Lanca Balattica	Rupe	es
15.	lease liabilities		
	Balance at beginning of the year	356,746	629,991
	Additions in lease Add: Finance cost (note 25) Less: Lease rental paid Less: Rent concession on lease liability	949,468 105,302 (247,354) (12,729) 794,687	56,832 (305,872) (24,205) (273,245)
	Total Lease liabilities	1,151,433	356,746
	Less: Current portion shown under current liabilities Balance at the end of the year	(214,074) 937,359	(339,073) 17,673

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(Amounts in thousand) 2022 2021 -----Rupees----trade and other payables 264,862 226,232 Creditors (note 16.1) 3.227.497 3.035.915 Accrued liabilities Withholding tax payable 63,316 49,976 Payable to: - FrieslandCampina Pakistan Holdings B.V. (note 16.2) 932,367 732,762 - Engro Eximp FZE 452,216 371,781 197,074 - Dawood Hercules Corporation Limited - Engro Polymer and Chemicals Limited 50,468 20.517 - Engro Digital Limited - Engro Foundation 40,027 - Engro Power Investments International B.V. 36.887 - Engro Infiniti (Private) Limited 11.066 - The Dawood Foundation 17,428 Current portion of retirement and other service benefit obligations (note 16.3) 158,132 76,260 79.506 Others (note 16.4) 194.627 5,398,425 4,840,491

- 16.1 Includes directors' fee amounting to Rs. 9,448 (2021: Rs. 2,657).
- 16.2 Includes an amount recognized in respect of sales tax receivables of FrieslandCampina Engro Pakistan Limited, matter as more fully explained in note 24.4.
- 16.3 Includes liability towards defined benefit gratuity fund amounting to Rs. 86,833 (2021: Rs. 49,135).
- 16.4 Includes liability towards Long Term Incentive Plan (LTIP) amounting Rs. 133,993 (2021: Nil). During the year, the Board of Directors of the Company approved LTIP for granting of cash-settled phantom shares to certain executive employees. Under the LTIP, the actual amount of phantom shares that may vest at exercise price of nil ranges from 0% to 121% of the awards, depending on the outcomes of prescribed service and performance conditions over a three-year period.

17. borrowings - secured

The facilities for short term running finance arranged from various banks, amount to Nil (2021: Rs. 1,500,000). The facilities were primarily secured against ranking floating charge over all present and future loans, advances, receivables and other current assets (excluding investments) of the Company. Additionally, the facilities were also secured through a pledge over shares of Engro Fertilizers Limited and FrieslandCampina Engro Pakistan Limited, as well as through Pakistan Investment Bonds. The rate of mark-up on these finances ranged from one month KIBOR plus 0.5% per annum to one month KIBOR plus 1% per annum.

18. unclaimed dividends

Includes unclaimed dividend amounting to Rs. 219,939 (2021: Rs. 225,932) outstanding for more than 3 years from the date of declaration. Such unclaimed dividend is payable to the Federal Government as per the Act, subject to fulfilment / clarification on certain pre-conditions specified in the Act.

(Amounts in thousand)

19. contingencies and commitments

- 19.1 Contingencies
- 19.1.1 As at December 31, 2022, bank guarantees of Rs. 3,801,129 (2021: Rs. 2,732,540) have been issued in favour of third parties.
- 19.1.2 Following are the details of securities pledged by the Company in favour of Engro Energy Limited (EEL):
 - Standby Letters of Credit (Equity SBLC) have been provided by EEL, a wholly owned subsidiary, through National Bank of Pakistan amounting to US Dollars 5,660 (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) October 31, 2023; or (ii) fulfilment of sponsor obligations under Sponsor Support Agreements. This has been secured by the Company by pledging Treasury Bills.
 - Standby Letter of Credit (Put Option SBLC) has been provided by EEL, a wholly owned subsidiary company, through Allied Bank Limited amounting to US Dollars 21,070 (2021: US Dollars 21,070) in favour of the Put Option Fronting Bank (Habib Bank Limited). The Put Option SBLC has been furnished to meet sponsor obligations under Sponsor Support Agreement (Put Option SSA) and expires on earlier of (i) January 31, 2029; or (ii) fulfilment of sponsor obligations pursuant to Put Option SSA. This guarantee was secured by pledging Company's shares of Engro Fertilizer Limited (EFERT) and Friesland Campina Engro Pakistan Limited (FCEPL) of quantities 97,000,000 and 25,000,000 respectively.
- 19.1.3 Engro Elengy Terminal Pakistan Limited has issued SBLCs amounting to US Dollars 22,500 (2021: US Dollars 22,500). This has been secured by the Company by pledging Treasury Bills.
- 19.1.4 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 53,000,000, 58,000,000 and 33,500,000 shares of Engro Fertilizer Limited, Engro Polymer and Chemicals Limited and FrieslandCampina Engro Pakistan Limited respectively.
- 19.1.5 In the year 2017, FCEPL received an order from the Competition Commission of Pakistan, imposing a penalty of Rs. 62,293 in respect of FCEPL's marketing activities relating to one of its products. FCEPL has filed an appeal against the aforementioned order. As per the terms of the Share Purchase Agreement with FrieslandCampina Pakistan Holding B.V. (FCP), the Company is required to reimburse 51% of the amount together with all reasonable cost and expenses to FCP in case any such penalty materializes. The Company, based on the opinion of the legal advisor, is confident of a favourable outcome of the appeal, and accordingly, no provision has been recognized in these financial statements in this respect.
- 19.1.6 In the year 2016, the Company entered into a Share Purchase Agreement (SPA) with FCP for the sale of 47.1% of the total issued shares of FCEPL. In accordance with the terms of the SPA, the Company is required to pay to FCP, an amount equivalent to 47.1% of any tax liability (as defined in the SPA) together with all reasonable costs and expenses incurred, in case any tax contingency materializes. The Company, based on the opinion of FCEPL's tax and legal advisors, is confident of favourable outcomes in respect of various tax matters being contested by FCEPL, and accordingly no provision has been recognized in these financial statements in this respect.

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19.1.6 For tax related matters refer note 26.

	2022 Rupe	2021 es
19.2 Commitments		
19.2.1 Commitments in respect of capital expenditure	251,063	299,120
20. dividend income		
Subsidiary companies: - Engro Fertilizers Limited - Engro Energy Limited - Elengy Terminal Pakistan Limited - Engro Polymer and Chemicals Limited - Engro Eximp FZE	10,142,713 1,800,000 1,372,139 7,916,369 11,072	11,645,337 - 418,792 6,152,878 27,456
Joint venture: - Engro Vopak Terminal Limited	932,400 22,174,693	1,155,000 19,399,463

21. royalty income

The Company has granted Engro Fertilizers Limited, a subsidiary company, the right to use trade marks and copy rights of the Company for marketing of fertilizer products under a licensing agreement effective January 1, 2010.

		2022	2021
		Rupe	es
22.	administrative expenses		
	Salaries, wages and staff welfare (notes 22.1 and 22.2) Staff recruitment, training and safety Purchased services Repairs and maintenance Advertising, promotion and corporate branding Rent, rates and taxes Communication, stationery and other office expenses Travelling Compensation expense (note 22.4) Depreciation (note 4.3) Depreciation on right-of-use assets (notes 5 and 22.3) Amortization (note 6) Directors' fee, remuneration and travelling	1,762,922 160,969 43,816 28,785 402,261 344,022 239,385 494,238 133,993 205,548 120,609 45,592 473,198	1,355,576 143,270 72,513 4,272 228,158 157,547 172,236 84,166 - 162,427 114,779 31,478 212,608
		4,433,336	2,703,000

- 22.1 Salaries, wages and other staff welfare is net-off recoveries from subsidiaries amounting to Rs. 1,746,044 (2021: Rs. 1,336,773) in accordance with the expense sharing agreements.
- 22.2 Includes Rs. 226,193 (2021: Rs. 168,097) in respect of staff retirement benefits.
- Depreciation on right-of-use assets is net-off recoveries from subsidiaries amounting to Rs. 119,455 (2021: Rs. 113,188) in respect of their share in rent of office premises.

(Amounts in thousand)

- 22.4 This includes expense recognized for cash settled share based payment transactions of Rs. 133,993 (2021: Nil) (note 16.4).
- 22.5 The expenses above are net-off recoveries from subsidiaries amounting to Rs. 1,040,762 (2021: Rs. 623,334) in accordance with the expense sharing agreements.

		2022 Rupe	2021 ees
23.	other income Financial assets		
	Income on: Bank and term deposits Subordinated loans to subsidiary companies Mutual funds Government securities Non financial assets	1,944,899 1,229,333 413,360 3,765,646 7,353,238	1,262,576 1,238,709 350,213 1,594,279 4,445,777
	Gain on disposal of property, plant and equipment (note 4.4) Reversal for impairment on loan (note 10.4) Others (note 23.1)	25,620 13,309 157,389 7,549,556	3,263 13,691 298,733 4,761,464

23.1 Includes income received amounting to Rs.155,910 (2021: Rs. 298,412) under Emission Reduction

	Purchase Agreement with Holt Global Group International AGHofstrasse entered into on January 24 2020, for the sale of contract Emission Reductions (ERs).			
		2022 Rupe	2021 ees	
24.	other operating expenses			
	Auditor's remuneration (note 24.1) Legal and professional charges Donations (note 37) Human resource development (note 24.2) Research and business development (note 24.3) Others (note 24.4)	39,463 140,775 46,264 21,351 2,507,929 237,142 2,992,924	24,303 326,205 82,490 165,397 1,541,659 274,000 2,414,054	
24.1	Auditor's remuneration			
	Fee for: - audit of annual financial statements - review of half yearly financial statements - review of statement of compliance with Code of Corporate Governance Certifications and other advisory / assurance services Taxation services Reimbursement of expenses	930 310 60 26,682 11,471 10 39,463	750 275 35 14,902 7,952 389 24,303	

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- 24.2 Represents professional consultancy charges incurred under an agreement, for the development of human resource strategies and the Engro Leadership Academy.
- 24.3 This includes an amount of Rs. 2,158,744 (2021: Rs. 1,422,265) incurred in connection with propane dehydrogenation and polypropylene project.
- 24.4 Under the Share Purchase Agreement (SPA) with FCP, the Company is required to pay FCP an amount equal to 51% of the sales tax receivable of FCEPL, an associated company, recognized in the financial years 2012 to 2016, if it is not recovered by FCEPL within six years after it is recognized. Accordingly, on prudence basis, the Company has recognized its liability under the SPA equivalent to 51% of the sales tax receivable pertaining to FCEPL being sales tax short recovered till December 31, 2022.

		2022 Rup	2021 Dees
25.	finance cost Interest expense on lease liability (note 25.1) Others	52,904 34,286 87,190	25,980 24,843 50,823

25.1 Interest expense is net-off recoveries from subsidiaries amounting to Rs. 52,398 (2021: Rs. 30,852) in respect of their share in rent of office premises.

Ru	ре	es
4,315,977		3,421,559
(658,869) 3,657,108		(1,642,232) 1,779,327
(1,335,825) 2,321,283		(54,019) 1,725,308

2022

2021

taxation

Current

- for the year (note 26.1)
- for prior years (notes 26.1 and 26.5)

Deferred (note 26.2)

- 26.1 This includes an amount of Rs. 785,356 and Rs 876,892 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 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), December 31, 2022 (tax year 2023) respectively and onwards.
- 26.2 This includes amount, in accordance with section 59B (Group relief) of the Income Tax Ordinance, 2001 where the Company has surrendered its assessed tax losses to its subsidiary companies for the years ended December 31, 2019, 2020 and 2021 (Tax years 2020 to 2022) for consideration of Rs. 426,599, Rs. 373,489 and Rs. 507,604 respectively, being equivalent to tax benefit / effect surrendered thereof.
- 26.3 Through Finance Act 2015, levy of 'Super Tax for rehabilitation of temporarily displaced persons' under section 4B of the Income TaxOrdinance, 2001 was introduced for tax year 2015. The said levy was extended and made applicable on succeeding years via subsequent Finance Acts upto financial year ended December 31, 2018. In the year 2019, through Finance Supplementary Act, 2019, the levy of Super Tax is prescribed at zero percent from financial year ended December 31, 2019 onwards for companies other than banking companies.

(Amounts in thousand)

In 2020, the petition filed by the Company along with other taxpayers against the imposition of Super Tax in the High Court of Sindh (HCS) was rejected vide order dated July 21, 2020. The Company, in consultation with its legal and tax advisors, has filed an appeal against the decision of the HCS in the Supreme Court of Pakistan (SCP). Consequent to the High Court judgement, the tax authorities issued notices to the Company and subsequently framed orders for recovery of Super Tax for tax years 2017 to 2019 with total tax demand of Rs. 2,232,966. Appeal was filed against these orders with the Commissioner Inland Revenue (Appeals) [CIR (Appeals)] on certain contentions and factual grounds. The CIR (Appeals) has decided all appeals against the Company and maintained the levy of Super Tax considering the HCS judgement. The Company has filed a further appeal before the Appellate Tribunal Inland Revenue (ATIR) which is pending to be heard.

In November 2020, SCP granted leave to appeal and passed an interim order restraining the Respondents from taking any coercive action against the Petitioner taxpayers (including the Company) subject to them depositing 50% of the impugned outstanding tax amount.

The Company has till date paid Super Tax amounting to Rs. 265,389 through adjustments of excess tax refunds against the demand for tax years 2018 and 2019. Adequate provision for Super Tax for the respective tax years is being maintained in these financial statements.

26.4 In 2016, an amendment was introduced in the Income Tax Ordinance 2001, (the Ordinance) via the Finance Act, 2016 imposing tax on Inter-Corporate Dividends (ICD) which were previously exempt to companies designated as a Group under section 59B of the Ordinance. Subsequently, in December 2019, the exemption on ICD was restored through amendment in the Ordinance vide Tax Laws (Second Amendment) Ordinance, 2019 (the Amendment Ordinance). However, in respect of the dividends received before the said amendment, the Company had challenged the imposition of tax on ICD in the HCS and has been granted a stay in this respect.

In 2020, the Amendment Ordinance was laid down before the Parliament and enacted as Tax Laws (Amendment) Act 2020 (the 2020 Act). The 2020 Act ratified the exemption on ICD restored by the Amendment Ordinance, however, the provision granting exemption from application of withholding tax on ICD, as previously deleted by Finance Act 2016, was not restored. Hence, in respect of the ICD received by the Company from its subsidiaries during the year 2020, the Company obtained stay from the HCS against deduction of withholding of tax.

Subsequently in 2021, the exemption of income tax on ICD was again withdrawn via Tax Laws (Second Amendment) Ordinance, 2021 in March 2021 and subsequently by Finance Act 2021. The Company has again challenged the amendment before the HCS and stay has been granted in this respect. The management, on prudent basis, has recognized a tax charge of Rs. 9,218,658 (2021: Rs. 6,408,991) in these financial statements pertaining to periods during which exemption of income tax on ICD remained withdrawn.

- 26.5 During the year, the Company's management has reassessed its income tax provisions based on the finalization of its income tax assessments of prior tax years by the income tax department. Upon such assessment, the Company's management has recognized a reversal of tax provisions amounting in aggregate to Rs. 1,444,225 in these financial statements.
- 26.6 Following is the position of the Company's open tax assessments:

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26.6.1 In 2013, the income tax department, in respect of the tax year 2011, determined additional income tax liability of Rs. 218,790 and raised a demand of Rs. 139,575 whereby the Deputy Commissioner Inland Revenue (DCIR) - Audit disallowed allocation of expenses against interest income and apportioned expenses against dividend income and capital gains. The Company filed an appeal with the CIR (Appeals) who maintained the apportionment of expenses against dividend income and capital gains but allowed the allocation of administrative expenses against interest income, thereby reducing the income tax liability to Rs. 184,191 and revised the demand to Rs. 104,976. The Company paid Rs. 53,250 there against and simultaneously filed an appeal against the CIR - Appeals decision with Appellate Tribunal Inland Revenue (ATIR) which granted a stay to the Company. During 2014, the ATIR issued an order whereby the aforementioned appeal was remanded back to the assessing officers for denovo proceedings, thereby accepting the Company's contention.

In 2014, the income tax department in respect of tax year 2012, amended the assessment and raised an additional demand of Rs. 250,773 on similar grounds as above. The Company filed an appeal against the said order with CIR (Appeals), who based on ATIR's order for tax year 2011, has remanded back the order to assessing officers for denovo proceedings.

During 2015, in respect of pending tax assessments for tax year 2011 and tax year 2012, the Company received notices of demand amounting to Rs. 105,955 and Rs. 250,773, respectively, whereby the Deputy / Additional Commissioner Inland Revenue - Audit again disallowed allocation of expenses against interest income and apportioned expenses against dividend income and capital gains. The Company filed appeals thereagainst before the CIR - Appeals and also obtained stays from the HCS from initiating any recovery proceedings in respect of both tax years. During 2016, in respect of both tax years, the CIR (Appeals) accepted the Company's plea and annulled the order passed by the DCIR. In response, the DCIR filed appeals before the ATIR for rectification of the orders passed by the CIR (Appeals) for both tax years, which were subsequently dismissed. In 2017, the Company reversed excess provision of Rs. 168,896 in respect of tax years 2011 and 2012 consequent to denovo proceedings after which the amended orders were passed in respect of the aforementioned tax years, wherein, the Commissioner has maintained the classification of income from interest on bank deposits and from subordinated loans as ""income from other sources"". In response, the Company filed an appeal challenging this contention before the CIR (Appeals). In January 2019, the CIR (Appeals) passed the appellate orders for both the years and has again remanded the matter to the assessing officer for denovo proceedings.

During 2020, the Company received appeal effect orders both dated June 29, 2020 along with notices of demand amounting to Rs. 75,308 and Rs. 112,681, respectively, whereby the Deputy / Additional Commissioner Inland Revenue - Audit has again maintained the classification of income from interest on bank deposits and from subordinated loans as "income from other sources". During the year, Appellate Order was framed by CIR (Appeals) and favorable decision was made in respect of classification of interest income as "income from business" and allocation of expenses to dividend income and capital gains. The income tax department, in response there against, had filed an appeal with the High Court of Sindh, which is still pending.

26.6.2 In 2020, the income tax department, in respect of the tax year 2014, amended the return by creating tax demand of Rs. 401,240 whereby the Additional Commissioner Inland Revenue (ACIR) has levied tax on capital gains on disposal of shares of listed subsidiary, apportioned expenses against dividend income, disallowed the classification of 'Interest Income' as "Income from Business" as well as not allowing the adjustment of brought forward capital losses and brought forward minimum tax paid under section 113(2)(c) of the Ordinance. As a normal recourse, the Company filed an appeal against the order of ACIR before the CIR (Appeals). During the year, Appellate Order has been framed by the CIR (Appeals) and favorable decision was made in respect of taxation of capital gains on disposal of shares of listed subsidiary whereas other matters have been remanded back to the ACIR for reconsideration.

(Amounts in thousand)

26.6.3 During 2017, the income tax department in respect of the tax year 2015, determined an additional income tax liability of Rs. 128,400, whereby, the Additional Commissioner Inland Revenue (ACIR) - Audit has levied tax on inter-corporate dividends, Super Tax including on exempt income, the effects of classification of 'Interest Income' as ""Income from Other Sources"" as well as not allowing the adjustment of the minimum tax paid under section 113(2)(c) of the Ordinance. In the year 2019, the CIR (Appeals) vide order dated May 6, 2019 has maintained the matter relating to taxation of intercorporate dividend, Super Tax under section 4B, the classification of the interest income and carry forward of minimum tax for adjustment whereas the rectificatory matters including the levy of Super Tax on exempt income was remanded back. The Company has preferred an appeal before ATIR on all issues adjudicated against it.

The Company, based on the advice of its tax consultant, is confident that these matters will be decided in favour of the Company. However, on prudence, the Company has recorded provision against Super Tax.

26.6.4 In 2017, the ACIR through order dated June 13, 2017 amended the return for the tax year 2016 creating tax demand of Rs. 1,573,876 mainly on account of tax levied on inter-corporate dividend, Super Tax including on exempt income and disallowance on account of allocation of expenses to dividend and capital gains including minimum tax paid under section 113 of the Ordinance. The CIR (Appeals) while disposing off the Company's appeal maintained the order of ACIR with respect to certain issues which were further contested before the ATIR. During 2019, the ATIR in its order dated July 31, 2019 has annulled the order of ACIR and validated the exemption on intercorporate dividend as well as the non-applicability of Super Tax on such exempt income whereas the issues relating to the levy of Super Tax under section 4B and the carry forward of minimum have been linked to the pending decisions of the HCS (where the matter is separately being contested by the Company) and the carry forward under section 113(2)(c) has been linked to the decision of the Supreme Court in the case of another taxpayer.

Against the order dated June 13, 2017, the Company had filed an application for rectification. The ACIR through rectified order dated August 29, 2017 reduced the demand to Rs. 1,084,733. Through the said order, the ACIR accepted the Company's contention relating to various matters except the issue of allocation of expenses to capital gains. The Company contested this matter in appeal before the CIR - Appeals who has maintained the order of ACIR through order dated December 18, 2018. The Company filed an appeal before the ATIR against the CIR (Appeals) order.

In 2020, the Company received appeal effect order dated November 20, 2020 issued by the ACIR giving effect to the findings of appellate orders of CIR (Appeals) and ATIR by deleting the tax levied on inter-corporate dividends and Super Tax on exempt income which resulted in revised demand of Rs. 149,257. Moreover, the issue of classification of income from interest on bank deposits and from subordinated loans has been decided in the Company's favour as "income from business".

During the year, Appellate Order has been framed by the CIR (Appeals) wherein the levy of Super Tax under section 4B of the Ordinance has been maintained. An appeal has been filed before the ATIR which is pending.

In addition to the above, the ACIR issued a further amendment order dated November 24, 2020 for the same tax year and determined additional income tax liability of Rs. 21,808 on account of capital gain tax on debt securities. The same has been discharged by the Company.

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- 26.6.5 In 2020, the ACIR Audit through order dated December 22, 2020 amended the return for the tax year 2017 by creating tax demand of Rs. 4,335,176 mainly on account of tax levied on undistributed profits under section 5A and Super Tax under section 4B. The Company had obtained stay from HCS against the levy of tax on undistributed profits, therefore the said demand was not recoverable by the tax department. In April 2021, the HCS disposed of the appeal against the levy of tax under section 5A as ultra vires to the Consitution. During the year, the ACIR passed the order dated December 30, 2022 rectifying the earlier order in relation to the levy of tax on undistributed profits. Thereafter, the demand of Rs. 4,335,176 was reduced and refundable of Rs. 392,231 was determined. As normal recourse, the Company filed an appeal against the order of ACIR Audit before the CIR (Appeals) which has been heard on January 31, 2023 and is reserved for order. The management is confident of a positive outcome of the case.
- 26.6.6 During the year, the DCIR Audit has finalized the tax audit proceedings for tax year 2018 which is a "Group Return" filed under section 59AA of the Ordinance with its wholly owned subsidiaries Engro energy Limited [EEL] and Engro Eximp (Private) Limited [EEAPL]. The Amended Order dated January 9, 2023, creates tax demand of Rs. 211,992 which is mainly on account of disallowances made of the provision pertaining to retirement benefits in the case of the Company, a portion of disallowance of 'Purchases' for alleged non-withholding of taxes thereon in the case of EEAPL and taxation of project management fee in the case of EEL as 'services rendered' at the rate of 7 percent vis a vis 8 percent as per the return.

Super Tax under section 4B of the Ordinance has also been reworked to Rs. 321,581 in this order based on the revised amounts of taxes determined. Moreover, the entire amount has been considered recoverable despite the adjustments made as identified in note 26.3.

The Company is in the process of filing an appeal against the order before the CIR (Appeals). The management is confident of a positive outcome of the case.

26.7 Relationship between tax expense and accounting profit

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the Company's applicable tax rate as follows:

	2022 Ru	2021 pees
Profit before tax	23,517,703	20,241,461
Tax calculated at the rate of 29% (2021: 29%)	6,820,134	5,870,024
Effect of Super tax of current year Effect of tax loss sale Effect of applicability of different tax rate on:	876,892 (1,307,692)	-
- Dividend - Capital gain - Profit on debt	(3,428,781)	(2,661,705) 2,507 129,325
Tax credits Prior year tax charge reversal Effect of change in tax rate Others	11,600 (658,869) 10,143 (2,144)	26,761 (1,642,232) - 628
Tax charge for the year	2,321,283	1,725,308

(Amounts in thousand)

27. earnings per share

As at December 31, there is no dilutive effect on the basic earnings per share of the Company. Earnings per share is based on following:

	2022 Rup	2021 ees
Profit for the year	21,196,420	18,516,153
Weighted average number of	(Number of	shares)
Weighted average number of ordinary shares (in thousand)	576,163	576,163
	Rup	ees
Earning per share - basic and diluted	36.79	32.14

28. remuneration of chief executive, directors and executives

The aggregate amounts for remuneration, including all benefits, to chief executive, directors and executives of the Company are given below:

_		2022			2021	
	Dire Chief Executive Officer	ctors Others	Executives	Chief Executive Officer	ctors Others	Executives
			RU	ipees		
Managerial remuneration Bonus	95,931 70,195	-	1,746,001 875,054	75,862 102,623	-	1,455,415 689,933
Retirement benefits funds	-	-	232,176	-	-	193,307
Fees	-	136,242	-	-	103,458	-
Other benefits	-	-	24,271	-	-	20,536
Advisory fee	-	100,484	-	-	-	-
Total	166,126	236,726	2,877,502	178,485	103,458	2,359,191
Number of persons including those who worked part of the year	1	9	308	1	10	264

- 28.1 The Company also provides household items for use of some employees and Chief Executive Officers. Cars are also provided for use of certain employees and directors. In addition, directors of the Company are also entitled for travelling benefits in respect of which Rs. 318,498 (2021: Rs. 63,084) have been incurred. Further, an amount of Rs. 133,993 (2021: Nil) has been recognized in these financial statements for the share based payment transactions as disclosed in note 16.4. Further, individual allocations of this amount will be determined upon completion of the vesting conditions.
- 28.2 Premium charged during the year in respect of directors indemnity insurance policy, purchased by the Company, amounts to Rs. 261 (2021: Rs. 261).

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28.3 The above remuneration of executives is stated before accounting for the impact of recoveries from subsidiaries in accordance with the expense sharing agreements.

29. retirement benefits

29.1 Defined benefit gratuity plan

The Company faces the following risks on account of its gratuity plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in risk free investments of 3, 5 or 10 year Defence Savings Certificates or Government Bonds. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

In addition to above, the gratuity plan exposes the Company to longevity risk i.e. the members survive longer than the expectation used in determining the obligation.

29.2 Valuation results

29.2.1

The latest actuarial valuation of the defined benefit gratuity plan was carried out as at December 31, 2022, using the Projected Unit Credit Method. Details of the defined benefit plan are as follows:

Defined Benefit	
Gratuity Plan	
2022	2021

	Кир	ees
1 Statement of financial position reconciliation		
Present value of defined benefit obligation (note 29.2.3)	100,009	61,531
Fair value of plan assets (note 29.2.4)	(13,176)	(12,396)
Deficit	86,833	49,135
Payable to defined contribution fund	-	-
Net liability recognized in the statement of financial position (note 16.3)	86,833	49,135

(Amounts in thousand)

Defined Benefit Gratuity Plan

2022 2021 ------Rupees------

	Парс	,
29.2.2 Movement in net liability recognized		
Net liability at beginning of the year Charge for the year (note 29.2.5) Payments made to outgoing members Remeasurement loss recognized in	49,135 7,713 -	41,202 5,337 (374)
other comprehensive income (note 29.2.7) Net liability at end of the year	29,985 86,833	2,970 49,135
29.2.3 Movement in present value of defined benefit obligation		
As at beginning of the year Current service cost (note 29.2.5) Interest cost Remeasurement loss recognized in	61,531 2,251 7,302	55,666 2,004 4,585
other comprehensive income Benefits paid during the year As at end of the year	28,925	2,926 (3,650) 61,531
29.2.4 Movement in fair value of plan assets		
As at beginning of the year Expected return on plan assets Benefits paid during the year Remeasurement loss recognized in	12,396 1,840 -	14,838 1,252 (3,650)
other comprehensive income (note 29.2.7) As at end of the year	(1,060) 13,176	12,396
29.2.5 Charge for the year recognized in the statement of profit or loss		
Current service cost Net interest cost	2,251 5,462 7,713	2,004 3,333 5,337
29.2.6 Actual return on plan assets	816	1,208
29.2.7 Remeasurement recognized in other comprehensive income		
Loss from change in experience adjustments	28,925	2,926
Actual return on plan assets Expected return on plan assets Difference in opening fair value of plan assets	(816) 1,840 36	(1,208) 1,252 -
	1,060	44
	29,985	2,970
Tax impact at 29% (2021: 29%)	(8,696)	(861)
Remeasurement of retirement benefit obligation - net of tax	21,289	2,109

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Defined Benefit Gratuity Plan

2022 2021 ------Rupees------

29.2.8 Principal actuarial assumptions used in the actuarial valuation

Discount rate Expected per annum rate of return on plan assets Expected per annum rate of increase in future salaries

13.25 11.75 13.25 11.75

29.2.9 Pla	an assets	comprise	of the follo	owina

Fixed income instruments Equity instruments Others (including cash)

9,958	76	8,939	72
2,763	21	3,081	25
455	3	376	3
13,176	100	12,396	100

29.2.10 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

29.2.11 Historical information

Present value of defined benefit obligation
Fair value of plan assets
Payable to Defined contribution gratuity fund

2022	2021	2020 Rupees	2019	2018
(100,009)	(61,531)	(55,666)	(58,898)	(73,787)
13,176	12,396	14,838	15,866	51,209
-	-	(374)	(374)	(374)

Defined Benefit Gratuity Plan

2022 2021 ------Rupees------

29.2.13 Demographic assumptions

Mortality rate Rate of employee turnover

	SLIC (2001-05)-1 Heavy	SLIC (2001-05)-1 Heavy
--	---------------------------	---------------------------

(Amounts in thousand)

29.2.14 Sensitivity analysis

The impact of 1% change in following variables on defined benefit obligation is as follows:

		Increase in Assumption	Decrease in Assumption
		Rupe	es
	Discount rate Long term salary increases	98,926 101,129	62,827 60,274
29.2.15	5 Maturity profile		
	Defined Benefit Gratuity Plan		
	Time in years		(Rupees)
	1 2 3 4 5-10 11-15 16-20		54,639 57,481 349 378 13,454
	Weighted average duration (years)		1.08
20.3	Defined contribution plans		

29.3 Defined contribution plans

An amount of Rs. 387,350 (2021: Rs. 207,645) has been charged during the year in respect of defined contribution plans maintained by the Company.

2022	2021
R	unees

30. cash utilized in operations

Profit before taxation	23,517,703	20,241,461
Adjustment for non-cash charges and other items:		
Depreciation (note 22 Amortization (note 22) Depreciation on right-of-use assets (note 22) Rent concession on lease liability Gain on disposal of property, plant and equipment (note 23) Income on bank deposits and other financial assets (note 23) Dividend income (note 20) Royalty income Finance cost Provision for retirement and other service benefits Reversal for impairment on loan (note 23)	205,548 45,592 120,609 (12,729) (25,620) (7,353,238) (22,174,693) (1,328,906) 87,190 71,202 (13,309)	162,427 31,478 114,779 (24,205) (3,263) (4,445,777) (19,399,463) (1,284,441) 50,823 69,350 (13,691)
Working capital changes (note 30.1)	71,720 (6,788,931)	352,456 (4,148,066)

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(Amou	nts in thousand)	2022 Rup	2021 Dees
30.1	Working capital changes		
	(Increase) / Decrease in current assets		
	Loans, advances, deposits and prepaymentsReceivables (net)	49,272 (453,614) (404,342)	(722) (222,618) (223,340)
	Increase in current liabilities	(404,042)	(220,040)
	- Trade and other payables including other service benefits (net)	476,062 71,720	575,796 352,456
31.	cash and cash equivalents		
	Short term investments Cash and bank balances (note 13)	2,684,355 165,977 2,850,332	40,246,287 855,323 41,101,610
32.	financial instruments by category		
	Financial assets		
	- Financial assets measured at amortized cost		
	Long term loans and advances Loans and deposits Receivables Short term investments Cash and bank balances	5,372,573 2,328,677 1,190,911 15,146,403 165,977 24,204,541	384,154 10,845,6064 725,501 40,246,287 855,323 53,056,871
	- Financial assets measured at fair value through other comprehensive income		
	Pakistan Investment Bonds	29,380,322	-
	- Financial assets measured at fair value through profit or loss		
	Mutual fund units	3,078,051	950
	Financial liabilities		
	- Financial liabilities measured at amortized cost		
	Lease liabilities Trade and other payables Unclaimed dividends	1,151,433 5,176,977 235,338 6,563,748	356,746 4,714,255 241,839 5,312,840

33. financial risk management

33.1 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. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's Finance and Planning department under policies approved by the Senior Management.

a. Market risk

i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk primarily with respect to receivable and payable balances denominated in currency other than Pakistan Rupee.

As at December 31, 2022, if Pakistan Rupee appreciated / depreciated by 1% against USD with all other variables held constant, the Company's post tax profit for the year would have been higher / lower by Rs. 4,891 as a result of exchange gain / loss on translation of foreign currency denominated financial instruments.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on balances maintained with banks, government securities and loans given to subsidiary companies.

As at December 31, 2022, if interest rate on bank accounts / loans given to subsidiary companies had been 1% higher / lower with other variables held constant, post tax profit for the year would have been higher / lower by Rs. 25,472.

As at December 31, 2022, if interest rate on government securities had been 1% higher / lower with other variables held constant, post tax profit for the year would have been higher / lower by Rs. 26,736.

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. As at reporting date, the Company does not have any material price sensitive instruments.

b. Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk arises from deposits with banks and financial institutions, loans and advances, deposits and other receivables. The credit risk on liquid funds and mutual fund securities is limited because counter

parties are financial institutions with a reasonably high credit rating. The Company maintains an internal policy to place funds with commercial banks / mutual funds having a minimum short term credit rating of A1 / AM3. Investment in Pakistan Investment Bonds and Treasury Bills is government guaranteed.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

	2022 Ru	2021 pees
Long term loans and advances Loans and advances Receivables Short term investments Bank balances	5,372,573 2,328,677 977,045 47,604,776 165,277 56,448,348	384,154 10,845,606 359,635 40,247,237 854,623 52,691,255

The credit quality of receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history, however, no losses incurred. The credit quality of Company's bank balances and short term investments can be assessed with reference to external credit ratings as follows:

Rating	Dating		
agency	Rating		
Allied Bank Limited	PACRA	AAA	A1+
Askari Bank Limited	PACRA	AA+	A1+
Bank Al-Falah Limited	PACRA	AA+	A1+
Bank Al-Habib Limited	PACRA	AAA	A1+
Citi Bank	Moody's	Aa3	P-1
Faysal Bank Limited	PACRA	AA	A1+
Habib Bank Limited	JCR-VIS	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
JS Bank Limited	PACRA	AA-	A1+
MCB Bank Limited	PACRA	AAA	A1+
Meezan Bank Limited	JCR-VIS	AAA	A1+
National Bank of Pakistan Limited	PACRA	AAA AA-	A1+
Standard Chartered Bank (Bakistan) Limited	PACRA PACRA	AAA	A1+ A1+
Standard Chartered Bank (Pakistan) Limited United Bank Limited	JCR-VIS	AAA	A1+
ABL Asset Management Company Limited	PACRA	AM1	A I +
HBL Asset Management Limited	JCR-VIS	AM1	_
Pak Brunei Investment Company Limited	JCR-VIS	AA+	A1+
Pak China Investment Company Limited	JCR-VIS	AAA	A1+
Pak Oman Investment Company Limited	JCR-VIS	AA+	A1+
Pak Kuwait Investment Company (Private) Limited	PACRA	AAA	A1+
National Investment Trust Limited	PACRA	AM1	_
UBL Fund Managers Limited	JCR-VIS	AM1	-

c. Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

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(Amounts in thousand)

These objectives are achieved by maintaining sufficient cash and marketable securities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining year at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

		2022			2021	
	Maturity upto one year	Maturity after one year	Maturity total one year	Maturity upto one year	after	Total
=-			Rupe	es		
Financial liabilities						
Lease liabilities	357,915	1,117,205	1,475,120	362,035	18,009	380,044
Trade and other payables	5,176,977	-	5,176,977	4,714,255	-	4,714,255
	5,534,892	1,117,205	6,652,097	5,076,290	18,009	5,094,299

33.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for share holders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

	2022 Rup	2021 Dees
The proportion of borrowings to equity at the year end was:		
Borrowings (Lease liabilities) Total Equity	1,151,433 91,265,229 92,416,662	356,746 90,534,629 90,891,375
Gearing ratio	1.26%	0.39%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

33.3 Fair value estimation

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

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The table below analyses financial instruments carried at fair value by valuation method. 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		Level 3 Rupees	Total
As at December 31, 2022		·	парсоз	
Fair value through other comprehensive income				
- Pakistan Investment Bonds (PIBs)	-	29,380,322	-	29,380,322
Fair value through profit or loss				
- Mutual fund units		3,078,051	-	3,078,051
As at December 31, 2021				
Fair value through profit or loss				
- Mutual fund units		950	_	950

Level 2 fair values have been determined on the basis of PKRV rates and closing Net Asset Values for government securities and Mutual Fund Units respectively.

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

The current macroeconomic climate is challenging with high devaluation pushing inflation to decade-high levels. The Company navigated these challenges successfully in 2022. Its growth in topline, despite the headwinds, demonstrates its diversified operations and robust portfolio. Our human capital is well-equipped to guide the Company through future turbulence which will likely comprise of high inflation and interest rate environment. The Company will continue to focus on delivering value to all stakeholders.

34. contributory retirement funds

The investments out of the contributory retirement funds have been made in accordance with the provisions of Section 218 of the Act and the conditions specified there under.

35. number of employees

	Number of employees as at			e number oloyees
	2022	2021	2022	2021
Management employees	320	306	314	305

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(Amounts in thousand)

36. related parties

Following are the details of associated, undertakings and other related parties with whom the Company has arrangement / agreement during the year:

S.No	Name of Related Party	Direct Shareholding %	Relationship
1	Dawood Hercules Corporation Limited	37.22%	Holding Company
2	Engro Eximp Agriproducts (Private) Limited	100.00%	Subsidiary
3	Engro Energy Limited	100.00%	Subsidiary
4	Engro Infiniti (Private) Limited	100.00%	Subsidiary
5	Engro Connect (Private) Limited	100.00%	Subsidiary
6	Engro Fertilizers Limited	56.27%	Subsidiary
7	Engro Polymer and Chemicals Limited	56.19%	Subsidiary
8	Elengy Terminal Pakistan Limited	56.00%	Subsidiary
9	Engro Eximp FZE	100.00%	Subsidiary
10	Engro Enfrashare (Private) Limited	N/A	Indirect subsidiary
11	Engro Elengy Terminal (Private) Limited	N/A	Indirect subsidiary
12	Engro Power Investments International B.V - Netherlands		Indirect subsidiary
13	Engro Powergen Qadirpur Limited	N/A	Indirect subsidiary
14	Engro Powergen Thar (Private) Limited	N/A	Indirect subsidiary
15	EFERT Agritrade (Private) Limited	N/A	Indirect subsidiary
16	Engro Energy Services Limited	N/A	Indirect subsidiary
17	Engro Power Services Limited	N/A	Indirect subsidiary
18	Engro Peroxide (Private) Limited	N/A	Indirect subsidiary
19	Engro Plasticizer (Private) Limited	N/A	Indirect subsidiary
20	Think PVC (Private) Limited	N/A	Indirect subsidiary
21	Thar Power Company Limited	N/A	Associated company
22	That Fower Company Emilied That Foundation	N/A	Associated company
23	Engro Vopak Terminal Limited	50.00%	Joint Venture
24	FrieslandCampina Engro Pakistan Limited	39.90%	Associated company
25	Sindh Engro Coal Mining Company Limited	N/A	Associated company
26	Engro Foundation	N/A	Associated Company Associated Entity
27	Mr. Ghias Khan	N/A	Key Management Personnel / Director
28	Mr. Hussain Dawood	2.90%	Director
29	Mrs. Kulsum Dawood	1.26%	Spouse of director
30	Mr. Mohammad Abdul Aleem	0.04%	Director
31	Mrs. Humera Aleem	0.01%	Spouse of director
32	Mr. Abdul Samad Dawood	0.29%	Director
33	Mrs. Ayesha Dawood	N/A	Spouse of director
34	Mr. Shahzada Dawood	1.00%	Director
35	Ms. Sabrina Dawood	0.64%	Director
36	Ms. Azmeh Dawood	0.26%	Daughter of director
37	Mr. Khawaja Iqbal Hassan	0.01%	Daughter of director
39	Ms. Henna Inam	N/A	Director
40	Mr. Rizwan Diwan	N/A	Director
41	Ms. Dominique Russo	N/A	Director
42	Dawood Investments	2.01%	Common Directorship
43	Inbox Business Technologies Private Limited	N/A	Common Directorship
44	Karachi School for Business & Leadership	N/A	Common Directorship
45	The Dawood Foundation	N/A	Common Directorship
46	Dawood Corporation (Private) Limited	0.01%	Common Directorship
47	The Karachi Education Initiative	N/A	Common Directorship
48	Engro Corporation Provident Fund	N/A	Post Employement Benefits
49	Engro Corporation Limited DC Gratuity Fund	N/A	Post Employement Benefits
50	Engro Corporation Limited DC Pension Fund	N/A	Post Employement Benefits
51	Engro Corporation Limited DO Ferision Fund	N/A	Post Employement Benefits

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52	Mr. Abdul Qayoom	N/A	Key Management Personnel
53	Mr. Shariq Abdullah	N/A	Key Management Personnel
54	Mr. Khawaja Bilal Hussain	N/A	Key Management Personnel
55	Mr. Mazhar Abbas Hasnani	N/A	Key Management Personnel
56	Ms. Shomaila Loan	N/A	Key Management Personnel
57	Mr. Syed Zaheer Mehdi	N/A	Key Management Personnel
58	Mr. Rizwan Masood Raja	N/A	Key Management Personnel
59	Mr. Eram Hasan	N/A	Key Management Personnel
60	Mr. Nadir Salar Qureshi	N/A	Key Management Personnel

36.2 Transactions with related parties

Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

2022	2021
Ru	pees

	Ιιαρ	0003
Parent Company		
Dividend paid Reimbursements under advisory agreement Reimbursements of expenses	7,291,974 14,617 16,098	7,720,913 117,000 -
Subsidiary companies		
Mark-up from subsidiaries Disbursement of loan Repayment of loan Investment in subsidiary company Dividend income Royalty income Reimbursements from Reimbursements to Tax losses surrendered to EFERT	1,229,333 19,540,000 23,777,000 - 21,242,293 1,328,906 3,512,083 785,012 934,203	1,238,709 14,450,000 19,350,000 20,656,050 18,244,463 1,284,441 2,792,910 101,203
Associated companies		
Purchases and services Contribution for Corporate Social Responsibility Dividend paid Purchase of fixed income placements Proceeds from fixed income placements Reimbursements from Reimbursements to	126,040 40,000 526,761 - - 73,883 86,553	313,799 77,936 588,310 12,186,000 12,246,491 224,650 692
Joint venture		
Dividend income Reimbursements from Reimbursements to	932,400 157,793 1,019	1,155,000 169,098 3,589
Others		
Remuneration of key management personnel Reimbursements to key management personnel Dividend paid to key management personnel Dividend paid to directors and others Advisory fee Contribution to staff retirement benefit funds	541,405 - 15,750 1,259,953 100,484 222,637	632,446 1,249 - 1,201,160 - 171,532
Directors' fee	136,242	103,458

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36.3 Details of subsidiary companies incorporated outside Pakistan with whom the Company had transaction or arrangements in place are as follows:

Engro Eximp FZE (EEF)

2022

2021

Registered address	BCW JAFZA 18 & 19, Office No 110, UAE
Country of incorporation	UAE
Chief Executive Officer	Syed Kaleem Asghar Naqvi
"Percentage of holding of	
the Company"	100%
	(Direct)

37. donations

37.1 Donations include the following in which directors are interested:

				Ru _l	pe	9S
	Name of Director	Interest in Donee	Name of Donee			
	Hussain Dawood Sabrina Dawood Dominique Russo Abdul Samad Dawood	Director Director Director Director	Karachi Education Initiative	-		37,936
	Ghias Khan	Chairman	Engro Foundation	40,000		40,000
37.2	7.2 The name of donees to whom donation amount exceeds Rs. 500 are:					
	Name of Donees					
	Engro Foundation Karachi Education Initiative Hunar Foundation Empowering Communities for Change Old Grammarians Society Developments in Literacy The Kidney Centre Post Graduate Lady Dufferin Hospital Others		40,000 - - - 2,150 2,000 1,500 614		40,000 37,936 3,000 1,000 200 - - - 354	
				46,264		82,490

(Amounts in thousand)

38. non-adjusting event after reporting date

- 38.1 The Board of Directors of Engro Polymer and Chemicals Limited, a subsidiary company, in its meeting held on February 7, 2023 has proposed a final cash dividend of Rs. 2.5 per share for the year ended December 31, 2022, amounting to Rs. 2,272,308 of which the proportionate share of the Company amounts to Rs. 1,276,834.
- The Board of Directors of Engro Energy Limited, a subsidiary company, in its meeting held on February 10, 2023 has proposed a final cash dividend of Rs. 20.36 per share for the year ended December 31, 2022, amounting to Rs. 2,149,629 of which the proportionate share of the Company amounts to Rs. 2,149,629.
- The Board of Directors of Engro Fertilizers Limited, a subsidiary company, in its meeting held on February 9, 2023 has proposed a final cash dividend of Rs. 5 per share for the year ended December 31, 2022, amounting to Rs. 6,676,497 of which the proportionate share of the Company amounts to Rs. 3,756,560.

These financial statements do not include the effects of the aforementioned dividend income, which will be accounted for in the financial statements for the year ending December 31, 2023 once the proposed dividends are approved in the Annual General Meetings of respective companies.

The Board of Directors of the Company in its meeting held on February 15, 2023 has proposed a final cash dividend of Rs.1 per share for the year ended December 31, 2022 amounting to Rs.576,163 for approval of the members at the Annual General Meeting to be held on March 30, 2023.

These financial statements do not include the effect of the proposed dividends, which will be accounted for in the financial statements for the year ending December 31, 2023.

The members of the Company in its meeting held on January 26, 2023 have approved purchase / buy-back by the Company up to an aggregate number of 70,000,000 issued ordinary shares of the Company, having paid-up / face value of Rs. 10 each, representing approximately 12.1% of the total issued and paid-up ordinary shares of the Company, at the spot / current price share acceptable to the Company prevailing during the purchase period, through the stock exchange.

39. corresponding figures

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

40. date of authorization for issue

These financial statements were authorized for issue on February 15, 2023 by the Board of Directors of the Company.

Muhammad Abdul Aleem
Director

Mazhar Abbas Hasnani Chief Financial Officer Ghias Khan President & CEO

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independence auditor's report to the members of engro corporation limited report on the audit of the consolidated financial statements

opinion

We have audited the annexed consolidated financial statements of Engro Corporation Limited and its subsidiaries (together 'the Group'), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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following is the key audit matter:

Key audit matter

income tax matters

(Refer notes 33.1, 33.2, 33.3, 42.4, 42.5 and 42.6 to the consolidated financial statements)

The Group has recognised provisions and has disclosed contingent liabilities in respect of certain income tax and sales tax matters which are pending adjudication before various appellate and legal forums.

Provisions and contingencies require management of the Group to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations, and the probability of outcome and financial impact, if any, on the Group for recognition and measurement of any provision and disclosure in respect of such provisions and contingencies.

Due to the significance of the amounts involved, inherent uncertainties with respect to the outcome of these matters, legal forums at which these are currently pending and use of significant management judgements and estimates to assess the same including related financial impacts, which may change over time as new facts emerge and matters progress, we have considered provisions and contingent liabilities relating to income tax and sales tax matters involving the Group as a key audit matter.

How the matter was addressed in our audit

Our audit procedures, amongst others included the following:

- obtained and examined details of the documentation relating to pending tax matters and discussed the same with the management;
- circularised confirmations to the external legal and tax advisors for their views on matters being handled by them;
- involved internal tax professionals to assess management's conclusions on tax matters and evaluated the consistency of such conclusions with the views of management and external legal and tax advisors;
- checked correspondence with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved:
- checked the mathematical accuracy of the calculations underlying the provisions; and
- assessed the adequacy of the related disclosures made in the consolidated financial statements in accordance with the applicable accounting and reporting standards.

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Key audit matter

receivables from central power purchasing agency (quarantee) limited (CPPA-G)

(Refer notes 1.3.1.1, 15.1 and 17 to the consolidated financial statements)

The Group under the Power Purchase Agreement (PPA) sells available capacity and electrical output to CPPA-G. As at December 31, 2022, the Group has following receivables from CPPA-G:

- Trade debts amounting to Rs. 61,326,079 thousand which include overdue debts of Rs. 41,155,626 thousand;
- Delayed payment charges amounting to Rs. 9,868,982 thousand which include overdue receivables of Rs. 7,467,066 thousand; and
- Reimbursable costs amounting to Rs. 2,745,350 thousand.

The above balances relate to subsidiary companies Engro Powergen Thar (Private) Limited (EPTL) and Engro Powergen Qadirpur Limited (EPQL).

During the year, pursuant to the execution of Master Agreement (Agreement) between EPQL and CPPA-G, EPQL received first and second installments aggregating to Rs. 8,147,368 thousand and revised tariff was notified by NEPRA for Return on Equity and Return on Equity During Construction with effect from July 1, 2022.

In view of the above developments, on-going delays in settlement of receivables, materiality of the amount involved, and the consequential impact of the delay in settlement on liquidity and operations of the subsidiary companies, EPTL and EPQL, we have considered this to be an area of higher assessed risk and a key audit matter.

How the matter was addressed in our audit

Our audit procedures, amongst others, included the following:

- assessed whether revenue and related receivables have been recognised in accordance with the applicable accounting policies;
- tested whether invoices raised during the year were in accordance with the requirements of PPA;
- circularised confirmation of receivable balance from CPPA-G;
- checked receipts from CPPA-G with bank statements:
- made inquiries from the management and inspected minutes of the meetings of the Board of Directors and Board Audit Committee to ascertain actions taken by them for the recoverability of outstanding amounts;
- inspected terms of the Agreement and discussed the same with the management;
- checked Implementation Agreement and assessed whether receivables are secured against guarantee from the Government of Pakistan and whether any impairment is required to be recognised thereagainst;
 assessed the availability of finance with
- EPQL and EPTL to fund its business operations through committed credit lines obtained from various financial institutions; and
- assessed the adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting and reporting standards.

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information other than the unconsolidated and consolidated financial statements and auditor's reports thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

responsibilities of management and the board of directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Chartered Accountants Karachi

Date: 08 March, 2023

UDIN: AR2022101137HVz81GaJ

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consolidated statement of financial position

as at december 31, 2022

Note	2022 Rup	2021
Assets Non-current assets		
Property, plant and equipment 4 Right-of-use asset 5 Intangible assets 6 Long term investments 7 Deferred taxation 8 Financial assets at amortized cost 9 Derivative financial instruments 10 Net investment in leases 11 Long term loans, advances, deposits and other receivables 12	329,877,228 13,328,823 2,274,561 36,081,246 101,660 3,783,265 737,319 52,160,406 3,816,788	282,154,538 9,819,009 2,398,324 34,217,070 80,346 3,592,784 92,805 45,203,623 2,616,236
Current assets	442,161,296	380,174,735
Stores, spares and loose tools Stock-in-trade 14 Trade debts Loans, advances, deposits and prepayments 16 Other receivables 17 Accrued income Contract assets 18 Current portion of net investment in leases 11 Short term investments 19 Cash and bank balances 20	9,834,814 30,242,789 71,195,463 6,849,714 35,962,591 2,269,306 14,124,293 5,683,292 86,105,467 44,986,627	9,310,131 31,513,007 58,528,771 5,020,705 25,780,784 633,633 6,487,105 4,004,522 82,372,051 40,495,601
Total Assets	307,254,356 749,415,652	264,146,310 644,321,045

Muhammad Abdul Aleem Director

Mazhar Abbas Hasnani Chief Financial Officer Ghias Khan President & CEO (Amounts in thousand)

(Amounts in thousand)		2022	2021
	Note	Rupees	
Equity and liabilities			
Equity			
Share capital	21	5,761,632	5,761,632
Share premium Revaluation reserve on business combination Maintenance reserve Exchange revaluation reserve Hedging reserve General reserve Remeasurement of investments	22	13,068,232 2,678 156,301 1,615,497 702,570 4,429,240 (866,814)	13,068,232 2,678 156,301 937,769 66,031 4,429,240 39,248
Remeasurement of post-employment benefits Unappropriated profit		(176,248) 142,128,483	(108,064) 137,385,981
		161,059,939	155,977,416
Non-controlling interest		166,821,571 73,762,386	161,739,048 81,060,639
Total equity		240,583,957	242,799,687
Liabilities			
Non-Current liabilities			
Borrowings Government grant Deferred taxation Lease liabilities Deferred liabilities Long term provisions	23 24 8 25 26 27	156,173,794 1,472,279 13,395,214 62,369,918 3,633,893 2,952,970	139,818,216 1,079,703 16,256,649 53,163,136 2,845,835 8,172,253
Current liabilities		239,998,068	221,335,792
Trade and other payables Contract liabilities Accrued interest / mark-up Current portion of:	28 29 30	125,775,973 12,980,370 2,764,706	95,232,315 1,024,361 1,366,497
- borrowings - Government grant - lease liabilities - deferred liabilities - long term provisions Taxes payable Short term borrowings Dividend payable	23 24 25 26 27 31 32	27,699,919 353,201 9,046,896 577,116 25,503,815 18,188,222 32,984,960 12,958,449	23,110,031 183,624 6,111,288 736,953 18,510,399 9,298,370 23,270,314 1,341,414
		268,833,627	180,185,566
Total liabilities Contingencies and commitments	33	508,831,695	401,521,358
Total equity and liabilities		749,415,652	644,321,045

The annexed notes from 1 to 63 form an integral part of these consolidated financial statements.

Muhammad Abdul Aleem
Director

Mazhar Abbas Hasnani Chief Financial Officer Ghias Khan President & CEO

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consolidated statement of profit or loss

for the year ended december 31, 2022

(Amounts in thousand except for earnings per share)

(Amounts in thousand except for earnings per share)	Note	2022 Rupees	2021
Continuing operations			
Revenue	34	356,427,526	311,587,401
Cost of revenue	35	(251,808,480)	(211,854,704)
Gross profit		104,619,046	99,732,697
Selling and distribution expenses	36	(9,325,850)	(7,819,291)
Administrative expenses	37	(11,776,647)	(7,658,843)
Other income	38	21,873,860	12,227,387
Other operating expenses	39	(10,034,948)	(9,235,681)
Other losses: - Remeasurement loss on provision for GIDC - Loss allowance on subsidy receivable from GoP	27.1 17.1.1	(1,102,678) (522,936)	(1,401,519) (557,700)
Operating profit		93,729,847	85,287,050
Finance cost	40	(28,744,239)	(17,274,058)
Share of income from joint venture and associates	41	3,215,276	3,226,697
Profit before taxation		68,200,884	71,239,689
Taxation	42	(22,089,678)	(18,657,213)
Profit from continuing operations		46,111,206	52,582,476
Discontinued operations			
Profit from discontinued operations (attributable to Owners of the Holding Company)	43	71	29,283
Profit for the year		46,111,277	52,611,759
Profit attributable to:			
- Owners of the Holding Company - Non-controlling interest		24,332,052 21,779,225	27,941,514 24,670,245
<u> </u>		46,111,277	52,611,759
Earnings per share - basic and diluted			
- continuing operations		42.23	48.45
- discontinued operations		0.00	0.05
	44	42.23	48.50

The annexed notes from 1 to 63 form an integral part of these financial statements.

Muhammad Abdul Aleem Director

Mazhar Abbas Hasnani Chief Financial Officer

Ghias Khan President & CEO

consolidated statement of comprehensive income for the year ended december 31, 2022

(Amounts in thousand)	Note	2022 Rupees-	2021
Profit for the year		46,111,277	52,611,759
Other comprehensive income:			
Items that may be reclassified subsequently to profit or lo	SS		
Hedging reserve - cash flow hedges			
Profit arising during the year		644,514	92,805
Less: Reclassification adjustment for loss included in the statement of profit or loss		(11,577)	(874)
		632,937	91,931
Revaluation reserve on business combination			
Exchange differences on translation of foreign operations		677,728	254,829
Continuing operations' (loss) / gain on remeasurement of long-term investment classified at fair value through other comprehensive income	7.9 & 19.4	1,310,665	346,760
Items that will not be reclassified subsequently to profit or		(000,002)	00,210
 Remeasurement of post employment benefits obligation - Actuarial loss 	46.1.3	(44,249)	(58,542)
 Remeasurement of post employment benefits obligation - Actuarial loss (associate) 		(58,023) (102,272)	(58,542)
Less: Income tax relating to remeasurement			
of post employment benefits obligation		29,659 (72,613)	16,978 (41,564)
Other comprehensive income for the year, net of tax		331,990	344,444
Total comprehensive income for the year		46,443,267	52,956,203
Total comprehensive income attributable to:		-	
- Owners of the Holding Company - Non-controlling interest		24,672,073 21,771,194	28,303,485 24,652,718
		46,443,267	52,956,203
Total comprehensive income attributable to:		40,440,400	
continuing operationsdiscontinued operations		46,443,196 71	52,926,920 29,283
		46,443,267	52,956,203

The annexed notes from 1 to 63 form an integral part of these consolidated financial statements.

Muhammad Abdul Aleem Director

Mazhar Abbas Hasnani Chief Financial Officer

Ghias Khan President & CEO

engro corporation limited

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for the year ended december 31, 2022

(Amounts in thousand)

consolidated statement of

changes in equity

(1,152,327)

(1,152,327)

Final cash dividend for the year ended December 31, 2020 @ Rs. 2.00 per share

Dividend by subsidiaries a Non-controlling interest

Share issuance cost

nterim cash dividends for the year ended December 31, 2021:

1st interim @ Rs. 12.00 per share 2nd interim @ Rs. 7.00 per share 3rd interim @ Rs. 5.00 per share

(1,890)

219,594,655

71,178,776

148,415,879

(83,754)

124,424,783

4,429,240

(26,173)

682,940

156,301

2,678

5,761,632

Balance as at January 1, 2021

Total comprehensive inco

the year ended December 31, 2021

24,652,718

28,303,485

27,941,514

39,248

254,829

27,941,514 361,971

(24,310) (24,310)

27,941,514

39,248

92,204 92,204

254,829

Total

Non-controlling interest

Sub total

Unappropriated Remeasurement profit of post

Remeasurement of investments

Hedging reserve

Exchange revaluation reserve

Share premium

Attributable to Owners of the Holding Company

(4,033,142) (2,880,888)

(4,033,142) (2,880,888) (14,980,316)

(6,913,959) (4,033,142) (29,751,171)

(14,980,316)

(2,880,888)

the year ended Dece

lber 31, 2022

Dividend by subsidiaries. Non-controlling interest

Final cash dividend for the year ended December 31, 2021 @ Rs. 1.00 per share Interim cash dividends for the year ended December 31, 2022:

. 2nd interim @ Rs. 11.00 per share 1st interim @ Rs. 12.00 per share

(6,337,796)

(6,337,796) (5,761,632)

(6,913,959) (6,337,796) (5,761,632)

(6,913,959)

(29,069,447)

81,060,639

161,739,048

(108,064)

137,385,981

4,429,240

39,248

66,031

937,769

156,301

2,678

5,761,632

Balance as at January 1, 2022

Sub

Hedging reserve

attributable to Owners of the Holding Company

21,779,225 (8,031)

24,332,052

(68,184)

24,332,052

(300,062)

636,539

677,728

(906,062)

21,771,194

(5,761,632)

(48,658,997)

(29,069,447)

(176,248)

142,128,483

4,429,240

(866,814)

702,570

1,615,497

156,301

2,678

13,068,232

3rd interim @ Rs. 10.00 per share

5,761,632 The annexed notes from 1 to 63 form an mber 31, 2022



Muhammad Abdul Aleem Director

M. J. Jac.



Ghias Khan President & CEO

consolidated statement of cash flows

(Amounts in thousand)

for the year ended december 31, 2022

(Amounts in thousand) Note	2022 Rupe	2021
Cash flows from operating activities	· ·	
Cash generated from operations Retirement and other service benefits paid - net Proceeds from net investment in lease Finance income received on net investment in lease Deferred incentive Financial charges paid Taxes paid Long term loans and advances - net Discontinued operations 47 An applications	104,110,755 (16,699) 4,789,991 6,139,802 (23,282) (20,910,989) (16,082,575) (1,287,068)	61,832,875 (274,483) 3,218,108 5,163,724 333,885 (12,042,844) (10,141,753) 506,319 (21,688)
Net cash generated from operating activities	76,719,935	48,574,143
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets Sale proceeds on disposal of property, plant and equipment Payment for dismantling towers Investment in associated companies Investments (made) / redeemed during the year - net Income on deposits / other financial assets Deposit in respect of bank guarantees Dividends received	(40,730,263) 614,122 - (62,421,239) 12,722,838 - 932,500	(20,499,983) 218,446 (76,967) (474,839) 47,444,148 7,931,687 52,784 1,155,000
Net cash (utilized in) / generated from investing activities	(88,882,042)	35,750,276
Cash flows from financing activities		
Proceeds / repayments of borrowings - net Share issuance cost Repayment of lease liability Finance cost paid on lease liability Dividends paid	(5,156,806) - (4,108,332) (8,451,670) (37,041,962)	(7,315,025) 528,177 (5,010,069) (4,573,207) (28,784,564)
Net cash utilized in financing activities	(54,758,770)	(45,154,688)
Net (decrease) / increase in cash and cash equivalents Cash and cash equivalents at beginning of the year	(66,920,877) 91,353,468	39,169,731 51,425,511
Effect of exchange rate changes on cash and cash equivalents	2,163,458	758,226
Cash and cash equivalents at end of the year 48	26,596,049	91,353,468

The annexed notes from 1 to 63 form an integral part of these consolidated financial statements.

Muhammad Abdul Aleem
Director

Mazhar Abbas Hasnani Chief Financial Officer Ghias Khan President & CEO

notes to the consolidated financial statements

for the year ended december 31, 2022

(Amounts in thousand)

1 legal status and operations

1.1 Engro Corporation Limited (the Holding Company) is a public listed company incorporated in Pakistan and its shares are quoted on Pakistan Stock Exchange Limited (PSX). 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, telecommunications infrastructure and chemical terminal and storage businesses.

The business units of the Holding Compa	any and its subsidiaries include the following:
Business Unit	Geographical Location
Head / Registered offices	
- The Holding Company	6th and 8th floors, The Harbour Front Building, Plo Number HC # 3, Marine Drive, Block 4, Clifton Karachi
- Engro Fertilizers Limited	7 th and 8th floors, The Harbour Front Building, Plo Number HC-3, Marine Drive, Block 4, Scheme No. 5 Clifton, Karachi

-	Engro Polymer and Chemicals Limited	12^{th}	Floor,	Ocean	Tower,	G-3,	Block	9,	Clifton,
		Kha	yaban-6	e-Iqbal, I	Karachi				

-	Elengy Terminal Pakistan Limited	4 th Floor, Corporate Offices Block, Dolmen City, Plo
		Number HC-3, Block 4, Clifton, Karachi

-	Engro Energy Limited	16 th	Floor,	Harbour	Front	Building,	Plot	Number
		HC-	3 Marir	ne Drive	Block 4	Scheme	No 5	Clifton

Karachi

- Engro Eximp Agriproducts 8th Floor, The Harbour Front Building, Plot Number (Private) Limited HC-3, Marine Drive, Block 4, Scheme No. 5, Clifton,

Karachi

- Engro Eximp FZE BCW JAFZA 18 & 19, Office No 110 Dubai, United

Arab Emirates

- Engro Infiniti (Private) Limited 8th Floor, The Harbour Front Building, Plot Number

HC-3, Block 4, Clifton, Karachi

- Engro Connect (Private) Limited 8th Floor, The Harbour Front Building, Plot Number

HC-3, Block 4, Clifton, Karachi

Business Unit Geographical Location

Regional offices

- The Holding Company 22nd Floor, Ufone Tower Jinnah Avenue, Blue Area,

Islamabad

- Engro Polymer and Chemicals Limited 9th Floor, 301-R Hally Tower, Phase II, DHA, Lahore

Manufacturing plants

- Engro Fertilizers Limited District Ghotki, Sindh (Daharki Plant)

EZ/1/P-1-II Eastern Zone, Port Qasim,

Karachi (Zarkhez Plant)

Rahim Yar Khan, Punjab (Seeds Processing Plant)

- Engro Polymer and Chemicals Limited EZ/I/P-II-I Eastern Zone, Port Bin Qasim Industrial

Area, Karachi

- Engro Eximp Agriproducts

(Private) Limited 13-Km, Sheikhupura Road, Muridke, 54800

Power plants

- Engro Powergen Qadirpur Limited Deh Belo Sanghari, Ghotki, Sindh

- Engro Powergen Thar (Private) Limited Thar Block II, Islamkot District, Tharparkar, Sindh

Terminal

- Elengy Terminal Pakistan Limited Plot # OZ-I-P-81, South Western Zone, Berth no. 13.

Port Qasim Karachi

Branded outlet

- Engro Polymer and Chemicals Limited Plot 41 - C, Bukhari Commercial Lane 2, Phase VI,

DHA. Karachi

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 directly controlled by the Holding Company:

(Amounts in thousand)

	2022 Rup	2021 ees
 Engro Energy Limited (note 1.3.1) Engro Eximp Agriproducts (Private) Limited (note 1.3.2) Engro Infiniti (Private) Limited (note 1.3.3) Engro Eximp FZE (note 1.3.4) Elengy Terminal Pakistan Limited (note 1.3.5) Engro Fertilizers Limited (note 1.3.6) Engro Polymer and Chemicals Limited (note 1.3.7) Engro Connect (Private) Limited (note 1.3.8) 	100 100 100 100 56 56.27 56.19 100	100 100 100 100 56 56.27 56.19 100
Joint Venture Company: - Engro Vopak Terminal Limited (note 1.3.9)	50	50
Associated Company:		
- FrieslandCampina Engro Pakistan Limited (note 1.3.10)	39.9	39.9

Percentage of direct shareholding

Percentage of shareholding

Percentage of direct holding

2021

2022

2022

Subsidiary companies

1.3.1 Engro Energy Limited

Engro Energy Limited (EEL), a wholly owned subsidiary of the Holding Company, is a public unlisted company incorporated in Pakistan on May 13, 2008. It is established with the primary objective of analyzing potential opportunities in power sector, undertake supply and service related contracts and Independent Power Projects (IPPs).

Following are the companies in which EEL owns 50% or more of the voting rights or are directly controlled by EEL:

 Engro Powergen Qadirpur Limited (note 1.3.1.1) Engro Powergen Thar (Private) Limited (note 1.3.1.2) Engro Energy Services Limited (note 1.3.1.3) Engro Power International Holding B.V. (note 1.3.1.4) Kolachi Portgen (Private) Limited (note 1.3.1.5) 	68.89 50.10 100 100	68.89 50.10 100 100 100

Following are the associated companies of EEL in which it holds direct shareholding:

GEL Utility Limited (note 1.3.1.6)	45	45
Sindh Engro Coal Mining Company Limited (note 1.3.1.7)	11.9	11.9
Pakistan Energy Gateway Limited (note 1.3.1.8)	33.3	33.3
Siddigsons Energy Limited (note 1.3.1.9)	19	19

annual report 2022 engro corporation limited enabling growth enabling growth

1.3.1.1 Engro Powergen Qadirpur Limited (EPQL) is a public listed company incorporated in Pakistan on February 28, 2006 with the primary objective to undertake the business of power generation, distribution, transmission and sale. EPQL completed construction and testing of its 217.3 MW combined cycle power plant and commenced commercial operations on March 27, 2010. The electricity generated is transmitted to the National Transmission and Dispatch Company (NTDC) under the Power Purchase Agreement (PPA) dated October 26, 2007, which is valid for a period of 25 years.

On August 12, 2020, EPQL, along with other Independent Private Power Producers ("IPPs") representing the 2002 Power Policy projects (collectively referred to as the "Parties"), signed a Memorandum of Understanding (MOU) with the Committee for negotiations with IPPs. The Board of Directors of EPQL in their meeting dated August 17, 2020 in-principle approved the terms of the MoU. In line with the understanding reached in the MOU, EPQL and CPPA - G (the "Parties") entered into a Master Agreement on February 11, 2021, based on the terms of the MOU, which also included that all undisputed outstanding amounts due and payable to EPQL under the PPA, as on November 30, 2020, would be paid in two (2) instalments [each instalment comprising of one-third cash and two-thirds government issued Pakistan Investment Bonds (PIBs) and Sukuks]. Further, in the larger national interest, EPQL agreed to (prospectively) accept a reduction in the tariff component, whereby the Return on Equity ("RoE") and the Return on Equity During Construction ("RoEDC") was to be fixed at 17% per annum in PKR on National Electric Power Regulatory Authority (NEPRA) approved equity at Commercial Operations Date for RoE and RoEDC, calculated at USD / PKR exchange rate of PKR 148/ USD, with no future USD indexation. However, the then existing RoE and RoEDC, together with the applicable indexations, were to apply until the date the applicable exchange rate under the then Tariff reached PKR 168 / USD and instalments were received by EPQL, whereupon the Revised RoE and RoEDC were to become applicable and would apply for the remainder of the term of the PPA. In addition to this, fuel and operations and maintenance cost have been considered as single consolidated item and any savings, if determined, from July 1, 2021 will be shared in the ratio of 60:40 between CPPA and EPQL. During the year, EPQL received both installments on January 6, 2022 and June 30, 2022 aggregating to Rs. 8,147,368. Accordingly, the revised tariff has been notified by NEPRA with effect from July 1, 2022.

1.3.1.2 Engro Powergen Thar (Private) Limited (EPTL) was established on September 23, 2014 with the primary objective to develop 2 x 330 MW mine mouth power plants at Thar Block II, Sindh for power generation, distribution, transmission and sale. The electricity generated is transmitted to NTDC under the Power Purchase Agreement (PPA) dated May 04, 2015. This agreement is valid for a period of 30 years. As at December 31, 2022, EEL holds 50.10% (2021: 50.10%) of the issued capital of EPTL while the balance shares are held by CMEC Thar Power Investment Limited (35%), Habib Bank Limited (9.5%) and Liberty Mills Limited (5.4%). EPTL achieved its Commercial Operations Date (COD) on July 10, 2019.

During the year, on March 2, 2022, an explosion occurred on the coal conveyor belt system which feeds the coal into the power plant. The power plant was 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 the 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 utilized forced outage allowance and continued to bill Capacity Purchase Price. For rehabilitation works, an aggregate of Rs. 903,388 had been incurred and 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 financial statements as at the reporting date.

(Amounts in thousand)

- 1.3.1.3 Engro Energy Services Limited (EESL) was established as a wholly owned subsidiary of EEL on June 01, 2018 with the primary objective of analyzing potential opportunities in the power sector and undertaking service related contracts for Independent Power Projects (IPPs) based on feasibility of new ventures and to provide operations and maintenance services to IPPs.
- 1.3.1.4 Engro Power International Holding B.V. (EPIH), was established as a wholly owned subsidiary of EEL on June 26, 2014 with the objective to incorporate, participate, manage and supervise businesses and companies.

EPIH has two wholly owned subsidiaries namely Engro Power Services Holding B.V. (EPSH) and Engro Power Investments International B.V. (EPII) both based in Netherlands. EPSH has a wholly owned subsidiary namely Engro Power Services Limited (EPSL) established in Nigeria with the objective to carry on business as power generation, transmission, distribution and servicing company. EPSL has a joint venture EngroGen Energy Services Limited established in Mauritius.

1.3.1.5 Kolachi Portgen (Private) Limited (KPPL) was established and incorporated in Pakistan on September 17, 2015, as a wholly owned subsidiary of EEL, with the objective to operate and own a Regasified Liquefied Natural Gas (RLNG) based power generation plant.

During the year, EEL received acceptance for the winding up of KPPL from the relevant authorities under the Companies (Easy Exit) Regulations, 2014. Accordingly, the Group has written off its investment in KPPL amounting to Rs. 100.

- 1.3.1.6 GEL Utility Limited (GEL) is a private limited company in Nigeria with the objective of generation and distribution of energy, power and other related services and has undertaken a project of 72 MW triple redundancy captive power plant, which commenced commercial operations from November 21, 2014. EEL holds 12,272,727 ordinary shares of Naira 1 each in GEL representing a 45% (2021: 45%) equity stake.
- 1.3.1.7 Sindh Engro Coal Mining Company Limited (SECMC) was formed under a Joint Venture Agreement (JVA), dated September 8, 2009, between the Government of Sindh (GoS), EEL and the Holding Company. The aforementioned JVA is consequent to the selection of SECMC as GoS's joint venture partner, through an International Competitive Bidding process, for the development, construction and operations of an open cast lignite mine in Block-II of Thar Coal Field, Sindh (the Project). SECMC achieved its CoD for Phase I and Phase II of the project on July 10, 2019 and October 1, 2022, respectively. SECMC has entered into Offshore agreements with China Machinery Engineering Corporation (CMEC) and Onshore agreement with China East Resource Import and Export Corporation (CERIEC) dated December 21, 2017 for expansion of mine to supply coal to the power plants. In its 79th meeting, Board of Directors of SECMC approved the plan to expand the mine to 12.2 million tonnes per annum to cater to coal off-take requirements of Lucky Electric Power Company Limited (LEPCL) and instructed the management to finalize all modalities for this expansion. EEL holds 11.9% (2021: 11.9%) equity stake in SECMC.
- 1.3.1.8 Pakistan Energy Gateway Limited (PEGL) is a special purpose vehicle incorporated jointly with Shell Gas B.V. and Pakarab Fertilizers Limited for the purpose of developing a private integrated LNG terminal, with each of the three subscribers / shareholders having a 33.3% shareholding. PEGL is yet to commence its business operations.

1.3.1.9 EEL entered into a Joint Venture Agreement (JVA), dated May 04, 2018 with Siddigsons Limited (SL) and Arif Habib Equity (Private) Limited (AHEPL) for the joint development of approximately 330 MW of coal-fired power generation facility in Thar Block - II, District Tharparkar, Sindh through a joint venture company, namely Siddigsons Energy Limited (SEL). The JVA became effective from May 26, 2018 as per the terms of which EEL, AHEPL and SL, were initially required to have shareholding proportions equal to 19%, 19% and 62% respectively in their mutual capacity as the members of SEL. As at December 31, 2022, EEL has subscribed to 38,392,920 (2021: 38,392,920) ordinary shares of Rs. 10 each of SEL. EEL in its Board meeting held on August 12, 2021 decided to resign from the Project Management Agreement with SEL in view of the significant project delays to achieve financial close of the power project. Accordingly, an impairment loss of Rs. 383,929 was recognized in 2021, representing the write-down of carrying amount of investments in SEL determined with reference to fair value less cost of disposal.

In addition, the Group has also recognized provision of Rs. 81,911 (2021: Rs. 182,801) and Rs. 163,822 (2021: Rs. 128,638) against the performance guarantees given by EEL and Engineering, Procurement and Construction contractors' liability of SEL, respectively, on the basis of shareholding proportion in SEL.

Engro Eximp Agriproducts (Private) Limited

Engro Eximp Agriproducts (Private) Limited (EEAPL) is a private limited company, incorporated in Pakistan on November 3, 2009. The principal activity of EEAPL is to produce, manufacture and trade all kinds of raw, processed and prepared food products including agriculture, dairy and farming products. EEAPL has set up a rice processing plant in District Sheikhupura, which commenced commercial production in 2011.

Engro Infiniti (Private) Limited 1.3.3

> Engro Infiniti (Private) Limited, (Elnfiniti) was incorporated as a wholly owned subsidiary in Pakistan on December 29, 2017. The primary objective of Elnfiniti is to analyze potential opportunities inside and outside Pakistan and to make available digital assets and ventures related to intellectual capital, data collection and analytics of every kind and any activities relating to or ancillary thereto.

1.3.3.1 Engro Digital Limited (EDL) was a public unlisted company, incorporated in Pakistan on October 29, 2017 under the Companies Act, 2017 (the Act). EDL was established with the primary objective of analyzing potential opportunities and making available digital and technology services and products inside and outside Pakistan.

The Board of EDL in its meeting held on February 16, 2022 decided to amalgamate EDL with and into Elnfiniti, in accordance with the Scheme of Amalgamation (the Scheme) with effect from March 31, 2022. The scheme was approved by SECP on July 1, 2022. As a result, EDL amalgamated with Elnfiniti on March 31, 2022 through transfer to and vesting in Elnfiniti, the cancellation of EDL shares and the dissolution of EDL without winding up.

1.3.4 Engro Eximp FZE

> Engro Eximp FZE (EEF) was incorporated in the Jebel Ali Free Zone, Emirate of Dubai, on August 4, 2011 and operates under a trade license issued by the Jebel Ali Free Zone Authority. EEF is a wholly owned subsidiary of the Holding Company.

(Amounts in thousand)

EEF has obtained a General Trading License issued by Jafza Jebel Ali Free Zone and is engaged in the business of trading.

1.3.5 Elengy Terminal Pakistan Limited

Elengy Terminal Pakistan Limited (ETPL), is a public unlisted company, incorporated in Pakistan on January 4, 2012. The principal business of ETPL is to establish and operate a terminal for handling, re-gasification, storage, treatment and processing, along with import, export and trading of Liquefied Natural Gas (LNG), Re-gasified Liquefied Natural Gas (RLNG), Liquid Petroleum Gas (LPG), Natural Gas Liquid (NGL) and all other related liquids, gases and chemical and petroleum products.

- 1.3.5.1 Engro Elengy Terminal (Private) Limited (EETPL) is a wholly owned subsidiary of ETPL. The principal business of EETPL is to establish and operate LNG Terminal including a jetty, pipeline with all machinery and equipment and supporting facilities for the receipt, storage and re-gasification of LNG.
- 1.3.6 Engro Fertilizers Limited

Engro Fertilizers Limited (EFert), is a public listed company, incorporated in Pakistan on June 29, 2009. The principal activity of EFert is manufacturing, purchasing and marketing of fertilizers, seeds and pesticides and providing logistics services.

- 1.3.6.1 In 2017, EFert Agritrade (Private) Limited (EAPL) was incorporated as a wholly owned subsidiary of EFert to carry out trading and distribution of imported fertilizers as part of business reorganization. EFert transferred its business of trading and distribution of imported fertilizers to EAPL.
- Engro Polymer and Chemicals Limited

Engro Polymer and Chemicals Limited (EPCL), is a public listed company, incorporated in Pakistan. The principal activity of EPCL is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals. It is also engaged in the supply of surplus power generated from its power plants to EFert.

Following are the subsidiaries of EPCL:

100	100
100	100
100	100

Percentage of shareholding

2021

2022

- Think PVC (Private) Limited (note 1.3.7.1)
- Engro Peroxide (Private) Limited (note 1.3.7.2)

- Engro Plasticizer (Private) Limited (note 1.3.7.3)

1.3.7.1 Think PVC (Private) Limited (TPPL) was incorporated in Pakistan on November 6, 1999, as a wholly owned subsidiary of EPCL. TPPL's principal activity was to purchase, market and sell Poly Vinyl Chloride (PVC), PVC compounds, Caustic soda and other related chemicals. However, TPPL is now focused on marketing of PVC products through its branded outlet instead of trading in PVC products.

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- 1.3.7.2 Engro Peroxide (Private) Limited (EPPL) was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of EPCL. The main objective of EPPL is to manufacture and market Hydrogen Peroxide and related chemicals.
- 1.3.7.3 Engro Plasticizer (Private) Limited (EPPPL) was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of EPCL. EPCL is currently assessing the projects for which EPPPL will be utilized.
- Engro Connect (Private) Limited

Engro Connect (Private) Limited (ECPL) is a private limited company, incorporated in Pakistan on March 16, 2021 as a wholly owned subsidiary of the Holding Company. ECPL has been established with the primary objective to engage in buying, building, maintaining and operating telecommunication infrastructure.

- 1.3.8.1 Engro Enfrashare (Private) Limited (Enfrashare) was incorporated in Pakistan as a private limited company on November 13, 2018. Enfrashare is principally engaged in buying, building, maintaining and operating telecommunication infrastructure and any products and by products and any activities relating to or ancillary thereto. On September 23, 2021, the Board of the Holding Company resolved for change in ownership of Enfrashare from Engro Infiniti (Private) Limited to Engro Connect (Private) Limited. Engro Connect (Private) Limited has met all regulatory requirements in relation to the change in ownership and has acquired 100% ordinary shares of Enfrashare from Engro Infiniti (Private) Limited.
- Engro Vopak Terminal Limited

Engro Vopak Terminal Limited (EVTL), a 50% share joint venture of the Holding Company and Royal Vopak Netherlands B.V, is a public unlisted company incorporated in Pakistan on November 7, 1995. EVTL has been granted the exclusive concession, right and license to design, finance, insure, construct, test, commission, complete, operate, manage and maintain an Integrated Liquid Chemical Terminal and Storage Farm at the South Western Zone of Port Qasim on Build, Operate and Transfer (BOT) basis.

1.3.10 FrieslandCampina Engro Pakistan Limited

FrieslandCampina Engro Pakistan Limited (FCEPL), is a public listed company, incorporated in Pakistan on April 26, 2005, FCEPL is a subsidiary of FrieslandCampina Pakistan Holdings B.V., which is a subsidiary of Zuivelcoöperatie FrieslandCampina UA (the Ultimate Parent Company of FCEPL).

The principal activity of FCEPL is to manufacture, process and sell dairy products, beverages, ice cream and frozen desserts. FCEPL also owns and operates a dairy farm.

summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(Amounts in thousand)

- Basis of preparation
- 2.1.1 These consolidated financial statements have been prepared under the historical cost convention as modified by remeasurement of certain financial assets and financial liabilities, including derivative financial instruments, at fair value, and recognition of certain staff retirement and other service benefits at present value.

2.1.2 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Act differ from the requirements of IFRSs, the provisions of and directives issued under the Act have been followed.

- 2.1.3 The preparation of consolidated financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.
- 2.1.4 Initial application of Standards, Amendments or an Interpretation to existing Standards
 - a) Amendments to accounting and reporting standards that became effective during the year

There are certain amendments to published standards that are effective for the first time for the year ended December 31, 2022; however, these are considered not to have a significant impact on the Group's financial reporting and operations, and therefore have not been presented here.

b) Standards, amendments to accounting and reporting standards that are not vet effective and have been early adopted by the Group

IFRS 16 'Leases' - The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.

The Group has applied the practical expedient to all qualifying rent concessions granted in relation to office space acquired under rental basis. As a result, Rs. 12,729 (2021: Rs. 24,205) has been recognized in the consolidated statement of profit or loss (note 25) to reflect changes in lease payments arising from rent concessions that meet the conditions of the practical expedient.

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c) Standards, amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Group

The new standard and amendments to published standards that are not effective for the period beginning on January 1, 2022 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations and, therefore, have not been disclosed in these consolidated financial statements.

Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiaries;
- it is exposed to variable returns from the subsidiaries; and
- decision making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-recognized from the date the control ceases. These consolidated financial statements include Engro Corporation Limited (the Holding Company) and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the subsidiaries).

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed (including contingent liabilities) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in the consolidated statement of profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of non-controlling interest over the fair value of the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized in the consolidated statement of profit or loss.

(Amounts in thousand)

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealized) are also eliminated. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid / received and the relevant share acquired / disposed off of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses to non-controlling interests are also recorded in equity.

iii) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in the consolidated statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or

Exploration and evaluation assets

Exploration and evaluation assets in respect of area of interest includes license fee, detailed feasibility study and all other related studies to ensure bankability of the project including ancillary (operating and administrative) cost related thereto.

The aforementioned expenditure supporting the technical feasibility and economic / commercial viability, are capitalized as exploration and evaluation assets, where:

- such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively, by its sale; or
- exploration and / or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence, or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area are continuing.

Capitalized exploration and evaluation expenditure is recorded at cost less impairment charges, if any. As asset is not available for use, it is not depreciated, however, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis.

Cash flows associated with exploration and evaluation expenditure are classified as investing activities in the consolidated statement of cash flows.

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2.3 Development properties

Development expenditure represents expenditure incurred in area in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine and related infrastructure.

Once a development decision has been taken, the carrying amount of the exploration and evaluation asset is transferred to development expenditure and classified under non-current assets as 'development properties'.

Capitalized development properties expenditure is recorded at cost less impairment, if any. As the asset is not available for use, it is not depreciated; however, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis.

Cash flows associated with development properties are classified as investing activities in the consolidated statement of cash flows.

2.4 Property, plant and equipment

2.4.1 Owned assets

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except for free-hold land and capital work in progress which are stated at cost less impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs. The cost of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. Capital work in progress mainly comprises of expenditure incurred and advances made in respect of operating fixed assets in the course of their erection, installation and acquisition.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Disposal of asset is recognized when significant risk and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other operating expenses / income' in the consolidated statement of profit or loss in the financial year of disposal.

Depreciation is charged to the consolidated statement of profit or loss using the straight line method, except for catalyst whose depreciation is charged on the basis of number of production days, whereby the cost of an operating asset less its estimated residual value is written off over its estimated useful life. Depreciation on addition is charged from the month following the month in which the asset is available for use and on disposals upto the preceding month of disposal.

(Amounts in thousand)

The Group reviews and adjusts (if required) the appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation on a regular basis.

2.4.2 Dredging expenditure

Dredging expenditure is categorized into capital dredging and major maintenance dredging. Capital dredging is expenditure, which creates new harbour and deepens or extends the basin in front of jetty in order to allow access to larger ships. This expenditure is capitalized and is being depreciated over a period of 30 years.

Major maintenance dredging is expenditure incurred to restore the depth to its previous condition. The management estimates that maintenance dredging has an average service potential of 5 years. Maintenance dredging is regarded as a separate component and is capitalized and depreciated over a period of 5 years on straight line basis.

2.5 Capital spares

Spare parts and servicing equipment are classified as property, plant and equipment rather than stores, spares and loose tools when they meet the definition of property, plant and equipment. These are valued at weighted average cost less impairment except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. For items which are slow moving and / or identified as surplus to the Group's requirements, adequate provision is made for any excess book value over estimated realizable value. Upon utilization, the capital spares and servicing equipment are depreciated over their useful life, or the remaining life of principal asset, whichever is lower.

2.6 Intangible assets

a) Computer software and licenses

i) Acquired

Costs associated with maintaining computer software programmes are recognized as an expense when incurred. However, costs that are directly attributable to identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognized as an intangible asset. Direct costs include the purchase cost of software (license fee) and related overhead cost.

Following initial recognition, computer software and licenses are carried at cost less accumulated amortization and impairment losses, if any.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Computer software and license cost treated as intangible assets are amortized from the date the software is put to use on a straight-line basis over their respective useful lives, ranging from 4 years to 10 years.

The amortization on additions, if any, is charged from the month following the month in which the asset is available for use and on disposals upto the month of disposal.

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ii) Internally generated

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and impairment losses, if any. These are amortized on straight-line basis over a period upto 5 years. The amortization on additions, if any, is charged from the month following the month in which the asset is available for use and on disposals upto the preceding month of disposal.

Expenditure on research (or the research phase of an internal project) is recognized as an expense in the period in which it is incurred.

Development costs incurred on specific projects are capitalized when all the following conditions are satisfied:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale;
- The Group intends to complete the intangible asset and use or sell it;
- The Group has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits. Among other things this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or if it is to be used internally, the asset will be used in generating such benefits;
- There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

b) Rights for future gas utilization

Rights for future gas utilization represents premium paid to the Government of Pakistan for allocation of 100 MMCFD natural gas for a period of 20 years for EFert's Enven plant. The rights are being amortized from the date of commercial production on a straight-line basis over the remaining allocation period.

2.7 Leasing activities as a lessee

Lease liabilities and right-of-use assets:

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

(Amounts in thousand)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments less any lease incentives received, variable lease payments that are based on an index or a rate which are initially measured using the index or a rate as at the commencement date, amounts expected to be payable by the Group under residual value guarantees, the exercise price of a purchase option, if any, if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value quarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, and is recorded in the consolidated statement of profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

A change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right of use asset.

The right-of-use asset is initially measured based on the initial amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases is recognized as an expense on a straight line basis over the lease term.

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2.8 Leasing activities as a lessor

The Group enters into lease arrangements with respect to its LNG infrastructure for receipt, storage and regasification of LNG.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivable at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

2.9 Impairment of non-financial assets

Assets that are subject to depreciation / amortization are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.10 Investments in Joint Arrangements and Associates

Joint arrangements are arrangements in which the Group has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement. The Group classifies a joint arrangement as joint operation when the Group has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group classifies a joint arrangement as a joint venture when it has the rights to the net assets of the arrangement.

(Amounts in thousand)

Investment in joint venture / associates is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the date of acquisition. The Group's investment in joint venture / associates includes goodwill identified on acquisition. The Group determines at each reporting date whether there is any objective evidence that the investment in joint venture / associate is impaired. If this is the case, the Group calculates the impairment loss as the difference between the recoverable amount of joint venture / associates and its carrying value and recognizes the loss in the consolidated statement of profit or loss.

In respect of an interest in a joint operation, the Group recognizes its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue, including its share of the output arising from the joint operation; its expenses, including its share of any expenses incurred jointly.

2.11 Financial assets

2.11.1 Classification, initial recognition and measurement

Financial assets are classified into appropriate categories on initial recognition and are subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss. The management determines the classification of financial assets into appropriate categories based on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortized cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss if it is not measured at amortized cost or at fair value through other comprehensive income.

All financial assets are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets at amortized cost are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognized in profit or loss. Financial assets carried at fair value through

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other comprehensive income are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. Financial assets carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the consolidated statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair values of the financial assets and liabilities held at fair value through profit or loss are included in the profit or loss in the period in which they arise.

Upon initial recognition, the Group can elect to irrevocably classify its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.11.2 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the profit or loss or other comprehensive income, as the case maybe.

2.11.3 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables except for debts due from the Government of Pakistan as a consequence of circular debt which were initially exempted from the application of Expected Credit Loss model under IFRS 9 by the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O 985(I) / 2019 dated September 2, 2019 for a limited period of three years till June 30, 2021. On September 13, 2021, October 24, 2022 and January 20, 2023, the SECP further extended the aforementioned exemption till June 30, 2022, June 30, 2023 and December 31, 2024, respectively.

2.11.4 Financial liabilities

The Group recognizes a financial liability in its consolidated statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. At initial recognition, the Group measures a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Subsequently, financial liabilities are stated at amortized cost.

(Amounts in thousand)

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the consolidated statement of profit or loss.

2.11.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle either on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.12 Hedging relationships

The Group currently accounts for two types of hedging relationships:

Fair value hedge

Fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or a component of any such item, that is attributable to a particular risk and could affect the consolidated statement of profit or loss.

The Group accounts for fair value hedging relationships as follows:

- (a) the gain or loss on the hedging instrument is recognized in profit or loss (or other comprehensive income, if the hedging instrument hedges an equity instrument for which the Group has elected to present changes in fair value in other comprehensive income).
- (b) the hedging gain or loss on the hedged item shall adjust the carrying amount of the hedged item (if applicable) and be recognized in profit or loss. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income, the hedging gain or loss on the hedged item is recognized in profit or loss. However, if the hedged item is an equity instrument for which the Group has elected to present changes in fair value in other comprehensive income, those amounts remain in other comprehensive income. When a hedged item is an unrecognized firm commitment (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation is recognized as an asset or a liability with a corresponding gain or loss recognized in profit or loss. When the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

Cash flow hedge

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognized asset or liability (such as all or some future interest payments on variable-rate debt) or a highly probable forecast transaction, and could affect profit or loss.

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The Group accounts for cash flow hedging relationships as follows:

- (a) the separate component of equity associated with the hedged item (cash flow hedge reserve) is adjusted to the lower of the following (in absolute amounts):
 - (i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and
 - (ii) the cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.
- (b) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge li.e. the portion that is offset by the change in the cash flow hedge reserve calculated in accordance with (a)) is recognized in other comprehensive income.
- (c) any remaining gain or loss on the hedging instrument [or any gain or loss required to balance the change in the cash flow hedge reserve calculated in accordance with (a)] is hedge ineffectiveness, that is recognized in profit or loss.
- (d) the amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:
 - (i) if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the liability.
 - (ii) for cash flow hedges other than those covered by (i), that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.
 - (iii) however, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it immediately reclassifies the amount that is not expected to be recovered to profit or loss as a reclassification adjustment.

Stores, spares and loose tools

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges incurred thereon till the reporting date. For items which are slow moving and / or identified as surplus to the Group's requirements, adequate provision is made for any excess book value over estimated realizable value. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence, if any.

Stock-in-trade 2.14

These are valued at the lower of cost and net realizable value. Cost is determined using weighted average method except for raw material, and certain purchased products in transit which are stated at cost (invoice value) plus other charges incurred thereon till the reporting date. Cost in relation to finished goods includes applicable purchase cost and manufacturing expenses. The cost of work in process includes material and proportionate conversion costs.

(Amounts in thousand)

Net realizable value signifies the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessarily to be incurred in order to make the sales. Provision is made for slow moving and obsolete stocks, where considered necessary.

Trade debts, contract assets and other receivables

Trade debts and other receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value plus directly attributable transaction costs, if any. The Group holds trade debts and other receivables with the objective to collect contractual cash flows and, therefore, measures them subsequently at amortized cost using effective interest method. A provision for impairment is established under the simplified model stipulated in IFRS 9. Under this model, expected credit losses are measured based on lifetime expected loss allowance for all trade debts and other receivables. The Group measures expected credit losses on trade debts and other receivables in a way that reflects:

- a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes:
- b) the time value of money; and
- c) reasonableness and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The amount of provision is charged to the consolidated statement of profit or loss. Trade debts and other receivables considered irrecoverable are written-off.

Exchange gains and losses arising on translation of receivables in foreign currency are added to their respective carrying amounts.

A contract asset is recognized for the Group's right to consideration in exchange for goods or services that it has transferred to a customer. If the Group performs its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the amount as a contract asset, excluding any amounts presented as a receivable.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows includes cash in hand and in transit, cheques in hand, balances with banks in current, deposit and saving accounts, other short term highly liquid investments with original maturities of three months or less and short-term borrowings other than term finance.

2.17 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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2.18 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of profit or loss over the period of borrowings using the effective interest method.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit or loss as other income or finance

Borrowings are classified as current liabilities unless the Group has an unconditional contractual right to defer settlement of the liability for at least 12 months after the reporting date.

Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowing.

2.19 Government grant

Government grant is recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful lives of the related asset.

Government grant includes any benefit earned on account of a government loan obtained at below market rate of interest. The loan is recognized and measured in accordance with IFRS 9 "Financial Instruments". The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received.

Government grant that has been awarded for the purpose of giving immediate financial support to the Group is recognized in the consolidated statement of profit or loss of the period in which the Group qualifies to receive it.

Government grant that compensates the Group for expenses incurred is recognized in the consolidated statement of profit or loss on a systematic basis in the same period in which the expenses are recognized. Government grants are deducted in reporting the related expenses.

Trade and other pavables 2.20

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Exchange gains and losses arising from translations in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

(Amounts in thousand)

Deferred income

Amount received on account of operating lease rental income for terminal is recognized as deferred income where not earned and credited to the consolidated statement of profit or loss in the relevant period of provision of services for recognition of rentals on straight line basis.

2.22 Contract liability

A contract liability is recognized for the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Group transfers a good or service to the customer, the Group shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

2.23 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, is probable that outflow of an economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

Share based payment transaction

Cash-settled share-based payments to employees are measured at the fair value of the liability. The fair value determined of the cash-settled share-based payments is recognized as an employee compensation expense on a straight-line basis over the vesting period. Until the liability is settled, the fair value of the liability is remeasured at the end of each reporting period and at the date of settlement, with all changes in fair value recognized in the consolidated statement of profit or loss for the period.

2.25 Income tax

The tax expense for the year comprises current and deferred tax. Tax expense is recognized in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case, the tax expense is also recognized in other comprehensive income or directly in equity, respectively.

2.25.1 Current

Provision for current taxation is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2.25.2 Deferred

Deferred tax is recognized using the balance sheet method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the consolidated statement of profit or loss, except to the extent that it relates to the items recognized directly in equity, in which case it is recognized in equity.

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A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.26 Retirement and other service benefits

2.26.1 Defined contribution plans

A defined contribution plan is a post - employment benefit plan under which the Group pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the consolidated statement of profit or loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group operates

- defined contribution provident funds for its permanent employees. Monthly contributions are made both by the Group and employees to the fund at the rate of 10% of basic salary;
- defined contribution pension funds for the benefit of management employees. Monthly contributions are made by the Group to the fund at the rate ranging from 12.5% to 13.75% of basic salary; and
- defined contribution gratuity funds for the benefit of management employees. Monthly contributions are made by the Group to the fund at the rate of 8.33% of basic salary.

2.26.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the Projected Unit Credit Method.

Remeasurements (actuarial gains / losses) in respect of defined benefit plans are recognized directly in equity through other comprehensive income.

Contributions require assumptions to be made of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

The Group operates defined benefit funded gratuity schemes for management employees and non-management employees of EFert.

(Amounts in thousand)

The Group also operates a defined benefit funded pension scheme for EFert's management employees. The pension scheme provides life time pension to retired employees or to their spouses. Contributions are made annually to these funds on the basis of actuarial recommendations. The pension scheme has been curtailed and effective from July 1, 2005, no new members are inducted in this scheme. Actuarial gains on curtailment are recognized immediately once the certainty of recovery is established.

In June 2011, the Group gave a one time irrevocable option to selected members of EFert's Management Permanent Employees' (MPT) Defined Benefit Gratuity Fund and Defined Contribution Pension Fund to join a new MPT Employees' Defined Contribution Gratuity Fund (the Fund), a defined contribution plan. The present value, as at June 30, 2011, of the defined benefit obligation of those employees, who accepted this offer, were transferred to this Fund. Furthermore, from July 2011 onwards, the monthly contributions to Defined Contribution Pension Fund of such employees were discontinued.

2.26.3 Employees' compensated absences

The Group accounts for compensated absences on the basis of unavailed leave balance of each employee at the end of the year.

2.26.4 Other benefits - Service Incentive Plan

Annual provision is made under a service incentive plan for certain category of experienced employees to continue in the Group's employment. The provision is made on the basis of management's estimates of incentives to be paid to employees on the fulfillment of criteria given in the incentive plan.

- 2.27 Foreign currency transactions and translation
- 2.27.1 These consolidated financial statements are presented in Pakistan Rupees, which is the Group's functional and presentation currency. Amounts presented in these consolidated financial statements have been rounded off to the nearest thousand, unless otherwise stated. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss and property, plant and equipment as explained in note 4.3.
- 2.27.2 The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - assets and liabilities for each consolidated statement of financial position items presented are translated at the closing rate at the reporting date;
 - income and expenses for each consolidated statement of profit or loss item are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

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- all resulting exchange differences are recognized as a separate component of equity.

2.28 Revenue / Income recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized on the following basis:

- The Group recognizes revenue at a point in time as or when performance obligations are satisfied by transferring the control of product to customer. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by the customer from the Group's premises or when it is delivered by the Group at customer premises.
- Revenue from contracts and long term service agreements is recognized as or when performance obligations are satisfied by transferring control of promised services to a customer, and control either transfers over time or at a point in time. Where, revenue over time is recognized based on the percentage of completion method, the stage of completion is assessed by milestones which ascertain the completion of the proportion of contract work or the performance of services provided in the agreement.
- Income on bank deposits and other financial assets is recognized on an accrual basis.
- Dividend income on investments is recognized when the Group's right to receive such payment has been established.
- Operation and maintenance fee under various contracts is measured at fair value of the consideration received or receivable and is recognized on accrual basis when services are rendered i.e. performance obligations are fulfilled in accordance with the terms of agreements.
- Revenue from supply of electricity to Central Power Purchasing Agency (Guarantee) Limited (CPPA-G), the sole customer of Engro Powergen Qadirpur Limited (EPQL) and Engro Powergen Thar (Private) Limited (EPTL), is recognized when the following performance obligations are satisfied:
- Capacity revenue is recognized based on the capacity made available to CPPA-G; and
- Energy revenue is recognized based on the Net Electrical Output (NEO) delivered to CPPA-G.

Capacity and Energy revenue is recognized based on the rates determined under the mechanism laid down in the Power Purchase Agreements (PPAs).

- Consultancy fee is recognized at the time the services are rendered.
- Delayed payment charges on overdue trade receivables are recognized on an accrual basis.

(Amounts in thousand)

- Revenue from re-gasification and transportation of Liquefied Natural Gas (LNG) to Sui Southern Gas Company Limited (SSGCL) under LNG operations and Services Agreement (LSA) is recognized on the following basis:
 - Utilization revenue on the basis of Re-gasified LNG throughput to SSGCL over time.
 - Operations and maintenance revenue over time.
- Revenue from tower infrastructure provisioning is recognized on straight line basis over the non-cancellable agreement period, regardless of whether the payments from customers are received, in equal monthly amounts during the contract term. The Group considers all fixed elements of the relevant contractual escalation provisions in calculating the straight-line revenue. Revenue for cancellable agreements are recorded at the amounts invoiced to the customers, as per the agreement.
- Revenue from operations and maintenance services for telecommunication infrastructure is recognized when services are rendered as the performance obligations are generally met over time as customer simultaneously receives and consumes benefits of services as and when the services are performed by the Group. The Group generally uses output method to measure progress towards satisfying a performance obligation. The Group recognizes revenue at the amount of the Group's right to invoice as per the agreements with the customers if the Group's right to invoice the customers is based on the value of services transferred and the amount invoiced represents the value transferred to the customers.
- Deferred incentive revenue is recognized based on the present value of discount provided by the Group in its bundled contracts with the customers. The unwinding of discount on deferred incentive revenue is recognized as finance cost in the consolidated statement of profit or loss. Subsequent amortization of deferred incentive revenue is credited to revenue on a systematic basis.
- Revenue from energy support services is recognized by the Group through bills on a pass through basis as the Group does not consider that it controls the specific services before their delivery to customers. Accordingly, the Group recognizes revenue arising from pass through billings on net basis.

The payment term varies from 15 to 180 days depending on the credit worthiness of the Group's customers.

2.29 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which such costs are capitalized as part of the cost of that asset. Borrowing costs includes exchange differences arising on foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs and net gain / loss on the settlement of derivatives hedging instruments. All other borrowing costs are charged to the consolidated statement of profit or loss.

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2.30 Research and development costs

Research and development costs are charged to income as and when incurred, except for certain development costs which are recognized as intangible assets when it is probable that the developed project will be a success and certain criteria, including commercial and technical feasibility have been met.

2.31 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.32 Dividend and appropriation to reserves

Dividends and appropriations to reserves are recognized in the consolidated financial statements in the period in which these are approved.

2.33 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Holding Company that makes strategic decisions.

3. critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimate will, by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of carrying a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

a) Property, plant and equipment and intangibles

The Group annually reviews appropriateness of the method of depreciation and amortization, useful life and residual value used in the calculation of depreciation and amortization. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis. These calculations require the use of estimates. Any change in these estimates in the future, might affect the carrying amount of the respective item of property, plant and equipment and intangibles, with a corresponding effect on the depreciation and amortization charge, and impairment.

(Amounts in thousand)

In case of acquisition of group of assets and liabilities, the Group allocates the purchase consideration to individual assets and liabilities on the basis of their relative fair value at the date of purchase. For determination of fair value, the Group takes into account its principle ability to generate economic benefits by either using the asset in its highest and best use or by selling it to another customer. Estimation of highest and best use is made on basis of estimated net cash in flows associated with the assets or group of assets. The consideration for selling it to another customer is based on the fair market value after adjusting the impacts of obsolescence.

b) Investments at fair value through profit or loss / other comprehensive income

The Group determines fair value of certain investments by using quotations from active market and conditions and information about the financial instruments. These estimates are subjective in nature and involve some uncertainties and matters of judgment.

c) Provision for stock-in-trade

The Group regularly reviews the net realizable value of stock-in-trade to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

d) Income taxes

In making the estimates for provision for current income taxes payable by the Group, the management considers the applicable laws and the decisions / judgments of appellate authorities on certain issues in the past. Accordingly, the recognition of current and deferred taxes is made taking into account these judgments and the best estimates of future results of operations of the Group.

e) Provision for retirement and other service benefits obligations

The present value of these obligations depend on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations.

f) Impairment of investment in associates and joint venture

In making an estimate of future cash flows from the Group's financial assets including investment in joint venture and associates, the management considers future dividend stream and an estimate of the terminal value of these investments.

g) Impairment of financial assets

The Group uses external credit ratings to determine default rates for trade debts, net investment in lease, short-term investments, other financial assets at amortized cost and balances with banks to calculate expected credit losses. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in future.

h) Provision for slow-moving stores and spares

The Group regularly reviews the provision for slow moving stores and spares to assess the consumption of stores and spares, thereby ensuring that slow moving items are provided for.

i) Tariff adjustment determination

As per the mechanism laid out in National Electric Power Regulatory Authority's (NEPRA) decision dated June 15, 2022, EPTL seeks adjustment for fuel price, cost of power purchase, operation and maintenance cost and unrecovered cost including non-recoverable dues written-off. EPTL's monthly / quarterly / annual submissions of tariff adjustment are approved / determined by NEPRA on a time to time basis, resulting in provisional amounts being recognized by the Group based on its judgement and interpretation of NEPRA decision, till the determination from NEPRA is received.

i) Contingencies and provisions

Significant estimates and judgments are being used by the management in accounting for contingencies and provisions relating to legal and taxation matters being contested at various forums based on applicable laws and the decisions / judgments.

k) Right of use asset and corresponding lease liability

IFRS 16 requires the Group to assess the lease term as the non-cancellable lease term in line with the lease contract together with the period for which the Group has extension options which the Group is reasonably certain to exercise and the periods for which the Group has termination options for which the Group is not reasonably certain to exercise.

The rate used on transition to discount future lease payments represents the Group's incremental borrowing rate.

With specific reference to EETPL's arrangement under Time Charter Party (TCP) and LNG operations and Services Agreement (LSA), significant estimates further included:

i) Classification of lease

The classification of lease of terminal required use of estimates of cash flows during the contract period, margins, residual values and allocation of amounts under daily capacity charges to lease and non-lease components and determine minimum lease payments at the inception of lease from terminal and sublease of right-of-use asset. As a result the lease of terminal has been determined as an operating lease as significant risk and rewards relating to the same remain with EETPL at the end of the lease term, taking into account the useful life and fair value of terminal assets, minimum lease payments, residual value and the assessment that customer is not likely to exercise purchase option.

(Amounts in thousand)

ii) Discount rate

The rate used on transition to discount future lease payments under TCP represent EETPL's incremental borrowing rate. The rate has been estimated using LIBOR rates available in the lease currency and adjusted to reflect the underlying lease term based on observable inputs.

I) Provision for decommissioning costs

The timing of recognition of provision for decommissioning costs requires the application of judgment of existing facts and circumstances, which can be subject to change. In determining the present value of the provision for decommissioning costs, assumptions and estimates are made in relation to discount rates, the expected cost to decommission and remove the equipment from the site and the expected timing of those costs.

m) Revenue recognition

Revenue on long-term service agreements / construction contracts is recognized based on the percentage of completion method. The Group reviews the appropriateness of the stage of completion through milestones / cost incurred which ascertain the completion of a proportion of the contract work or the performance of services provided.

n) Share based payment transaction

The fair value of share-based compensation expense arising from the Long-term Incentive Plan (LTIP) is estimated using an appropriate option pricing model. It is recognized as expense from the date of grant over the vesting period with a corresponding increase in liability. Market conditions upon which vesting is conditioned, are taken into account when estimating the fair value at measurement date. Vesting conditions, other than market conditions, are not taken into account when estimating the fair value at the measurement date, instead, these are taken into account by adjusting the number of instruments included in the measurement of the transaction amount.

		2022 Rupee	2021 S
4.	property, plant and equipment		
	Operating assets, at net book value (note 4.1) Capital work in progress	300,654,940	257,997,137
	- Expansion and other projects (note 4.7)	24,839,815	20,265,122
	Capital spares and standby equipment	4,382,473	3,892,279
		329,877,228	282,154,538

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	Land	Р	Building on		Toellines	Machinery	Catalyst	and equipment	ipment	Vehicles	Aircraft	Jettv	Dredaina	Total
4.1 Operating assets	Freehold	Leasehold	Freehold	leasehold	-	Owned (note 4.8)		ð	Leased	Owned		(note 4.8)		
As at January 1, 2021 Cost	344,168	699,144	10,078,670	1,871,752	3,123,607	285,795,965	1,982.247 6	6,621,617	21,723	3,589,686	624,228	5,309,282	3,048,524	323,110,613
Accumulated depreciation	ı	(212,651)	(2,448,829)	(743,792)	(1,438,999)	(76,294,730)	(1,592,536)	(2,000,559)	(21,002)	(911,373)	(8,695)	(1,083,754)	(1,115,712)	(87,872,632)
Accumulated impairment	ı	(121,622)		(595,858)		(1,793,717)		(86,091)						(2,597,288)
Net book value	344,168	364,871	7,629,841	532,102	1,684,608	207,707,518	389,711	4,534,967	721	2,678,313	615,533	4,225,528	1,932,812	232,640,693
Year ended December 31, 2021 Opening net book value	344,168	364,871	7,629,841	532,102	1,684,608	207,707,518	389,711	4,534,967	721	2,678,313	615,533	4,225,528	1,932,812	232,640,693
Amortization of revaluation surplus (note 4.4)		2,488				(32,581)								(30,093)
Additions including transfers	39,140		4,200,516	653,527	150,047	16,953,999		6,087,067		951,501				29,035,797
Transfer from right-of-use asset (note 5)		•	ı		•			1		2,596				5,596
Capitalization of exchange loss by the subsidiary company (note 4.3)		1	1		1	8,432,804			1	1	1	1		8,432,804
Reclassification to intangible assets		1	ı	1		(58,327)	1			ı	1	ı		(58,327)
Assets classified from held for sale														
Cost Accumulated depreciation Accumulated impairment - reversal	1 1 1				1 1 1	400,930 (62,732) (271,144)								400,930 (62,732) (271,144)
						67,054]			,			67,054
Disposals / Write offs Cost Accumulated depreciation Accumulated impairment					(1,285)	(256,663)		(130,105) 87,098		(65,812) 12,020				(453,865) 251,738
	,		ı	•	(326)	(105,002)	,	(43,007)		(53,792)		,		(202,127)
Depreciation charge (note 4.4)		(51,347)	(422,859)	(71,841)	(78,776)	(9,387,978)	(114,645)	(879,914)		. (546,564)	(34,778)	(174,825)	(130,733)	(11,894,260)
Net book value	383,308	316,012	11,407,498	1,113,788	1,755,553	223,577,487	275,066	9,699,113	721	3,035,054	580,755	4,050,703	1,802,079	257,997,137
As at December 31, 2021														
Cost Accumulated depreciation Accumulated impairment	383,308	696,656 (259,022) (121,622)	14,279,186 (2,871,688)	2,525,279 (815,633) (595,858)	3,272,369 (1,516,816)	311,236,127 (85,593,779) (2,064,861)	1,982,247 (1,707,181)	12,578,579 (2,793,375) (86,091)	21,723 (21,002)	4,480,971 (1,445,917)	624,228 (43,473)	5,309,282 (1,258,579)	3,048,524 (1,246,445)	360,438,479 (99,572,910) (2,868,432)
Net book value	383,308	316,012	11,407,498	1,113,788	1,755,553	223,577,487	275,066	9,699,113	721	3,035,054	580,755	4,050,703	1,802,079	257,997,137

Land	
	Land

Year ended December 31, 2022

Amortization of revaluation surplus (note 4.4) Opening net book value

Additions including transfers

Capitalization of exchange loss by the subsidiary company (note 4.3)

Disposals / Write offs Cost Accumulated depreciation Accumulated impairment

Net book value

As at December 31, 2022

Reversal of impairment (note 4.5)

Depreciation charge (note 4.4)

Cost Accumulated depreciation Accumulated impairment

Annual rate of depreciation (%)

257,997,137 (30,093) 33,256,193 (14,589,073) 23,282,056 1,458,297 (719,577) Total (141,794) 3,418,520 (1,388,239) 3.33 to 20 Dredging 1,802,079 369,996 5,319,006 (1,433,675) Jetty (note 4.8) 4,050,703 (175,096) 9,724 (152,073) 3,259,098 (195,546) 14.3 580,755 2,634,870 Aircraft 4,872,781 (1,885,695) (546,208) 5 to 25 (185,146) 683,386 3,035,054 Vehicles (1,134) 25,007 (22,136) 20 Furniture, fixtures and equipment 9,731,952 (1,588,676) 22,225,177 (4,347,385) (86,091) 9,699,113 (85,354) 34,666 (20,688) 5 to 33 Owned (222,384) No, of production days 275,066 402,520 Catalyst Plant and Machinery
Owned (note 4.8) (10,923,777) 2.5 to 30 (2,086,344) 1,641,846 (32,581) 14,423,713 223,577,487 23,282,056 1,036,234 (83,368) 3,273,336 (1,600,184) 2 to 6 296 Pipelines (21,806) 2,485,137 (830,322) (285,738) 2.5 to 10 1,113,788 (63,117) 310,120 22,975 Building on 2.5 to 10 11,407,498 (43,968) 4,723 19,208,024 (3,497,354) 4,972,806 (39,245) (630,389) Freehold land Leasehold (46,368) 1 to 30 316,012 696,656 (302,902) (9,679) 2,488 111,943 383,308 383,308 Freehold

4.2 The details of immovable fixed assets (i.e. land and buildings) which are in the name of the Group as follows:

Description of assets	Address	Total area of land in Acres
Daharki plant and colony Zarkhez plant land Rice processing plant LNG Terminal	District Ghotki, Sindh Port Qasim, Karachi 13-KM Sheikhupura Road, Lahore South Western Industrial Zone, Port Qasim, Karachi	734.00 112.50 62.95 13.18
Power plant and associated buildings	Deh Belo Sanghari, Ghotki, Sindh	41.50
Colony land Leasehold land Leasehold land Production facilities Storage facilities Administration facilities	Colony Road, Daharki, Ghotki, Sindh Thar Block II, Islamkot District, Sindh EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	16.40 215.00 121.92 3.26 2.21 0.60

4.3 The Securities and Exchange Commission of Pakistan (SECP), through its S.R.O. 986(1)/2019 dated September 2, 2019, partially modified its previously issued S.R.O. 24/(1)/2012 dated January 16, 2012 and granted exemption to all companies that have executed their power purchase agreements before January 1, 2019, from the application of IAS 21 'The Effects of Changes in Foreign Exchange Rates' to the extent of capitalization of exchange differences. Accordingly, during the year, the Group has capitalized exchange loss of Rs. 23,282,056 (2021: Rs. 8,432,804) arising on foreign currency borrowings of EEL (and its subsidiaries) to the cost of the related property, plant and equipment.

2022	2021
Rup	ees

4.4 Depreciation charge for the year has been allocated as follows:

Cost of goods sold (note 35.1)	11,
Capital work in progress	
Cost of services rendered (note 35.2)	2
Selling and distribution expenses (note 36)	
Administrative expenses (note 37)	
	14

11,885,090	11,070,934
5,686	4,485
2,026,426	398,397
154,212	138,007
547,752	312,530
14,619,166	11,924,353

In 2015, EEAP's management, taking cognizance of the significant losses suffered by EEAP, as an indicator of impairment, conducted an impairment test of its rice processing plant. The recoverable amount so determined was less than the carrying value of the plant and machinery, thereby resulting in an impairment loss of Rs. 3,384,000 which was recognized in the consolidated statement of profit or loss for the year ended December 31, 2015. Subsequently, during the year ended December 31, 2018, EEAP made a reversal of impairment by Rs. 315,000.

(Amounts in thousand)

As at December 31, 2022, the following indicators triggered the management of EEAP to re-assess the recoverable amount of its property, plant and equipment:

- devaluation of Pak Rupee against the USD; and

Mr. Fahad Dar

Mr. Zain Faroog

Mr. Asad Shaikh

Mr. Abdullah Zubair

Mr. Zouhair Ansari

Mr. Shahbaz Ahmed Khan

Mr. Khawaja Jawwad Hassan

Mr. Iftikhar Ahmed Dar

- significant increase in steel prices during the years.

Based on the aforementioned factors, management engaged its valuation expert to determine the fair values of property, plant and equipment of EEAP. The re-assessment was carried out using the market approach under IFRS 13 (level 2). As a result of this re-assessment, impairment reversal of Rs. 1,458,297 has been recognized in these consolidated financial statements.

4.6 The details of operating assets disposed / written-off during the year are as follows:

Description and method of disposal	Sold to	Relationship with the purchaser	Cost	Accumulated depreciation & impairment	Net book value	Sale proceeds	Gain / (loss)
Assets having net book value of	Rs. 500 each or more				Rupees		
Plant and machinery							
Bidding	Penta Waste Management Services Company	External party	707,594	682,887	24,707	50,558	25,851
	Crescent Metal Trading	External party	46,065	44,453	1,612	261,228	259,616
	Recovery through Insurance Claim	External party	90,081	8,714	81,367	-	(81,367)
Write Off	Recovery through Insurance Claim	External party	362,825 1,206,565	27,039 763,093	335,786 443,472	311,786	(335,786) (131,686)
Vehicles							
	Mr. Muhammad Junaid Zuberi	Employee	3,323	1,177	2,146	2,743	597
	Mr. Arsalan Naeem	Employee	3,156	894	2,262	2,321	59
	Ms. Sadia Zahid	Employee	2,656	677	1,979	2,463	484
	Mr. Arshad Naveed	Employee	2,579	548	2,031	1,907	(124)
	Mr. Tanvir Ahmed Khan	Employee	2,653	645	2,008	2,091	83
	Mr. Jalal-uddin Akbar	Employee	2,655	113	2,542	2,599	57
	Mr. Abdus Samad	Employee	2,775	511	2,264	2,263	(1)
	Mr. Muhammad Hassan Sabih	Employee	2,596	225	2,371	2,314	(57)
	Mr. Muhammad Mustafa Fahim	Employee	2,555	342	2,213	2,587	374
	Mr. Zahid Amin Shah	Employee	3,654	259	3,395	3,550	155
	Mr. Umed Ali Mallah	Employee	3,240	1,331	1,909	1,974	65
	Mr. Arsalan Bhatti	Employee	2,660	901	1,759	1,914	155
Py Croup policy to existing /	Mr. Abid Ilyas	Employee	3,570	708	2,862	3,199	337
By Group policy to existing / resigned / retired	Mr. Abdul Karim Mari	Employee	3,076	392	2,684	2,833	149
executives / employees	Mr. Nadir Salar Qureshi	Employee	5,607	5,046	561	6,800	6,239
evectings / ettibiolines	Mr. Adeel Ibrahim	Employee	2,717	731	1,986	2,140	154
	Mr. Rehman Ahmed	Employee	3,520	249	3,271	3,165	(106)
	Mr. Ammad Hassan	Employee	2,669	265	2,404	2,493	89
	Mr. Nadir Nasim	Employee	2,785	592	2,193	2,395	202
	Mr. Eram Hassan	Employee	15,058	13,552	1,506	11,000	9,494
	Mr. Eram Hassan	Employee	9,202	4,432	4,770	8,600	3,830

Employee

Employee

Employee

Employee

Employee

Employee

Employee

Employee

5,554

2,882

5,554

3,240

3,267

4,505

3.074

2,750

2,203

245

2,282

1.285

1,296

1,085

653

662

3,351

2,637

3,272

1.955

1,971

3,420

2.421

2,088

3,428

2,841

4,258

2,036

2,332

2,544

2.615

2,420

77

204

986

81

361

(876)

194

332

	Mr. Mubeen Ashfaque	Employee	3.393	577	2.816	2,958	142
	Mr. Muhammad Ashar	Employee	2,772	785	1,987	2,438	451
	Mr. Sualeh Qamar	Employee	5,507	858	4,649	5,498	849
	Miss Tabinda	Employee	3,625	359	3,266	3,275	9
	Mr. Mehboob Ahmed Khan	Employee	2,749	544	2,205	2,480	275
	Mr. Tanveer Ali	Employee	2,731	267	2,464	2,584	120
	Mr. Syed Abbas Raza	Employee	13,830	3,527	10,303	10,232	(71)
	Mr. Muhammad Babar Mobeen	Employee	2,753	741	2,012	2,073	61
By Group policy to existing /	Mr. Syed Zain Ali Kazmi	Employee	3,497	892	2,605	2,973	368
resigned / retired	Mr. Noman Anis	Employee	2,689	343	2,346	2,547	201
executives / employees	Mr. Umair Muhammad Siddiq	Employee	2,712	459	2,253	2,467	214
	Mr. Muhammad Raza Tariq	Employee	3,264	46	3,218	3,208	(10)
	Mr. Ahsan	Employee	14,606	8,834	5,772	18,083	12,311
	Mr. Syed Manzoor Hussain Zaidi	Employee	13,410	760	12,650	13,558	908
	Mr. Faiq Hasnain	Employee	3,029	430	2,599	2,746	147
	Ms. Anum Irfan	Employee	2,721	540	2,181	2,108	(73)
	Mr. Suleman Malik	Employee	3,437	623	2,814	2,976	162
	Mr. Munawar Saeed	Employee	2,723	644	2,079	1,993	(86)
	Mr. Muhammad Danial	Employee	3,248	2,148	1,100	2,493	1,393
	Mr. Khalid	Employee	3,315	1,098	2,217	2,337	120
	Mr. Syed Aqeel Abbas	External party	10,839	4,309	6,530	4,833	(1,697)
	Mr. Syed Hassan Raza	External party	15,645	6,356	9,289	6,667	(2,622)
Bidding	Mr. Muhammad Imran ul Haq	External party	7,822	3,178	4,644	3,333	(1,311)
	Mr. Tahir Saleem	External party	42,410	21,144	21,266	4,200	(17,066)
	Mr. Muhammad Fayyaz	External party	1,137	262	875	363	(512)
			287,396	103,025	184,371	202,248	17,877
	December 31, 2022		1,493,961	866,118	627,843	514,034	(113,809)

December 31, 2022

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420,099 245,027

175,072 220,613

(Amounts in thousand)

2022
2021
------Rupees-------

4.7 Capital work in progress

	Leasehold land Plant and machinery Building and civil works including pipelines Furniture, fixtures and equipment Advances to suppliers (note 4.7.2) Capital stores and spares Aircraft Internally generated intangible asset Other ancillary cost	72,788 15,863,184 1,088,866 269,964 5,706,243 1,747,581 - 19,911 71,278 24,839,815	32,000 13,289,369 1,267,733 536,102 1,852,623 279,026 2,578,022 30,144 400,103 20,265,122
4.7.1	Balance as at January 1 Additions during the year Borrowing cost capitalized during the year Reclassification Transferred to: - operating assets - intangible assets - capital spares Write-off Balance as at December 31	20,265,122 37,588,841 42,669 28,791 (32,813,372) (261,360) (10,876)	26,166,617 23,557,055 27,645 - (28,148,457) (1,160,673) (155,043) (22,022) 20,265,122

- 4.7.2 This mainly represents advance paid to suppliers for purchase of operating assets. It also includes Rs. 636,268 paid as advance representing EFert's share in respect of a joint operation related to Pressure Enhancement Facility (PEF), as disclosed in note 59 to these consolidated financial statements.
- These include jetty and plant and machinery subject to operating lease having net book value of Rs. 3,885,331 (2021: Rs. 4,050,703) and Rs. 1,882,324 (2021: Rs. 1,784,522), respectively.

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5. right-of-Use Asset

	Office space, rented premises and tower sites	Storage tanks	Buildings	Vehicals	Total
As at January 1, 2021					
Cost Accumulated depreciation Net book value	5,328,797 (642,641) 4,686,156	3,097,058 (830,212) 2,266,846	66,704 (33,542) 33,162	5,849 (253) 5,596	8,498,408 (1,506,648) 6,991,760
Year ended December 31, 2021					
Opening net book value	4,686,156	2,266,846	33,162	5,596	6,991,760
Additions (note 5.1)	3,702,031	172,777	-	-	3,874,808
Transfer to operating assets (note 4.1)	-	-	-	(5,596)	(5,596)
Depreciation charge for the year (note 5.2) Closing net book value	(605,827) 7,782,360	(419,364) 2,020,259	(16,772) 16,390	<u>-</u>	(1,041,963) 9,819,009
As at December 31, 2021					
Cost Accumulated depreciation Net book value	9,030,828 (1,248,468) 7,782,360	3,269,835 (1,249,576) 2,020,259	66,704 (50,314) 16,390	5,849 (5,849)	12,373,216 (2,554,207) 9,819,009
Year ended December 31, 2022					
Opening net book value Additions (note 5.1)	7,782,360 4,724,381	2,020,259	16,390 126,874	<u>-</u>	9,819,009 4,851,255
Depreciation charge for the year (note 5.2) Closing net book value	(861,458) 11,645,283	(449,662) 1,570,597	(30,321) 112,943		(1,341,441) 13,328,823
As at December 31, 2022					
Cost Accumulated depreciation Net book value	13,755,209 (2,109,926) 11,645,283	3,269,835 (1,699,238) 1,570,597	193,578 (80,635) 112,943	- - -	17,218,622 (3,889,799) 13,328,823
Rate of depreciation	5 - 33	10 - 20	10		

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(Amounts in thousand)

- This represents right-of-use asset recognized against lease agreements entered into by the Holding Company, Enfrashare and EPCL in respect of office space, tenanted sites and storage tanks, respectively.
- 5.2 Depreciation charge for the year has been allocated as follows:

2022 2021 ------Rupees------

419,364

354,230

23,630

244,739 **1,041,963**

Cost of goods sold (note 35.1) Cost of services rendered (note 35.2) Capital work in progress Selling and distribution expenses (note 36) Administrative expenses (note 37)

449,662 603,671	
17,723	
25,299	
245,086	
1,341,441	

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2022	2021
Rup	bees

intangible assets

intangible assets	Software and licenses	Rights for future gas utilization	Total
As at January 1, 2021			
Cost Accumulated amortization and impairment Net book value	1,924,983 (889,671) 1,035,312	102,312 (50,343) 51,969	2,027,295 (940,014) 1,087,281
Year ended December 31, 2021			
Opening net book value Additions including transfers (note 6.2)	1,035,312 1,632,561	51,969 -	1,087,281 1,632,561
Write offs / disposals Cost Accumulated amortization	(100,795) 24,260 (76,535)	- - -	(100,795) 24,260 (76,535)
Amortization charge for the year (note 6.1)	(239,872) 2,351,466	(5,111) 46,858	(244,983) 2,398,324
As at December 31, 2021			
Cost Accumulated amortization and impairment Net book value	3,456,749 (1,105,283) 2,351,466	102,312 (55,454) 46,858	3,559,061 (1,160,737) 2,398,324
Year ended December 31, 2022			
Opening net book value	2,351,466	46,858	2,398,324
Additions including transfers (note 6.2)	288,497	-	288,497
Amortization charge for the year (note 6.1)	(407,150)	(5,110)	(412,260)
Closing net book value	2,232,813	41,748	2,274,561
As at December 31, 2022			
Cost Accumulated amortization and impairment Net book value	3,745,246 (1,512,433) 2,232,813	102,312 (60,564) 41,748	3,847,558 (1,572,997) 2,274,561
Annual rate of amortization (%)	6.67% - 33.33%	5%	

6.1	Amortization charge for the year has been allocated as follows:		
	Cost of goods sold (note 35.1) Cost of services rendered (note 35.2) Capital work in progress Selling and distribution expenses (note 36) Administrative expenses (note 37)	28,543 10,889 - 4,371 368,457 412,260	37,176 63 191 4,756 202,797 244,983

	Administrative expenses (note 37)	368,457 412,260	202,797 244,983
6.2	This mainly includes cost incurred in respect of OneSAP projet of 8 years.		•
		2022 Rup	2021 ees
7.	long-term investments		
	Investments in Joint Venture and Associates:		
	Joint venture company - Engro Vopak Terminal Limited (EVTL) - (notes 7.1 to 7.4)	-	-
	Investment in associates (notes 7.5 to 7.8):		
	- FrieslandCampina Engro Pakistan Limited (FCEPL) 306,075,948 (2021: 306,075,948) ordinary shares of Rs. 10 each	29,516,748	28,574,139
	Less: Provision for impairment (note 7.5)	(1,224,304)	(1,224,304) 27,349,835
	- Sindh Engro Coal Mining Company Limited (SECMC) - 191,643,025 (2021: 191,643,025) ordinary shares of Rs.10 each [Percentage of holding 11.9% (2021: 11.9%)] - (note 7.6)	7,163,979	6,190,488
	- Others		
	Gross carrying value as at December 31 Less: Impairment recognized thereagainst	1,860,187 (1,327,684) 532,503	1,860,187 (1,327,684) 532,503
	Others (note 7.9)	92,320 36,081,246	144,244 34,217,070
7.1	Details of investment in EVTL are as follows:		
	At beginning of the year	-	-
	Add: Share of profit for the year (note 41)	1,222,769	1,175,457
	Less: Provision adjustment in respect of tax contingency (note 28.6)	(290,269)	(20,457)
	Less: Dividend received during the year	(932,500)	(1,155,000)

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- 7.1.1 As a result of share of profit for the year, the provision for tax contingency amounting to Rs. 1,089,727 previously set off against the carrying value of the Group's investment has increased by Rs. 290,269 representing difference between the share of profit and dividend received by the Group. Accordingly, the net provision set off against the carrying value of the Group's investment in EVTL now amounts to Rs. 1,379,996 (2021: Rs. 1,089,727).
- As at December 31, 2022, the Holding Company held 45,000,000 ordinary shares (2021: 45,000,000 ordinary shares) of EVTL representing 50% of the issued, subscribed and paid-up capital of EVTL.
- Cases for the tax year 2003 to tax year 2011 of EVTL to determine as to whether the income of EVTL is liable to be taxed under the Normal Tax Regime (NTR) or Final Tax Regime (FTR) are pending in the Honorable Supreme Court of Pakistan (SCP) and the High Court of Sindh (HCS). In this respect, EVTL has disclosed a contingent liability amounting to Rs. 4,124,049, in its financial statements, representing potential tax liability that EVTL may have to recognize if the aforementioned cases are decided against EVTL.

On the basis of legal advice, the Group has recognized its proportionate share of the aforementioned, amounting to Rs. 2,062,024 (2021: Rs. 2,062,024). This potential tax liability has been adjusted by the Group against the carrying value of its investment in EVTL to the extent of it being 'Nil' and the balance amount has been recognized as a provision (note 28.6), depicting the Group's constructive obligation to bear the potential exposure.

7.4 The summary of financial information of EVTL as of December 31, is as follows:

Statement	of	financial	nocition
Statement	OT	Tinanciai	position

Statement	of	profit	or	loss	and	other	comprehensive
		in		mo			

			inc	income			
Particulars	2022	2021	Particulars	2022	2021		
	Ru	pees		Rı	ipees		
Cash and cash equivalents	494,198	1,003,886	Revenue	5,503,117	4,430,160		
Current financial liabilties (excluding							
trade and other payables)	503,724	392,721	Depreciation and	285,551	271,955		
			amortization				
Non-current financial liabilities							
(excluding trade and other payables)	748,219	976,376	Interest income	154,141	51,344		
Non-current assets	3,633,484	3,367,371					
Current assets	2,990,253	1,890,857					
Non-current liabilities	(1,344,162)	(1,429,488)	Income tax expense	1,506,406	955,157		
Current liabilities	(2,484,790)	(1,614,492)					
	2,794,785	2,214,248					
Group's share at 50% (2021: 50%)	1,397,393	1,107,124	Total comprehensive				
Provision against tax contingency	(1,379,996)	(1,089,727)	income for the year	2,445,537	2,350,915		
Others	(17,397)	(17,397)					
Carrying amount	-	-					

(Amounts in thousand)

7.5 FrieslandCampina Engro Pakistan Limited (FCEPL) is a public listed company, incorporated in Pakistan. The Holding Company holds 39.9% shareholding in FCEPL. The principal activity of FCEPL is to manufacture, process and sell dairy products, beverages, ice cream and frozen desserts. Earlier in 2016, the Holding Company partially disposed-off its investment in FCEPL resulting in it being recognized as an associate and the retained interest in FCEPL valued at fair value on the date of disposal in accordance with the requirements of IFRS. As per the accounting policy of the Group, investment in associates is carried at cost in the consolidated financial statements which is adjusted for post-acquisition changes in net assets.

An impairment loss of Rs. 1,224,304 was recognized in the consolidated financial statements for the year ended December 31, 2019, based on the Holding Company's assessment of the recoverable amount of the investment. However, based on the Holding Company's assessment as at December 31, 2022, no further impairment charge is required to be recognized in respect of this investment.

7.6 Details of material investments in associated companies are as follows:

At beginning of the year
Add:
 Investment in associates Share of profit for the year (note 41) Reversal of profits Share of other comprehensive loss

2	022	20	021
FCEPL	SECMC	FCEPL	SECMC
	Rup	ees	
27,349,835	6,190,488	26,639,774	4,384,236
-	-	-	474,839
983,804	1,008,703 (35,212)	719,827	1,331,413
(41,195)	- 070 401	(9,766)	1 001 410
942,609	973,491	710,061	1,331,413
28,292,444	7,163,979	27,349,835	6,190,488

7.7 The summary of financial information / reconciliation of associated companies in which the Group holds material investment as of December 31, is as follows:

Particulars		FCEPL		SEC	CMC
	2022	2021	 Rupee:	2022	2021
			nupee:		
Revenue	73,473,687	52,094,197		51,491,274	39,221,368
Profit after tax	2,465,673	1,804,078		8,476,494	11,175,432
Other comprehensive loss	(103,246)	(24,478)		-	-
Total comprehensive income	2,362,427	1,779,600		8,476,494	11,175,432
Non-current assets	12,914,115	11,867,687		97,212,818	87,056,319
Current assets	21,832,496	15,270,425		104,472,423	75,731,535
Total assets	34,746,611	27,138,112		201,685,241	162,787,854
Less:					
Non-current liabilities	1,229,288	2,448,015		74,711,753	60,899,766
Current liabilities	20,827,652	14,362,853		66,060,879	49,156,078
Total liabilities	22,056,940	16,810,868		140,772,632	110,055,844
Net assets	12,689,671	10,327,244		60,912,609	52,732,010
Group's share in %	39.9%	39.9%		11.9%	11.9%
Group's share of net assets	5,063,180	4,120,571		7,248,600	6,280,382
Recognition of investment at fair value	24,337,818	24,337,818		-	-
Others	115,750	115,750		(84,621)	(89,894)
Provision for impairment	(1,224,304)	(1,224,304)		-	-
Carrying amount	28,292,444	27,349,835		7,163,979	6,190,488

7.8 The comparison between quoted fair value and carrying amount of listed associated company is given below:

Name of entity	Place of business	Measurement method	Quoted fair value 2022 2021 Rupees		Carrying amount 2022 2021 Rupees	
FrieslandCampina Engro Pakistan Limited	5th Floor, The Harbour Front Building, Plot No. HC-3, Block-4, Scheme No.5, Clifton, Karachi"	Equity method	20,109,190	25,933,815	28,292,444	27,349,835

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(Amounts in thousand)

7.9 This amount is net of loss of Rs. 51,081 (2021: gain of Rs. 39,248) arising on remeasurement of investment.

8. deferred taxation

Engro Corporation Limited
Engro Fertilizers Limited
Engro Energy Limited
Engro Polymer and Chemicals Limited
Elengy Terminal Pakistan Limited
Net effect of consolidation adjustments

9.

2022	2		2	2021
Assets	Liabilities		Assets	Liabilities
		-Rupees		
101,660	-		73,537	-
-	8,154,634		-	11,942,999
-	1,462,365		6,809	1,038,707
-	2,130,680		-	2,029,290
-	1,547,614		-	1,231,789
-	99,921		-	13,864
-	-		-	-
101,660	13,395,214		80,346	16,256,649

2022	2021
Rui	nees

8.1. Credit / (debit) balances arising on account of:

,		
 Accelerated depreciation allowance Recoupable carried forward tax losses Provisions Net investment in lease Lease liability Right of use asset Share issuance cost, net of equity Others 	21,799,207 (7,639,445) 18,910,802 (19,035,924) 320,150 (65,149) (996,087) 13,293,554	18,061,981 (19,245) (1,727,308) 14,064,429 (14,301,989) 51,765 (57,830) 104,500 16,176,303
financial assets at amortized cost		
Investment in Term Deposit Receipts (note 9.1) Investment in Term Finance Certificates (note 9.2) Investment in Pakistan Investment Bonds (note 9.3)	1,317,506 261,000 2,204,759 3,783,265	3,092,784 500,000 - 3,592,784

- 9.1 The amount is net of current portion amounting to Rs. 2,722,683 (2021: Rs. 2,086,711). These denote Term Deposits Receipts aggregating to USD 35,000 maintained with Dubai Islamic Bank Pakistan Limited. These carry profit at the rate of six months LIBOR + 0.89% per annum and are due to mature in six equal semi-annual installments of USD 5,833 each, starting from July 15, 2021 and ending on January 15, 2024.
- Represents investment in Term Finance Certificates amounting to Rs. 261,000 (2021: Rs. 500,000) carrying markup at the rate of 3 months KIBOR with a margin of 1.6%.
- 9.3 These bonds carry interest at the rates ranging between 13.04% to 17.57% per annum and have maturity terms ranging between two to five years.

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10. derivative financial instruments

As at December 31, 2022, Enfrashare has outstanding interest rate swap agreements with Standard Chartered Bank Pakistan Limited for notional amounts aggregating to Rs. 5,000,000 to hedge its interest rate exposure on floating rate borrowings from various lenders. Under the swap agreements, Enfrashare would receive 3 month KIBOR on respective notional amounts and will pay fix rates. Details of these swap agreements are as follows:

Fair value as at

December 31,

December 31,

					2022		2021
Notional ar		date Term	nination date	Fixed rate	F	Rupees	
1,000,000 4,000,000	July 2, 2 July 2, 2		June 3, 2026 June 3, 2026	9.85% 10.35%	158,797 578,522 737,319		28,313 64,492 92,805
11.	net investmen	t in leases			2022 R	upees	2021
	Undiscounted l	ease payme	nts analysed as	S:			
	Recoverable aft Recoverable wi				72,143,936 11,760,764 83,904,700	_	65,539,801 9,225,520 74,765,321
	Less: Unearned Net investment		ome		(26,061,002) 57,843,698	_	(25,557,176) 49,208,145
	Net investment	in lease and	llysed as:				
	Recoverable afl Recoverable wi				52,160,406 5,683,292 57,843,698	_	45,203,623 4,004,522 49,208,145
	Maturity analysi	s of undisco	ounted net inves	stment in lease:			
	Within 1 year Between 1 and Between 2 and Between 3 and Between 4 and Later than 5 yea	3 years 4 years 5 years			11,760,764 11,776,622 11,620,709 11,493,870 11,493,870 25,758,865 83,904,700	_	9,186,597 9,186,597 9,211,141 9,186,597 8,958,626 29,035,763 74,765,321

11.1 EETPL entered into lease arrangement with respect to its LNG infrastructure for receipt, storage and regasification of LNG. EETPL's implicit rate of return on net investment in lease is 11.52% per annum.

(Amounts in thousand)

- 11.2 Enfrashare is party to an agreement that conveys the right to use energy equipment. This arrangement is classified as finance lease, with Enfrashare as the lessor. Finance lease gross investment and net investment in lease includes deferred incentive income of Rs. 367,522 (2021: Rs. 521,106) and Rs. 152,519 (2021: Rs. 152,519) respectively, offered to the customer on signing of multiple contracts accounted for as a single arrangement as disclosed in note 26.1 to these consolidated financial statements. The deferred incentive income represents discounted rentals offered to the customer for the above mentioned finance lease arrangement.
- 11.3 Lease rentals received during the year aggregate to Rs. 10,929,793 (2021: Rs. 8,381,832).

		2022	2021
12.	long-term loans, advances, deposits and other receivables	Пар	000
	 considered good Loans and advances to Executives (notes 12.1 to 12.4) Other employees (notes 12.2 and 12.4) Deposits to suppliers 	113,903 42,408 194,978 351,289	166,333 105,221 9,988 281,542
	Less: Current portion shown under current assets (note 16)	(111,057) 240,232	(200,052) 81,490
	Receivable from Sui Southern Gas Company Limited (SSGCL) (note 12.5) Less: Current portion shown under current assets (note 16)	869,985 (64,168) 805,817	923,654 (49,082) 874,572
	Direct cost on Floating, Storage & Regasification Unit (FSRU) (note 12.6) Less: Accumulated amortization	1,297,737 (677,708) 620,029	1,297,737 (591,192) 706,545
	Security deposits (note 12.7) Other receivables (note 12.8)	224,548 1,926,162 3,816,788	99,969 853,660 2,616,236
12.1	Reconciliation of the carrying amount of loans and advances to executives:		
	Balance as at January 1 Add: Disbursements Less: Repayments / Amortization Balance as at December 31	166,333 254,650 (307,080) 113,903	372,420 143,702 (349,789) 166,333

- 12.2 Long term loans include:
 - interest free service incentive loans to executives and other employees according to the Group's policy, repayable in equal monthly installments over a five years period or in one lump sum payment at the end of such period, and are secured to the extent of the provident fund balance and retirement benefits, if vested, of the respective employees;
 - interest free loans given to workers pursuant to Collective Labour Agreement; and
 - advances to employees for car earn out assistance, long term incentive and house rent advance.
- 12.3 The maximum amount outstanding at the end of any month from the executives of the Group aggregated to Rs. 120,215 (2021: Rs. 233,816).
- The carrying values of these financial assets are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no defaults in recent history.
- In 2014, Engro Elengy Terminal (Private) Limited (EETPL) entered into LNG Operations and Services Agreement (LSA) with Sui Southern Gas Company Limited (SSGCL). As per the terms of the LSA, EETPL was required to construct / build a pipeline (SSGCL Branch Pipeline) and transfer it to SSGCL upon commissioning of the LNG Project and recover the cost of construction through capacity charges to be billed to SSGCL over the term of the LSA. EETPL constructed and transferred the SSGCL Branch Pipeline to SSGCL on March 29, 2015, for which the Certificate of Acceptance has been received from SSGCL. The receivable represents construction costs incurred in this respect, net of recoveries.
- On June 19, 2015, EETPL received a notice from Model Customs Collectorate (the 'Custom Authorities') seeking information on import of FSRU and contending that the import attracts all leviable duties and taxes i.e. custom duty and advance income tax. EETPL was of the view that the FSRU had been classified as plant, machinery and equipment vide SRO 337(I)/2015 dated April 22, 2015 and accordingly, along with sales tax, custom duty is also exempt under SRO 678(I)/2004 dated August 7, 2004, read with condition (vii) relating to clause 2(a), being of the nature of import-cum-export or temporary import of plant, machinery and equipment.

Further, since EETPL's profits and gains are exempt from income tax for 5 years from the date of commercial operations, EETPL is also entitled to exemption from collection of advance income tax. The Customs Authorities were not in agreement with EETPL's views on the same and to treat import of FSRU for 15 years as a temporary import. EETPL in response filed a suit before the High Court of Sindh (HCS) which through its order dated June 29, 2015 had restrained Customs Authorities from the collection of custom duty and advance income tax.

The Court, in judgement passed on May 26, 2016, held EETPL liable to custom duty and remanded the matter related to advance income tax to Customs Authorities with directions. EETPL, in response to the aforementioned judgement and demand raised by Customs Authorities, has paid an amount of Rs. 1,325,103 in respect of custom duty. This is being amortized over the term of 15 years, on the basis of prudence.

These mainly represent security deposits paid by Enfrashare to service providers in respect of utility connections.

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(Amounts in thousand)

This represents accrued infrastructure equalization revenue of Enfrashare amounting to Rs. 1,926,162 (2021: Rs. 853,660) related to the effect of fixed escalation claims that is spread on straight line basis over the non cancellable lease term and invoices for this amount have not been raised at the reporting date by Enfrashare.

2022

-----Rupees-----

13.	stores, spares and loose Tools		
	Consumable stores Spares and loose tools including	10,526,425	10,035,794
	in-transit Rs. 73,784 (2021: Rs. 20,122)	<u>624,777</u> 11,151,202	<u>534,592</u> 10,570,386
	Less: Provision for surplus and slow moving items (note 13.1)	(1,316,388) 9,834,814	(1,260,255) 9,310,131
13.1	Provision for surplus and slow moving items Balance as at January 1 Charge for the year - net (note 35.1) Written off during the year Balance as at December 31	1,260,255 84,591 (28,458) 1,316,388	1,071,934 195,262 (6,941) 1,260,255

During the year, the Group has directly written off stores, spares and loose tools amounting to Rs. 25,975 (2021: Rs. 98,719).

stock-in-trade	Ru	ipees
Raw and packaging materials (note 14.1) Unprocessed rice Fuel stock Work-in-process	9,894,583 1,202,364 537,232 133,161	11,761,709 3,532,912 165,860 177,862
Finished goods: - own manufactured products (notes 14.1 and 14.2) - Purchased and packaged products (notes 14.1 and 14.2)	9,469,340 9,313,718 18,783,058	7,351,417 8,669,441 16,020,858
Less: Provision for impairment against stock-in-trade (note 14.3)	(307,609) 30,242,789	(146,194) 31,513,007

14.1 Includes:

14.

- materials in transit amounting to Nil (2021: Rs. 2,484,420); and
- inventories amounting to Rs. 3,437,422 (2021: Rs. 2,872,148) held at storage facilities of third parties.
- 14.1.1 During the year, raw materials and finished goods amounting to Rs. 237,549 (2021: Rs. 49,265) were directly written off.
- Includes stock-in-trade costing Rs. 4,079,147 (2021: Nil) carried at net realisable value, amounting to Rs. 3,651,147 (2021: Nil).

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(Amoun	ts in thousand)	2022	2021
14.3	Provision for impairment against stock-in-trade	Hup	ees
	Balance as at January 1 Charge for the year - net Written off during the year Balance as at December 31	146,194 179,507 (18,092) 307,609	231,661 111,129 (196,596) 146,194
15.	trade debts		
	Considered good - secured (notes 15.1 to 15.3) - unsecured	67,536,108 3,659,355 71,195,463	57,923,818 604,953 58,528,771
	Considered doubtful (note 15.5)	350,069 71,545,532	338,007 58,866,778
	Less: Provision for impairment (note 15.6)	(350,069) 71,195,463	(338,007) 58,528,771

- 15.1 Includes trade debts of EPQL and EPTL aggregating to Rs. 61,326,079 (2021: Rs. 51,601,480) due from Central Power Purchasing Agency Guarantee Limited (CPPA-G), alongwith delayed payment charges which are secured by a guarantee from the Government of Pakistan under the Implementation Agreements and as such are considered good. This is inclusive of overdue trade debt of Rs. 41,155,626 (2021: Rs. 37,108,764) carrying mark-up at the rate of 3 months KIBOR plus 2% to 4.5% per annum.
- 15.2 Includes an amount of Rs. 2,637,756 (2021: Rs. 1,783,800) due from SSGCL, in respect of finance income on net investment in lease, operating lease rentals, utilization / regasification services and operations and maintenance services.
- 15.3 Includes an amount of Rs. 6,309 (2021: Rs. 472,177) in respect of export sales.
- As at December 31, 2022, trade debts aggregating to Rs. 29,963,359 (2021: Rs. 20,817,542) were neither past due nor impaired.
- As at December 31, 2022, trade debts aggregating to Rs. 350,069 (2021: Rs. 338,007) were past due and impaired and have been provided for.
- 15.6 The movement in provision during the year is as follows:

	2022 Rup	2021 ees
Balance as at January 1	338,007	84,792
Add: Provision for doubtful debts - net (note 39)	12,426	289,094
Trade debts written off	(364)	(35,879)
Balance as at December 31	350,069	338,007

- GEL Utility Limited

16.

- Tenaga Generasi Limited

- During the year, the Group has directly written off trade debts amounting to Rs. 2,204 (2021: Nil).
- As at December 31, 2022, trade debts aggregating to Rs. 41,232,104 (2021: Rs. 37,711,229) were past due but not impaired. These relate to various customers for which there is no recent history of default. Ageing analysis of these trade debts is as follows:

	Rupe	es
- Upto 3 months - 3 to 6 months - More than 6 months	33,434,497 7,100,949 696,658 41,232,104	24,462,914 7,870,592 5,377,723 37,711,229
Datalla of accounts also force and datalland	destablishment / walata disa alƙasa awa a a ƙallawar	

5.9 Details of amounts due from associated undertakings / related parties are as follows:

49,073	49,849
198,966	98,158
248,039	148,007

2022

2022

-----Rupees-----

2022

2021

2021

2021

2021

15.10 The ageing analysis of past due receivables from associated undertakings / related parties is as follows:

	Rupe	ees
- Upto 3 months- 3 to 6 months- More than 6 months	16,940 57,022 51,629 125,591	96,880 - 49,849 146,729

15.11 The maximum amount due from related parties at the end of any month during the year aggregates to Rs. 288,128 (2021: Rs. 222,715).

loans, advances, deposits and prepayments	Кир	ees
Current portion of long term loans and advances to executives and other employees (note 12) Advances to executives and other employees (note 16.1) Current portion of receivable from SSGCL (note 12) Advances and deposits Prepayments: - insurance - freight - others	111,057 4,150 64,168 4,626,833 682,125 164,876 1,196,505 6,849,714	200,052 5,824 49,082 2,190,836 1,372,697 38,251 1,163,963 5,020,705

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- 16.1 Represents interest free advances given to executives and other employees for house rent, in accordance with the Group's policy.
- The carrying values of loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no defaults ever.

2022	2021
Rupe	es

17. other receivables

Receivable from Government of Pakistan (GoP) against: - Sales tax refunds - Subsidy (note 17.1)	15,999,317 6,523,493	11,012,377 6,523,493
Less: Loss allowance on subsidy receivable from GoP (notes 17.1.1 and 17.2)	22,522,810 (2,319,548)	17,535,870 (1,796,612)
Less: Provision for impairment (note 17.1)	(155,127) 20,048,135	(155,127) 15,584,131
Delayed payment charges (note 17.4) Workers' profits participation fund Reimburseable costs from CPPA in respect of:	9,868,982 401,745	7,075,436 310,518
- Workers' profits participation fund (note 17.8) - expenses	2,712,723 32,627 2,745,350	2,082,205 21,827 2,104,032
Receivable from: - Engro Vopak Terminal Limited - Dawood Hercules Corporation Limited	58,253 265	43,600
- Engro Foundation - Thar Foundation - Sindh Engro Coal Mining Company Limited	112 1,451 17,246	30,973 5,625 17,001
- Thar Power Company Limited - FrieslandCampina Engro Pakistan Limited - China East Resources Import and Export Corporation	3,483 1,753 100,305	1,811 40,724 93,305
Insurance claim receivable (note 1.3.1.2) Claims receivable - net	365,825 620,364	- 76,650
Retirement benefit funds Others (notes 17.7 and 17.9)	125,797 1,603,525 35,962,591	92,830 304,148 25,780,784

During 2015, the Government of Pakistan (GoP) had notified payment of subsidy on sold product at the rate of Rs. 500 per 50 kg bag of Di-Ammonia Phosphate (DAP), Rs. 217 per 50 kg bag of Nitrophos (N) and Nitrogen, Phosphorous and Potassium (NPK) fertilizers (based on phosphorous content). This subsidy scheme was effective till May 27, 2016.

During 2016, another subsidy scheme was announced by the GoP effective June 25, 2016 whereby subsidy was payable on sold product at the rate of Rs. 156 per 50 kg bag of Urea, Rs. 300 per 50 kg bag of DAP and for Nitrophos 22:20 & 18:18 grade (based on phosphorus content) and NPK fertilizers (based on phosphorus content).

(Amounts in thousand)

During 2017, another subsidy scheme was announced by the GoP, effective July 01, 2017. Under the new subsidy scheme, aforementioned rates were replaced with Rs. 100 per 50 kg bag for Urea only. This subsidy scheme was effective till June 30, 2018. In line with the notification issued for the said scheme, Ministry of National Food Security and Research has appointed third party auditors for verification of subsidy claims which is underway.

2022

0000

2021

	Rup	Rupees		
Subsidy receivable from the Government of Pakistan - net				
Gross subsidy receivable from the GoP Less: Provision against doubtful receivable (note 17.3) Less: Loss allowance on subsidy receivable from	6,523,493 (155,127)	6,523,44 (155,1)		
the GoP (note 17.2)	(2,319,548) 4,048,818	(1,796,6 4,571,7 5		

17.1.1 The movement in loss allowance on subsidy receivable from the GoP is as follows:

	2022 202 Rupees		
Balance as at January 1	1,796,612	1,238,912	
Loss allowance for the year	522,936	557,700	
Balance as at December 31	2,319,548	1,796,612	

- As required under IFRS 9, an entity is required to assess changes in credit risk by taking into account the time value of money, reasonable and supportable assumptions regarding past events, current conditions, forecast of future events and economic conditions attached to its receivable and recognize expected credit loss, if any, based on this, EFert has recomputed expected credit loss amounting to Rs. 2,319,548 (2021: Rs. 1,796,612) on subsidy receivable giving consideration to the time value of money, based on expected recovery of subsidy receivable. EFert, however, is confident of full recovery of the subsidy amount from the GoP.
- 17.3 As at December 31, 2022, specific provision in respect of subsidy amounts to Rs. 155,127 (2021: Rs. 155,127).
- 17.4 This represents mark-up on overdue trade debts relating to EPQL and EPTL, of which Rs. 7,467,066 (2021: Rs. 5,329,041) is overdue.
- 7.5 The ageing analysis of past due receivables from associated undertakings / related parties are as follows:

	2022 Rupe	2021 ees		
Upto 3 months 3 to 6 months More than 6 months	20,384 1,672 40,970 63,026	133,896 19,405 79,738 233,039		

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- 17.6 The maximum amount due from related parties at the end of any month during the year amounts to Rs. 2,230,389 (2021: Rs. 1,301,195).
- 17.7 As at December 31, 2022, receivables aggregating to Rs. 54,730 (2021: Nil) were impaired and have been provided for in full.
- 17.8 This includes outstanding invoiced amount of Nil (2021: Rs. 170,219) which is overdue for more than 6 months.
- 17.9 This includes non-adjustable sales tax of Rs. 740,888 (2021: Nil) relating to the project phase of EPTL, which, as per the Tariff Decision (note 34.2.1) is allowed to be claimed as a pass-through item from CPPA-G under the PPA, if disallowed by the relevant authorities.

2022	2021
Rup	bees

18. contract assets

Capacity Purchase Price component of tariff - EPTL (note 18.1)
Unbilled revenue

12,130,839 1,993,454
14,124,293

5,452,510 1,034,595 **6,487,105**

18.1 This includes unbilled revenue in respect of Capacity Purchase Price (CPP) component of tariff as per the Power Purchase Agreement (PPA), for the period July 10, 2019 (date of CoD) to December 31, 2021.

2022	2021
Rupe	?S

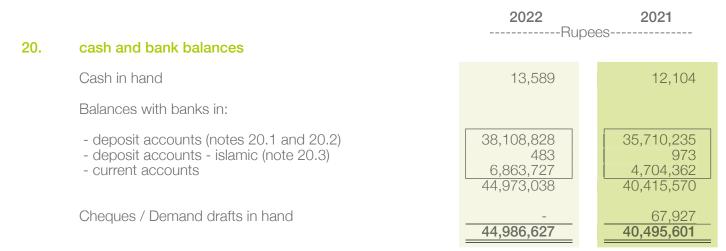
19. short-term investments

At fair value through profit or loss		
Investment in units of mutual funds (note 19.1) Pakistan Investment Bonds (note 19.2)	17,166,688 1,799,903	20,005,901
At fair value through other comprehensive income		
Pakistan Investment Bonds (notes 19.3 and 19.4)	29,380,322	-
At amortized cost		
Treasury bills (note 19.5) Pakistan Investment Bonds (note 19.2) Fixed income placements / Term deposit receipts (note 19.6)	25,326,017 2,924,976 9,507,561 37,758,554 86,105,467	15,835,381 6,905,851 39,624,918 62,366,150 82,372,051

19.1 This represents investment in 111,900,826 units (2021: 601,850,292 units) of mutual funds having cost amounting to Rs. 17,138,858 (2021: Rs. 20,005,901).

(Amounts in thousand)

- These bonds carry interest at the rates ranging between 14.84% to 17.66% per annum (2021: ranging upto 11.33%) and maturity on various dates between 1 to 12 months.
- 19.3 These bonds carry yield of 12.75% to 17.56% per annum and have maturity terms ranging between 2 to 10 years.
- 19.4 This amount is net of loss amounting to Rs. 854,981 arising on remeasurement of Pakistan Investment Bonds.
- 19.5 These Treasury Bills carry interest at the rates ranging between 14.75% to 16.87% (2021: ranging upto 11.35%) per annum and maturing on various dates between 3 to 10 months.
- These represent placements with banks and Term Deposit Receipts carrying interest at the rates ranging between 13.15% to 16.00% (2021: ranging upto 12.95%) per annum and maturing on various dates between 1 to 10 months.



- 20.1 Local currency conventional deposits carry return ranging from 4.5% to 16.5% (2021: 2.14% to 9.35%) per annum.
- 20.2 Includes Rs. 11,889,207 (2021: Rs. 8,536,344) held in foreign currency bank accounts and carry return ranging upto 2.75% (2021: 0.10%) per annum.
- These are shariah compliant bank balances and carry profit at rates ranging from 4% to 9.1% (2021: 2.94% to 4.22%) per annum.

21. share capital

21.1 Authorized capital

2022	2021		2022	2021
(Number	of shares)		(rupe	es)
700,000,000	700,000,000	Ordinary shares of Rs. 10 each	7,000,000	7,000,000

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21.2 Issued, subscribed and paid-up capital

2022 (Number o	2021 of shares)	-	2022 (Rup	2021 ees)
197,869,804	197,869,804	Ordinary shares of Rs. 10 each fully paid in cash	1,978,699	1,978,699
378,293,426	378,293,426	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	3,782,933	3,782,933
576,163,230	576,163,230		5,761,632	5,761,632

- As at December 31, 2022, Dawood Hercules Corporation Limited and associated companies held 214,469,810 and 39,038,015 (2021: 214,469,810 and 39,038,015) ordinary shares in the Holding Company, respectively.
- 21.4 These fully paid ordinary shares carry one vote per share and right to dividend.

22. maintenance reserve

In accordance with the Power Purchase Agreement (PPA), EPQL is required to establish and maintain a separate reserve fund (the Fund) with a depository institution for payment of major maintenance expenses. Any interest income resulting from the depository arrangements of the Fund is to remain in the Fund to the extent of any shortfall from the contractual limit.

Under the PPA, 1/24th of the annual operating and maintenance budget of the power plant less fuel expenses is required to be deposited into the Fund on each capacity payment date until such reserve equals to nine such deposits. After the second agreement year and thereafter, the Fund may be re-established at such other level that EPQL and CPPA-G mutually agree.

In 2012 EPQL, due to uncertain cash flows resulting from delayed payments by CPPA-G has, as per flexibility available under the PPA, reduced the amount deposited in a schedule bank, which has been invested in Treasury Bills having a face value of Rs. 49,321 (2021: Rs. 49,321) as at December 31, 2022. Till such time the amount is deposited again to the required level, EPQL has unutilized short term financing available to meet any unexpected maintenance requirement that may arise in the foreseeable future.

2022	2021
Rup	ees

23. borrowings

- Secured (Non-participatory)

Islamic finances (note 23.1) Conventional finances (note 23.2) Foreign currency borrowings and others (note 23.3)	33,249,513 45,623,936 106,825,744	24,257,432 45,539,314 94,394,828
	185,699,193	164,191,574
Less: Current portion shown under current liabilities Less: Government grant (note 24)	(27,699,919) (1,825,480) 156,173,794	(23,110,031) (1,263,327) 139,818,216

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(Amounts in thousand)

(/ 1111	ounts in thousand)	Note	Mark-up	Instal Number	Iments Commenced/	2022 Rur	2021 pees
		Note	ινιαικ-υρ	Number	Commencing from	Iiu	0003
23.1	Islamic finances						
	Sukuk	23.1.1	3 months KIBOR + 0.9%	5 half yearly	July 10, 2024	-	8,667,709
	Bilateral loan	23.1.2	6 months KIBOR + 0%	6 half yearly	July 15, 2021	2,710,751	4,517,917
	Islamic long term financing facility (ILTFF)	23.1.3	SBP rate + 1.2%	32 quarterly	December 14, 2022	1,868,317	1,927,386
	Islamic Temporary Economic Refinance Facility (ITERF)	23.1.4	Ranging from SBP rate + 0.75% to 1%	32 quarterly	June 2023 to September 2023	1,716,699	663,115
	Loan under diminishing musharaka agreement	23.1.5	3 months KIBOR + 0.4%	6 half yearly	June 28, 2023	400,000	400,000
	Syndicated Long Term Islamic Financing Facility	23.1.6	3 months KIBOR + 0.3%	12 quarterly	March 27, 2028	8,730,846	-
	Loan under diminishing musharaka agreement Islamic Facility Agreements Meezan Bank Limited Meezan Bank Limited - Facility 2 Faysal Bank Limited	23.1.7 23.1.8 23.1.9 23.1.10 23.1.11	3 months KIBOR + 0.3% 3 months KIBOR + 3.5% 3 months KIBOR + 0.93% 3 months KIBOR + 0.4% 3 months KIBOR + 0.4%	16 quarterly 20 half yearly 20 quarterly 28 quarterly 28 quarterly	March 30, 2026 June 1, 2020 November 1, 2023 September 1, 2025 December 1, 2025	6,000,000 3,322,900 4,500,000 3,000,000 1,000,000 33,249,513	3,581,305 4,500,000 - - 24,257,432
23.2	Conventional finances					00,240,010	24,201,402
	MCB Bank Limited - Facility 1 Bank Alfalah Limited Habib Bank Limited - Facility 1 Habib Bank Limited - Facility 2 MCB Bank Limited - Facility 3 Habib Bank Limited - Facility 3 United Bank Limited	23.2.1 23.2.2 23.2.3 23.2.4 23.2.5 23.2.6 23.2.7	3 months KIBOR + 0.95% 3 months KIBOR + 0.8% 3 months KIBOR + 0.95% 3 months KIBOR + 0.7% 3 months KIBOR + 0.4% 3 months KIBOR + 0.4% 3 months KIBOR + 0.4%	20 quarterly 20 quarterly 20 quarterly 20 quarterly 28 quarterly 28 quarterly 28 quarterly	October 1, 2022 March 1, 2023 April 1, 2023 December 1, 2023 August 1, 2025 December 1, 2025 December 1, 2025	1,000,000 1,000,000 1,700,000 2,000,000 2,000,000 2,500,000 1,500,000	1,000,000 1,000,000 1,700,000 2,000,000
	Facilities of EFert - Senior lenders						
	Allied Bank Limited Allied Bank Limited National Bank of Pakistan Allied Bank Limited Allied Bank Limited MCB Bank Limited Habib Bank Limited Habib Bank Limited Habib Bank Limited	23.2.11 23.2.9 & 23.2.11 23.2.10 & 23.2.11 23.2.10 & 23.2.11 23.2.10 & 23.2.11	3 months KIBOR + 0.35% 3 months KIBOR + 0.35% 6 months KIBOR + 0.2% 6 months KIBOR + 0.2% 3 months KIBOR + 0.29% 3 months KIBOR + 0.05% 6 months KIBOR + 0.25% 6 months KIBOR + 0.20% 3 months KIBOR + 0.50% 3 months KIBOR + 0.50% 3 months KIBOR + 1.00% 3 months KIBOR + 1.00%	6 half yearly 4 half yearly 4 half yearly 6 half yearly 6 half yearly 6 half yearly 6 half yearly 16 quarterly 16 quarterly 36 quarterly	June 8, 2023 June 17, 2023 June 30, 2022 June 30, 2022 June 16, 2022 March 29, 2021 June 27, 2022 December 25, 2021 January 25, 2023 January 21, 2023 March 21, 2023 March 29, 2023	312,042 1,000,000 500,000 1,050,000 1,666,667 - 2,083,333 1,500,000 - - - 8,112,042	312,042 1,000,000 1,000,000 2,100,000 2,500,000 750,000 3,000,000 151,800 235,335 9,015 11,048
	JS Bank Limited Bank Alfalah National Bank of Pakistan HBL - led consortium Allied Bank Limited MCB Bank Limited - Syndicate facility	23.1.8 23.1.8 23.2.12 23.2.13	SBP Rate + 2% SBP Rate + 2% 3 months KIBOR + 3.5% 3 months KIBOR + 3.5% 6 months KIBOR + 0.8% 3 months KIBOR + 0.7%	20 quarterly 20 quarterly 20 half yearly 20 half yearly 4 half yearly 20 quarterly	September 23, 2019 May 1, 2012 June 1, 2020 June 1, 2020 June 15, 2022 December 1, 2023	30,000 78,740 2,603,491 14,135,615 515,295 3,500,000 40,675,183	50,000 83,455 2,805,952 15,234,870 1,048,235 3,500,000 41,991,752
23.3	TERF Loans - EFert Allied Bank Limited Habib Bank Limited MCB Bank Limited Foreign currency borrowings and others	23.2.10 23.2.8 & 23.2.10 23.2.8 & 23.2.10	1.50% 2.00% 1.50%	Various Various Various	March 30, 2023 January 29, 2023 January 13, 2023	676,310 799,841 3,472,602 4,948,753 45,623,936	676,310 35,592 2,835,660 3,547,562 45,539,314
	International Finance Corporation (IFC)	23.3.1	6 months LIBOR + 3.25%	6 half yearly	July 15, 2021	3,913,259	5,114,204
	Deutsche Investitions und Entwicklungsgesellschaft Allied Bank Limited (Bahrain) China Development Bank Corporation (CDBC) China Construction Bank Corporation (CCBC) and Industrial and Commercial Bank of	23.2.9, 23.2.11 & 23.3.4 23.2.12 & 23.3.2	6 months LIBOR + 3.75% 6 months LIBOR + 3%	9 half yearly 6 half yearly	December 15, 2019 June 13, 2022	755,646 1,945,047	1,178,246 2,297,496
	China Limited (ICBCL) Less: Transaction costs	23.3.5	6 months LIBOR + 4.2%	20 half yearly	December 21, 2015	105,576,723 112,190,675 (5,364,931) 106,825,744	91,915,325 100,505,271 (6,110,443) 94,394,828

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- 23.1.1 In 2019, EPCL issued listed sukuk bonds of Rs. 8,750,000 to eligible institutional and other investors by way of private placement for a period of 7.5 years. However, during the year, EPCL has repaid the entire issue amount and is currently in the process of delisting of sukuk bonds from PSX as at the reporting date.
- 23.1.2 In 2019, EPCL entered into a musharaka agreement with Dubai Islamic Bank Pakistan Limited (DIBPL). The borrowing is secured by way of hypothecation charge over present and future fixed assets of EPCL (except land and building) to the extent of Rs. 1,199,450, ranking subordinate and subservient to the charges created in favour of the existing creditors, and a lien and a right of set-off over the Term Deposit Receipt maintained with DIBPL.
- 23.1.3 In 2020, EPCL obtained Islamic Long Term Financing Facility (ILTFF) of the State Bank of Pakistan (SBP) through Musharaka agreement entered with financial institutions to finance its PVC III expansion project. This is secured by way of hypothecation charge over present and future fixed assets of EPCL (excluding land and building), to the extent of Rs. 2,437,500 which shall rank pari passu with the charges created in favour of the existing creditors.
- 23.1.4 In 2021, EPCL obtained Islamic Temporary Economic Refinance Facility (ITERF) of SBP for a period of 10 years (including 2 years grace period) through Musharaka agreement entered with financial institutions of Rs. 1,000,000 to finance its capital expenditure. The borrowing is secured by 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 year, EPCL further received Rs. 217,685 on account of ITERF loan facility.
 - In 2021, EPPL entered into musharaka agreements aggregating to Rs. 650,000 under the ITERF of SBP. The borrowing is secured by way of hypothecation charge over present and future movable fixed assets of EPPL (except land and building), which shall rank pari passu with the charges created in favor of existing creditors.
 - During the year, EPPL has entered into another musharaka agreement amounting to Rs. 3,500,000 under the ITERF of SBP. The borrowing is secured by way of hypothecation charge over plant and machinery of EPPL with 20% margin.
- 23.1.5 In 2021, EPCL made a draw down of Rs. 400,000 under Diminishing Musharka agreement entered with Bank of Khyber to finance its long term expenditure. The borrowing is secured by way of hypothecation charge over present and future fixed assets of EPCL (excluding land and building), to the extent of Rs. 500,000 which shall rank pari passu with charges created in favor of existing creditors.
- 23.1.6 On December 28, 2022, EPCL made a draw down of Rs. 8,750,000 under syndicate long term Islamic financing facility to finance buyback of sukuk bond (note 23.1.1). The borrowing is secured by way of hypothecation charge over present and future fixed assets of EPCL, to the extent of Rs. 11,666,667 which shall rank pari passu with the charges created in favor of existing creditors.
- 23.1.7 On December 12, 2022, EPCL obtained loans amounting to Rs. 6,000,000 to finance its capital expenditure through Musharaka agreement entered with financial institutions for a period of 8 years (including 3 years grace period). The borrowing is secured by the way of hypothecation charge of present and future fixed assets of EPCL, to the extent of Rs. 7,833,333 which shall rank pari passu with the charges created in favor of existing creditors.

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(Amounts in thousand)

- 23.1.8 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 December 31, 2022, the outstanding balance of the borrowing was Rs. 14,135,615 (2021: Rs. 15,234,870).
 - Bilateral Facility Agreement with National Bank of Pakistan for an aggregate amount of Rs. 3,134,000. As at December 31, 2022, the outstanding balance of the borrowing was Rs. 2,603,491 (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 December 31, 2022, the outstanding balance of the borrowing was Rs. 3,322,900 (2021: Rs. 3,581,305).

These loans are secured primarily through first ranking hypothecation charge over project assets of EPTL. Further, the shareholders of EPTL have committed to provide cost overrun support for 10% of entire debt and pledge shares in favour of the Security Trustee.

This includes Rs. 1,550,000 and Rs. 200,000 borrowed from Habib Bank Limited, a related party in respect of Rupee Facility agreements and Islamic Facility Agreements, respectively.

- 23.1.9 In November 2021, Enfrashare entered into a secured long term musharka financing facility extended by Meezan Bank Limited for an amount up to Rs. 4,500,000. Facility availed as at December 31, 2022 is of Rs. 4,500,000 (2021: Rs. 4,500,000). The total tenor of loan is seven years from the date of disbursement of finance with two years grace period for principal portion. The financing facility is secured against first pari passu hypothecation charge over current assets and fixed assets (excluding land and building) of Enfrashare.
- 23.1.10 In September 2022, Enfrashare entered into a secured long term musharka financing facility and secured facility extended by Meezan Bank Limited for an amount up to Rs 3,000,000. Facility availed as at December 31, 2022 is of Rs. 3,000,000 (2021: Nil). The total tenor of loan is ten years from the date of disbursement of finance with 3 years grace period for principal portion. The financing facility is secured against first pari passu hypothecation charge over current assets, receivables and fixed assets (excluding land and building) of Enfrashare.
- 23.1.11 In December 2022, Enfrashare entered into a secured long term musharaka agreement and secured facility extended by Faysal Bank Limited for an amount up to Rs. 1,000,000. Facility availed as at December 31, 2022 is of Rs. 1,000,000 (2021: Nil). The total tenor of loan is ten years from the date of disbursement of finance with 3 years grace period for principal portion. The financing facility is secured against first pari passu hypothecation charge over current assets, receivables and fixed assets (excluding land and building) of Enfrashare.
- 23.2.1 In October 2020, Enfrashare entered into a secured long term financing facility extended by MCB Bank Limited for an amount up to Rs. 1,000,000. Facility availed as at December 31, 2022 is of Rs. 1,000,000 (2021: Rs. 1,000,000). The total tenor of loan is seven years from date of disbursement of finance with two years grace period for principal portion. The financing facility is secured against first hypothecation charge over current assets and fixed assets (excluding land and building) of Enfrashare.

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- 23.2.2 In March 2021, Enfrashare entered into a secured long term financing facility extended by Bank Alfalah Limited for an amount up to Rs. 1,000,000. Facility availed as at December 31, 2022 is of Rs. 1,000,000 (2021: Rs. 1,000,000). The total tenor of loan is seven years from the date of disbursement of finance with two years grace period for principal portion. The financing facility is secured against first pari passu hypothecation charge over current assets and fixed assets (excluding land and building) of Enfrashare.
- 23.2.3 In April 2021, Enfrashare entered into a secured long term financing facility extended by Habib Bank Limited for an amount up to Rs 1,700,000. Facility availed as at December 31, 2022 is of Rs. 1,700,000 (2021: Rs. 1,700,000). The total tenor of loan is seven years from the date of disbursement of finance with two years grace period for principal portion. The financing facility is secured against first pari passu hypothecation charge over current assets and fixed assets (excluding land and building) of Enfrashare.
- 23.2.4 In December 2021, Enfrashare entered into a secured long term financing facility extended by Habib Bank Limited for an amount up to Rs. 2,000,000. Facility availed as at December 31, 2022 is of Rs. 2,000,000 (2021: Rs. 2,000,000). The total tenor of loan is seven years from the date of disbursement of finance with two years grace period for principal portion. The financing facility is secured against first pari passu hypothecation charge over current assets and moveable assets (excluding land and building) of Enfrashare.
- 23.2.5 In August 2022, Enfrashare entered into a secured term finance agreement and secured facility extended by MCB Bank Limited for an amount up to Rs. 2,000,000. Facility availed as at December 31, 2022 is of Rs. 2,000,000 (2021: Nil). The total tenor of loan is ten years from the date of disbursement of finance with 3 years grace period for principal portion. The financing facility is secured against first pari passu hypothecation charge over current assets, receivables and fixed assets (excluding land and building) of Enfrashare.
- 23.2.6 In December 2022, Enfrashare entered into a secured term finance facility and secured facility extended by Habib Bank Limited for an amount up to Rs. 2,500,000. Facility availed as at December 31, 2022 is of Rs 2,500,000 (2021: Nil). The total tenor of loan is ten years from the date of disbursement of finance with 3 years grace period for principal portion. The financing facility is secured against first pari passu hypothecation charge over current assets, receivables and fixed assets (excluding land and building) of Enfrashare.
- 23.2.7 In December 2022, Enfrashare entered into a secured term finance agreement and secured facility extended by United Bank Limited for an amount up to Rs. 1,500,000. Facility availed as at December 31, 2022 is of Rs. 1,500,000 (2021: Nil). The total tenor of loan is ten years from the date of disbursement of finance with 3 years grace period for principal portion. The financing facility is secured against first pari passu hypothecation charge over current assets, receivables and fixed assets (excluding land and building) of Enfrashare.
- 23.2.8 During the year, 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 SBP in 2020. These borrowings have the same charge as the borrowings from other Senior Lenders on operating assets. Mark-up is chargeable at concessional rates ranging from 1.50% to 2.00% per annum and is payable in quarterly or semi-annual installments starting from January 2023. Fair value adjustment arising on account of acquisition of these loans at below market rates has been recognised in the consolidated statement of profit or loss.

(Amounts in thousand)

In accordance with IFRS 9 Financial instruments, the Group has recognized these loans at their fair value and the differential markup as deferred government grant income, as mentioned in note 24 to the consolidated financial statements, which will be amortized and set off against finance cost over the period of the facilities.

- 23.2.9 During the year, 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. 1,883,333, Rs. 500,000 and Rs. 721,083, respectively.
- 23.2.10 Further, during the year, after the approval of the SBP, term loans amounting to Rs. 407,198 were converted to TERF loans.
- 23.2.11 All senior debts of Efert are secured by an equitable mortgage upon immovable property of EFert and equitable charge over current and future operating assets excluding immovable property of EFert.
- 23.2.12 The loans have been secured by way of the following:
 - First pari passu hypothecation charge over fixed asset (excluding land and building) of EETPL with 25% margin (disbursement of loan made on ranking charges which will subsequently be upgraded to Pari Passu within due course);
 - First Pari passu mortgage charge over immovable assets (including land and building) of EETPL with 25% margin (this security is condition subsequent, creation and perfection of this security shall be completed within due course);
 - Assignment of EETPL's receivable / cashflows and any interests in the documents and contract related to EETPL's operations; and
 - Establishment and lien over debt payment account of EETPL.
- 23.2.13 In December 2021, Enfrashare entered into a secured syndicated long term musharka financing facility and secured syndicated term finance facility extended by the Participants (i.e. MCB Bank Limited, The Bank of Punjab and Habib Metropolitan Bank Limited) for an amount up to Rs. 2,000,000 and Rs. 1,500,000 (2021: Rs. 2,000,000 and Rs. 1,500,000), respectively. Facilities availed as at December 31, 2022 are of Rs. 2,000,000 and Rs. 1,500,000 (2021: Rs. 2,000,000 and Rs. 1,500,000), respectively. The total tenor of loan is seven years from the date of disbursement of finance with two years grace period for principal portion. The financing facility is secured against first pari passu hypothecation charge over current assets, receivables and fixed assets (excluding land and building) of Enfrashare.
- 23.3.1 In 2018, EPCL had entered into a financing agreement with IFC for a total of USD 35,000, the draw down of which was made in December 2019. This is secured by way of hypothecation charge over present and future fixed assets of EPCL (excluding land and building) to the extent of USD 43,750 which shall rank pari passu with the charges created in favour of existing creditors. The long term facility agreement is subject to interest rate benchmark reforms, which are yet to transition.
- 23.3.2 In 2015, EETPL entered into a Common Terms Agreement (CTA) and financing agreements with Asian Development Bank (ADB), International Finance Corporation (IFC), Askari Bank Limited and MCB Bank Limited as arrangers and ADB, IFC, Allied Bank Limited (ABL), MCB and Pak Brunei Investment Company Limited (PBICL) as lenders. In 2021, EETPL entered into a new financing arrangement with ABL and prepaid the lenders of EETPL under the CTA through single payment.

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- 23.3.3 EPTL had entered into a USD Facility Agreement on December 21, 2015 with three commercial banks namely China Development Bank Corporation, China Construction Bank Corporation and Industrial and Commercial Bank of China Limited for an aggregate amount of USD 621,000 for a period of 14 years. The facility is secured primarily through first ranking hypothecation charge over the project assets of EPTL. Further, the commitment of the shareholders of EPTL is same as more fully explained in note 23.1.8. As at December 31, 2022, the unutilised borrowings amount to USD 155,250 (2021: USD 100,915).
- 23.3.4 On March 5, 2021, the Financial Conduct Authority (FCA) announced the dates on which the panel bank submissions for all LIBOR settings will cease, after which LIBOR rates will no longer be available. The FCA confirmed that all LIBOR settings will cease to be provided by any administrator immediately after December 31, 2021 for 1-week and 2-month USD settings. This will not impact the Group's foreign borrowings since the 6-month LIBOR is applicable on foreign currency borrowings which will be discontinued after June 30, 2023.
- 23.3.5 These primarily represent payments made to China Export and Credit Insurance Bank (Sinosure), in connection with insurance cover obtained over financing arrangements relating to Chinese lenders, and payments to various financial institutions in respect of transaction and related cost for loan arrangements. Transaction costs have been adjusted against related borrowings and is being amortized over the term of the respective borrowings.
- 23.4 In view of the substance of the transactions, the sale and repurchase of assets under long term finance have not been recorded in these consolidated financial statements.
- Following are the changes in long term borrowings for which cash flows have been classified as financing activities in the consolidated statement of cash flows:

	2022 Ru	2021 pees
Balance as at January	164,191,574	157,918,637
Add: Borrowings availed during the year Exchange loss Amortization of transaction cost Less: Repayment of borrowings Management fee paid Transaction costs	26,773,322 27,167,532 885,074 (33,318,309) - - 185,699,193	21,234,460 9,997,743 1,015,851 (25,863,034) (42,818) (69,265) 164,191,574
Less: Current portion shown under current liabilities	(27,699,919)	(23,110,031)
Less: Government grant (note 24) Balance as at December 31	(1,825,480) 156,173,794	(1,263,327) 139,818,216

(Amounts in thousand)

2022
2021
------Rupees-------

24.	government grant Balance as at January 1 Add: Grant recognized on loan at below market interest rate Less: Released to the consolidated statement of profit or los		1,326,638 - 63,311 1,263,327
	Less: Current portion	(353,201) 1,472,279	(183,624) 1,079,703
25.	lease liabilities		
	Balance at beginning of the year	59,274,424	55,530,667
	Additions in lease Add: Exchange loss Add: Finance cost Less: Lease rentals paid Less: Rent concession on lease liability	4,814,223 13,969,590 5,931,308 (12,560,002) (12,729)	3,869,212 4,899,899 4,582,127 (9,583,276) (24,205)
	Total lease liabilities	71,416,814	59,274,424
	Less: Current portion shown under current liabilities Balance at the end of the year	(9,046,896) 62,369,918	(6,111,288) 53,163,136

This mainly represents EETPL's lease liability amounting to Rs. 54,833,722 (2021: Rs. 46,928,886). The remaining term of the lease is 7 years and 3 months and EETPL's weighted average incremental borrowing rate is 8.29% per annum.

		2022 Rupe	2021
26.	deferred liabilities	riape	
	Retirement and other service benefits obligations	572,150	516,236
	Deferred incentive revenue (note 26.1) Deferred liability on FSRU (note 26.2)	534,814 2,606,555	918,817 1,854,129
	Provision for dismantling and restoration cost (note 26.3)	497,490	293,606
		4,211,009	3,582,788
	Less: Current portion shown under current liabilities	(577,116)	(736,953)
		3,633,893	2,845,835

- This primarily includes deferred incentive revenue of Rs. 488,755 (2021: Rs. 918,817) which has been recorded in respect of the following agreements entered into by Enfrashare with its customers for construction, maintenance and operation of telecommunication infrastructure and allied equipment, provision of energy solutions and energy management services whereby Enfrashare provided a discount:
 - in respect of service fee charged to it for an initial period of three years from the respective site commencement date. The related discount was provided against discounted cash consideration under the asset sale and purchase agreements. Present value of the discount amounted to Rs. 696,000. The said amount has been recognized as part of the total consideration against assets acquired under the asset sale and purchase agreements and a corresponding deferred incentive revenue has been recognized in this respect which is amortized over a three years period from the site commencement date on the basis of monthly service fee accrued under the agreement.

- against total amount of consideration to be charged to the customers for provision of energy solutions and energy management services. Present value of the discount amounted to Rs. 475,000. The said amount has been recognized as part of the total consideration against assets acquired under the asset sale and purchase agreements and a corresponding deferred incentive revenue has been recognized in this respect which is amortized over a period of four and a half years on a systematic basis after accounting for the project completion date.
- 26.2 Represents excess of billing over operating lease income in respect of Elengy Terminal. Income is recognized over a straight line basis.
- Includes provision of Rs. 476,245 (2021: Rs. 293,606) recognized for cost of dismantling of infrastructure and allied equipment for tenanted sites acquired by Enfrashare from Pakistan Mobile Communications Limited (PMCL) and Deodar under sale and purchase agreement. The provision has been discounted at a real discount rate of 0.91% (2021: 1.08%) per annum.

		Rupees-
27.	long-term provisions	

Provision for Gas Infrastructure Development Cess (GIDC) (note 27.1) Provision for gas price revision (note 27.2)

Less: Current portion

27,939,393 26,165,260 517.392 517.392 28,456,785 26,682,652 (18.510.399) (25,503,815)2,952,970 8,172,253

2021

2022

- The Honorable Supreme Court of Pakistan ("SCP") through its judgment dated August 13, 2020 ("Judgment") declared that the levy imposed under the Gas Infrastructure Development Cess ("GIDC") Act, 2015 ("the Act") is valid and in accordance with the provisions of the Constitution of Pakistan 1973 ("the Constitution"). The SCP issued the following directions:
 - It restrained the Federal Government from charging further GIDC until such time that the GIDC already collected and accrued (but not yet collected), is expended on projects listed under the Act;
 - As all industrial and commercial entities which consume gas for their business activities pass on the burden to their customers, therefore, GIDC that has become due up to July 31, 2020, and has not been recovered so far, shall be recovered by the gas companies responsible under the Act to recover from their consumers in twenty-four equal monthly installments, without the component of Late Payment Surcharge ("LPS"); and
 - In case, no work is carried out on the gas infrastructure pipelines in the manner and / or time specified in the Judgment, the purpose of levying GIDC shall be deemed to have been frustrated and the Act would become completely in-operational and considered dead for all intents and purposes.

Pursuant to the Judgement, the gas suppliers began invoicing the GIDC instalments for recovery with effect from August 01, 2020.

(Amounts in thousand)

Aggrieved by the Judgment, EFert and EPCL filed review petitions before the SCP on various grounds, which were dismissed by the SCP on November 02, 2020, ("Review Decision"). However, the Review Decision noted that the Government of Pakistan is agreeable to recover the unpaid arrears in 48 monthly installments instead of 24 monthly installments provided the time period for the projects was extended to 12 months from 6 months; and (ii) upheld the validity of Section 8(2) of the Act. The SCP protected the rights of the Industrial Sector (excluding Fertilizer Fuel Stock) to approach the appropriate for a for enforcement of the exemption provided under the proviso to Section 8(2) of the 2015 Act.

EPCL and EFert have also filed suits before the High Court of Sindh ("HCS") against collection of GIDC on the grounds that factual determination of the GIDC passed-on to the customers is to be carried out. The HCS granted interim stay to EPCL and EFert restraining the impleaded gas companies from taking coercive action against EPCL and EFert for non-payment of GIDC installments till the finalization of the matter.

Further, against the GIDC instalment invoice received from Sui Northern Gas Pipelines Limited (SNGPL) to EFert on concessionary gas supplied under the fixed price Gas Sale and Purchase Agreement dated April 11, 2007 ("GSPA"), EFert approached the HCS to challenge this imposition. EFert has obtained a stay order in its favour and the HCS has restrained SNGPL from taking any coercive action against EFert on collecting GIDC on feed stock gas supplied under the GSPA. EFert's management has made an assessment (as confirmed by the legal advisor) that there are reasonable chances of a favourable outcome in relation to the legal proceedings filed against SNGPL for feed gas supplied under the GSPA. Hence no provision on account of GIDC has been recorded by EFert in respect of feed gas received under the GSPA.

The Institute of Chartered Accountants of Pakistan (ICAP) released financial reporting guidance on the "Accounting of GIDC" via Circular No. 1/2021 dated January 19, 2021 (the Circular) which discusses key accounting considerations for gas consumer companies. Keeping in view the financial reporting guidance of ICAP and giving due consideration to the latest available information and the expected timing of the settlement (i.e. in 48 monthly instalment commencing from August 2020, as referred to in the aforementioned decision on the review petition by the SCP), the Group has remeasured its previously undiscounted provision at its present value using the risk free rate to incorporate the effect of the time value of money arising from the expected settlement based on an instalment plan and accordingly, recognized remeasurement gain amounting to Rs. 2,904,978 in 2020. During the year, the amount has been unwinded and resulted in remeasurement losses of Rs. 1,102,678 (2021: Rs. 1,401,519).

In 2017, EPCL had filed suits in the HCS, against the increase in tariff of natural gas sold to industries and captive power plants notified by Oil and Gas Regularity Authority (OGRA) vide SRO no.(1)/2016 dated December 30, 2016, whereby EPCL cited the increase as illegal and unconstitutional. The HCS granted an interim order in favour of EPCL which is still operational. However, EPCL has recognized a provision for the period from December 2017 to September 2018.

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(Amounts in thousand)

2022
2021
------Rupees-------

28. trade and other payables

Creditors Accrued liabilities (notes 28.1 to 28.5) Provision against tax contingency of EVTL	11,140,873 58,812,758	14,031,323 39,074,875
(notes 7.1.1, 7.3 and 28.6) Advances from customers (note 28.7)	682,028 16,347,911	972,297 6,248,748
Contractors' / suppliers' deposits and retention	, ,	
money (note 28.8) Workers' welfare fund	325,192 1,344,093	278,131 1,377,860
Workers' profits participation fund Sales tax payable	2,557,527 203,999	1,533,031 63,840
Payable to retirement benefit funds Withholding tax payable	308,732 464,794	278,053 749,039
Payable to: - Thar Power Company Limited	210,224	269,527
- Empiric AI (Private) Limited - Dawood Hercules Corporation Limited	-	4,112 284,065
- FrieslandCampina Engro Pakistan Limited - FrieslandCampina Pakistan Holdings B.V.	20,905 932,367	734,033
- Sindh Engro Coal Mining Company Limited	31,327,765	28,312,314
Engro FoundationThe Dawood Foundation	175,954 17,668	-
- Engro Vopak Terminal Limited Others (note 28.9)	286,184 616,999	261,856 759,211
	125,775,973	95,232,315

- 28.1 This includes accrual in respect of gas charges amounting to Rs. 605,671 (2021: Rs. 602,625).
- On June 4, 2021, the HCS through its judgment upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Cess) promulgated retrospectively with effect from July 1, 1994 as valid and declaring it within the competence of provincial legislature. EFert and EPCL filed a petition against the judgment before the Honorable Supreme Court of Pakistan (SCP) challenging the HCS judgement. In September 2021, the SCP suspended the Judgement of HCS along with the recovery of Cess. Management is confident that ultimate outcome of the case will come in its favor; however, on prudence basis, has recognized a provision amounting to Rs. 4,869,100 (2021: Rs. 3,668,213) of the Cess in these consolidated financial statements.
- On June 10, 2021, EFert filed a Suit before the HCS in which it prayed that Sui Northern Gas Pipelines Limited (SNGPL) be directed to supply the contracted / committed volume of feed gas at concessionary pricing under the Gas Sale and Purchase Agreement (GSPA) and in accordance with the Fertilizer Policy 2001, Instructions to Bidders and various Economic Coordination Committee decisions.

The HCS was pleased to grant an ad interim stay vide its order dated June 21, 2021, directing the parties to maintain status quo with regard to disconnection of gas supply and pricing. EFert, without prejudice to the pending Suit and any admission of liability, has on prudent basis recorded a provision of Rs. 6,706,128 (2021: Rs. 2,494,496) in these consolidated financial statements.

(Amounts in thousand)

28.4 Includes accruals recorded in respect of the following related parties:

	2022	2021	
	Rupe	Rupees	
Engro Foundation	-	150,000	
Sindh Engro Coal Mining Company Limited	7,561,786	4,231,636	
Reon Energy Limited	21,587	-	
The Dawood Foundation	240	-	
Thar Power Company Limited	98,481	-	
	7,682,094	4,381,636	

During the year, EFERT received a letter from one of its gas suppliers which indicated that the pricing of gas supplied to EFERT from the aforementioned gas field would be higher of the applicable Petroleum Policy or the gas price notified by the Oil and Gas Regulatory Authority ("OGRA") for the fertilizer sector and such charge shall be applicable from the date of execution of the Gas Sale and Purchase Agreement (GSPA).

In this regard, EFERT has submitted a formal response to the gas supplier. Without prejudice to the foregoing and any admission of liability, the Group has on prudent basis, recorded a provision amounting to Rs. 2,380,450 (2021: Nil) in these consolidated financial statements.

		2022 Rupe	2021 ees
28.6	The movement in provision is as follows:		
	Balance at the beginning of the year	972,297	992,754
	Provision adjustment in respect of tax contingency (note 7.1)	(290,269) 682,028	(20,457) 972,297

- 28.7 This represents advances received by the Group from customers and distributors for goods to be delivered.
- 28.8 This includes deposits amounting to Rs. 307,664 (2021: Rs. 269,452) which have been kept in separate bank accounts. This also includes deposits amounting to Rs. 7,400 (2021: Rs. 4,900) which are fully utilized in business in accordance with the requirements of written agreements and in terms of section 217 of the Companies Act, 2017.

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28.9 Includes liability towards Long Term Incentive Plan (LTIP) amounting to Rs. 133,993 (2021: Nil). During the year, the Board of Directors of the Holding Company approved LTIP for granting of cash-settled phantom shares to certain executive employees. Under the LTIP, the actual amount of phantom shares that may vest at exercise price of nil ranges from 0% to 121% of the awards, depending on the outcomes of prescribed service and performance conditions over a three-year period.

2022	2021	
Rupees		

29. contract liabilities

30.

31.

Contract liability

12,980,370 1,024,361

- 29.1 Contract liability pertaining to the year 2021 represented unrecognized revenue in EPQL relating to 'Monthly Energy Shortfall' which CPPA-G is required to pay in the event net electrical output dispatched is lower than minimum monthly energy in accordance with Section 9.6 of the PPA. During the year, EPQL has adjusted the contract liability against the related receivable.
- 29.2 Contract liability as at December 31, 2022 includes an amount of Rs. 12,964,194 relating to EPTL as explained in notes 34.2.1 and 35.1.4.

accrued interest / mark-up	2022 Rup	2021 ees
Accrued interest / mark-up on: - long term borrowings - short term borrowings	2,751,430 13,276 2,764,706	877,720 488,777 1,366,497
short-term borrowings		
Running finances utilized under mark-up arrangements (note 31.1) Shariah compliant short term finance (note 31.2) Export refinance facility (note 31.3)	30,260,600 2,250,000 474,360 32,984,960	14,370,100 3,000,000 5,900,214 23,270,314

- 31.1 The short-term running finances available to the Group from various banks under mark-up arrangements amount to Rs. 44,155,000 (2021: Rs. 50,027,000). The rates of mark-up on these finances are KIBOR plus spread ranging from 0.0% to 13.1% (2021: 0.0% to 1.5%) per annum. The aggregate running finances are secured by way of hypothecation of ranking floating charge over present and future loans, advances, receivables, stocks, book debts and other current assets and pledge over shares.
- 31.2 EPTL has entered into a Musharaka agreement with Meezan Bank Limited as Investment Agent and issued Sukuks of face value of Rs. 3,000,000 (2021: Rs. 3,000,000) for a period of five years with a call option exercisable towards the end of every year. These Sukuks are issued to cater the working capital requirements of EPTL and carry profit at the rate of 3 Months KIBOR plus 1.1% per annum, payable quarterly. The Sukuks are secured by way of first charge, ranking pari passu, over the project assets of EPTL.

(Amounts in thousand)

This represents export refinance facility obtained by EPCL and EEAP carrying mark-up at the rate of 3% on rollover basis for six months. This facility is secured by floating charge over stocks and book debts of EPCL and EEAP.

32. dividend payable

Includes unclaimed dividend amounting to Rs. 240,325 (2021: Rs. 225,932) outstanding for more than 3 years from the date of declaration. Such unclaimed dividend is payable to the Federal Government as per the Companies Act, 2017 (the Act), subject to fulfilment / clarification on certain pre-conditions specified in the Act.

33. contingencies and commitments contingencies

- 33.1 In accordance with section 4C 'Super tax on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through the Finance Act, 2022, super tax at ten percent has been imposed on the specified sectors (including the fertilizer and chemical sector) in case the income exceeds Rs. 300,000 for the year ended December 31, 2021 (tax year 2022) while for other sectors super tax was levied at four percent. The Group filed a petition against the imposition of super tax before the Sindh High Court (SHC). The SHC in its judgement dated December 22, 2022, declared that "the super tax levy shall only be applicable from the tax year 2023" and the imposition of higher rate on the specified sectors as discriminatory. The Group's management has recorded provision of super tax for the year ended December 31, 2021 (tax year 2022), at the rate of four percent amounting to Rs. 2,604,907 in these consolidated financial statements (note 42.1) on account of prudence and, based on professional advice, considers that the chances of additional super tax levy of six percent amounting to Rs. 2,738,141 are remote and therefore no provision is recorded thereagainst in these consolidated financial statements.
- 33.2 The Holding Company
- 33.2.1 In the year 2017, FCEPL received an order from the Competition Commission of Pakistan, imposing a penalty of Rs. 62,293 in respect of FCEPL's marketing activities relating to one of its products. FCEPL has filed an appeal against the aforementioned order. As per the terms of the Share Purchase Agreement with FrieslandCampina Pakistan Holding B.V. (FCP), the Holding Company is required to reimburse 51% of the amount together with all reasonable cost and expenses to FCP in case any such penalty materializes. The Holding Company, based on the opinion of the legal advisor, is confident of a favourable outcome of the appeal, and accordingly, no provision has been recognized in these consolidated financial statements in this respect.
- 33.2.2 In the year 2016, the Holding Company entered into a Share Purchase Agreement (SPA) with FCP for the sale of 47.1% of the total issued shares of FCEPL. In accordance with the terms of the SPA, the Holding Company is required to pay to FCP, an amount equivalent to 47.1% of any tax liability (as defined in the SPA) together with all reasonable costs and expenses incurred, in case any tax contingency materializes. The Holding Company, based on the opinion of FCEPL's tax and legal advisors, is confident of favourable outcomes in respect of various tax matters being contested by FCEPL, and accordingly no provision has been recognized in these consolidated financial statements in this respect.

- 33.2.3 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 53,000,000, 58,000,000 and 33,500,000 shares of EFert, EPCL and FCEPL respectively.
- 33.2.4 Following are the details of securities pledged by the Holding Company:
 - Standby Letters of Credit (Equity SBLC) have been provided by EEL, a wholly owned subsidiary, through National Bank of Pakistan amounting to US Dollars 5,660 (2021: US Dollars 8,635) for its equity commitments related to the 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) October 31, 2023; or (ii) fulfilment of sponsor obligations under Sponsor Support Agreements. This has been secured by the Holding Company by pledging Treasury Bills.
 - Standby Letter of Credit (Put Option SBLC) has been provided by EEL, a wholly owned subsidiary company, through Allied Bank Limited amounting to US Dollars 21,070 (2021: US Dollars 21,070) in favour of the Put Option Fronting Bank (Habib Bank Limited). The Put Option SBLC has been furnished to meet sponsor obligations under Sponsor Support Agreement (Put Option SSA) and expires on earlier of (i) January 31, 2029; or (ii) fulfilment of sponsor obligations pursuant to Put Option SSA. This guarantee was secured by pledging Holding Company's shares of EFert and FCEPL of quantities 97,000,000 and 25,000,000 respectively.
- 33.2.5 EETPL has issued SBLCs amounting to US Dollars 22,500 (2021: US Dollars 22,500). This has been secured by the Holding Company by pledging Treasury Bills.

33.3 Engro Fertilizers Limited and its subsidiary company

33.3.1 In 2021, the income tax department [i.e. Large Taxpayers Unit (LTU)] initiated income tax audits of EFert u/s 177 of the Ordinance for the Tax Year (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 included 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 an appeal before the Commissioner Inland Revenue (Appeals) (CIR(A)) against all amendment orders. During the year, the decision of the CIR(A) has been received for all these years where the legal objections inter alia taken up on the selection / conduct of audit in this manner have been upheld. In these orders favorable decision has been made on majority of the matters while maintaining inadmissibility of certain expenses and disallowance of WPPF aggregating to Rs. 581,898. EFert has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the unfavorable decision of CIR(A).

Subsequently, the tax department has issued appeal effect orders based on favorable CIR(A)'s decision and has additionally maintained disallowance of amortization of intangibles aggregating to Rs. 194,148 as well as WPPF in the tax year 2018. Appeal before CIR(A) has been filed against these orders.

engro corporation limited

(Amounts in thousand)

In respect of sales tax audits, during 2021, the tax department only issued a Show Cause Notice (SCN) for TY 2017. EFert filed Constitutional Petitions before the High Court of Sindh (HCS) challenging the SCN issued for TY 2017 as well as the audit selection notices for TY 2017, 2018 and 2019. On December 13, 2021, the HCS granted ad-interim orders in favour of EFert for all three tax years.

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

- 33.3.2 In 2018, the tax department [i.e. Large Taxpayers Unit (LTU)] raised an order for the period June 2016 to July 2017 with a demand of Rs.1,006,000 mainly on account of further sales tax to be charged on fertilizers sales to unregistered persons. EFert filed an appeal before the CIR(A) who disposed off the appeal in favour of the tax department. Thereafter, EFert filed an appeal before the ATIR and it also decided the same in favour of the tax department. EFert challenged the ATIR Order, to the extent of its ruling in relation to exemption from further sales tax, before the HCS by filing Sales Tax Reference Application. On October 11, 2021, the HCS granted an ad-interim order restraining the tax department from taking coercive action against EFert in respect of the recovery of the impugned demand. EFert's management believes that the chances of ultimate success are good, hence, no provision has been made in this respect in these consolidated financial statements.
- 33.3.3 In 2017, the High Court of Islamabad through its order dated June 8, 2017 held that the income derived by the Contractor from its contract with EFert is subject to tax as per Article 5(4) of Double Taxation Treaty between Pakistan and the Netherlands thus confirming the demand raised in the respective orders aggregating to Rs. 1,178,391. In respect thereof, the Contractor preferred an appeal in the Supreme Court of Pakistan (SCP). In 2019, the SCP decided the case on ex-parte basis against the contractor. In 2021, the SCP accepted the review application for the case restoration. During the year, the case has been heard announcing the appeal in favour of the Contractor. Detailed judgement is awaited. No provision has been made by the Group in these consolidated financial statements.
- 33.3.4 In 2015, EFert received a sales tax order from the tax department for the tax periods January 01, 2013 to December 31, 2013 pertaining to discharge of output tax liability, on assumed production of urea amounting to Rs. 402,875 and on presumption that output tax liability is not being discharged by EFert on advances received from dealers amounting to Rs. 1,844,075. EFert filed an appeal thereagainst with the CIR(A) which decided the matters in favour of EFert. The department thereafter challenged the decision of the CIR(A) with the ATIR, which is pending to be heard. No provision has been made by the Group in this respect in these consolidated financial statements.
- 33.3.5 EFert filed a constitutional petition in the HCS against the Ministry of Petroleum and Natural Resources (MPNR), Ministry of Industries and Production (MIP) and Sui Northern Gas Pipeline Company Limited (SNGPL) for continuous supply of 100 mmscfd gas per day to EFert's new plant (Enven) and to prohibit from suspending, discontinuing or curtailing the aforementioned supply. Through its order dated October 18, 2011, the HCS ordered that SNGPL should supply 100 mmscfd of gas per day to the EFert's new plant. However, five petitions have been filed in the SCP against the aforementioned order of the HCS by SNGPL, MPNR, Agritech Limited, Pak Arab Fertilizers and Kohinoor Mills Limited alongwith twenty one other companies (mainly engaged in textile business). The aforementioned petitions are pending for further hearing. EFert's management, as confirmed by the legal advisor, considers the chances of these petitions being allowed to be remote.

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Further, EFert upon continual curtailment of gas after the aforementioned decision of the HCS has filed an application in respect of Contempt of Court under Article 199 and 204 of the Constitution of Pakistan. EFert, in the aforementioned application has submitted that SNGPL and MPNR have failed to restore full supply of gas to the EFert's plant despite the judgment of the HCS in EFert's favor. A show cause notice has also been issued against MPNR and SNGPL dated December 31, 2011 by the HCS. The application is pending for hearing and no orders have yet been passed in this regard.

33.3.6 In 2013, EFert, along with other fertilizer companies, received a show cause notice from the Competition Commission of Pakistan (CCP) for initiating action under the Competition Act, 2010 (2010 Act) in relation to the alleged unreasonable increase in fertilizer prices. EFert has responded in detail that factors resulting in such increase were mainly due to imposition of infrastructure cess, sales tax and gas curtailment. The CCP issued an order in March 2013, whereby it held that EFert has a dominant position in the urea market and that it has abused the same by unreasonable increases in urea prices during the period December 2010 to December 2011. The CCP also held another major fertilizer company to be responsible for abusing its dominant position. Moreover, the CCP imposed a penalty of Rs. 3,140,000 and Rs. 5,500,000 on the EFert and the other fertilizer company, respectively. An appeal has been filed before the Competition Appellate Tribunal (CAT) and a writ has been filed in the HCS wherein stay has been granted in favour of the EFert restraining CCP and Federation of Pakistan (i.e. Respondents) from taking any coercive action.

In case of the other fertilizer company, the CAT has transferred the case back to the CCP for reassessment. EFert has also challenged the composition of the CAT before HCS and has secured an interim order in its favour whereby the CAT is restrained from passing any final order against EFert during the pendency of the petition. EFert's management believes that the chances of ultimate success are very good, as confirmed by legal advisor, hence, no provision has been made in this respect in these consolidated financial statements.

- 33.3.7 All Pakistan Textile Processing Mills Association (APTMA), Agritech Limited (Agritech), Shan Dying & Printing Industries (Private) Limited and twenty seven others have each contended, through separate proceedings filed before the Lahore High Court that the supply to EFert's new plant is premised on the output from Qadirpur gas field exceeding 500 mmscfd by 100 mmscfd and, therefore, the Gas Sale and Purchase Agreement (GSA) dated April 11, 2007 between EFert and SNGPL be declared void ab initio because the output of Qadirpur gas field has infact decreased. Agritech has additionally alleged discrimination in that it is receiving less gas than the other fertilizer companies on the SNGPL system. EFert has out rightly rejected these contentions, and is of the view that it has a strong case for the reasons that (i) 100 mmscfd gas has been allocated to EFert through a transparent international competitive bidding process held by the Government of Pakistan, and upon payment of valuable license fee; (ii) GSA guarantees uninterrupted supply of gas to the new plant, with right to first 100 mmcfd gas production from the Qadirpur gas field; and (iii) both EFert and the Qadirpur gas field are located in Sindh. Also neither the gas allocation by the Government of Pakistan nor the GSA predicates the gas supply from Qadirpur gas field producing 100 mmscfd over 500 mmscfd. No orders have been passed in this regard and the petition has also been adjourned sine die given that similar matter is pending in SCP. However, EFert's management, as confirmed by the legal advisor, considers chances of petitions being allowed to be remote.
- 33.4 Elengy Terminal Pakistan Limited and its subsidiary company

(Amounts in thousand)

33.4.1 The Sindh Finance Act, 1994, prescribed the imposition of an infrastructure fee at the rate of 0.5% of the C&F value of all goods entering or leaving the province of Sindh via sea or air. The law for infrastructure fee thereafter was last amended through the Sindh Finance Act, 2014 according to which infrastructure fee will range from 0.9% to 0.95% of the total value of goods as assessed by the Custom Authorities plus one paisa per kilometer against various slab of net weight of goods.

On July 11, 2014, EETPL filed a petition against the aforementioned levy before HCS where it is currently pending. Earlier, HCS through an interim order on November 11, 2014 on petitions filed by others, directed companies to clear the goods on paying 50% of the amount of levy and furnishing bank guarantee / security for the balance amount.

On June 4, 2021, the HCS through its judgement upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 ("the Cess") promulgated retrospectively with effect from July 01, 1994 as valid and declaring it within the competence of provincial legislature. However, EETPL has paid 50% of the above levied cess and has provided bank guarantee amounting to Rs. 17,000 (2021: Rs. 17,000) in favour of the Custom Authorities to comply with interim orders of the Court dated November 14, 2014 for the above levied cess. EETPL has filed a petition against the judgement dated June 04, 2021 before SCP challenging the judgement dated June 04, 2021 before SCP. The SCP in its interim order dated September 01, 2021 decided till further orders, operations of the impugned judgement of the HCS dated June 04, 2021 and the recovery of the levy shall remain suspended and that EETPL will continue to comply with the interim order of HCS dated November 14, 2014. EETPL based on the merits of the case and as per the opinion of its legal advisor, EETPL expects a favourable outcome on the matter and accordingly no provision has been made on remaining 50% of the levy in these consolidated financial statements.

- 33.4.2 EETPL in connection with the import of Floating Storage and Regasification Unit (FSRU) received a demand from Customs Authority amounting to Rs. 1,530,494 contending that the import of FSRU attracts payment of advance income tax. EETPL is of the view that the EETPL's profits and gains were exempt from income tax for 5 years from the date of commercial operations. EETPL in response to the above demand filed an appeal based on which the Chief Commissioner Inland Revenue (CCIR) through its order dated August 22, 2016 remanded the case back to the concerned commissioner, which again rejected the request for exemption against which EETPL filed an appeal before CCIR. In 2020, CCIR decided appeal against EETPL vide order dated July 24, 2020 against which EETPL filed an appeal before the HCS on August 6, 2020 and has obtained stay in this regard. EETPL based on the merits of the case and as per the opinion of its legal advisor, expects a favorable outcome on the matter and accordingly, no provision has been made in this respect in these consolidated financial statements.
- In accordance with the clause 18.1 of the Time Charter Party and LNG Storage and Regasification Agreement (TCP) except for the bunkers present onboard the FSRU upon delivery at the commencement of the term of TCP, EETPL is responsible for the bunkers used onboard the FSRU during the term of TCP. EETPL is also required to ensure that at the end of the term of TCP, the FSRU contains bunkers in the same quantities that were present at the time of delivery at the commencement of the Term. In 2021, the FSRU was substituted for the purpose of dry docking and thereafter redelivered however no intimation was given to EETPL by master of ship under clause 18.3 for bunkers and LNG remaining on board nor any amounts have been claimed by Excelerate Energy Middle East, LLC (EE) so far during the term in this respect. Due to lack of information from EE and / or master of the ship and interpretation of relevant clauses of TCP, EETPL reassessed its position and is of the view that the amount of liability cannot be measured with sufficient reliability at this stage.

- 33.5 Engro Energy Limited and its subsidiary companies
- 33.5.1 On February 11, 2021, EPQL and CPPA signed Master Agreement, wherein it was agreed that the dispute related to alleged savings will be resolved through arbitration. In accordance with the Master Agreement, EPQL and GoP signed the Arbitration Submission Agreement (ASA) on June 15, 2022. Subsequently, the arbitrators have been appointed as per ASA. EPQL's management believes that there are strong grounds that the matter will ultimately be decided in favour of the EPQL.
- 33.6 Engro Eximp Agriproducts (Private) Limited (EEAP)
- 33.6.1 In 2017, the tax department had raised a demand of sales tax of Rs. 250,000 for not charging sales tax on rice husk / rice bran for the tax year 2015. There was an error in the order as the department had treated all the by-products falling under the category of rice bran or rice hull / husk; though in reality the proportion of these two products among by-products is comparatively low while rice bran was admittedly exempt during that period. As the value of rice husk was wrongly taken, the CIR(A) has vacated the order and demand but upheld the legal position regarding charging of sales tax on rice husk. EEAP has gone in appeal as it is of the view that the department is not treating husk correctly. Currently, the matter is pending before the Appellate Tribunal and based on the opinion of its tax consultant, EEAP's management is confident of a favorable outcome of the appeal, and, accordingly sales tax recoverable has not been reduced by the effect of aforementioned order.
- 33.7 Associated Companies and Joint Venture
- 33.7.1 Details of material contingency which might affect share of profit from associates and joint venture is as follows:
- 33.7.2 FCEPL has provided bank guarantees to The Government of Sindh, amounting to Rs. 323,386 (2021: Rs. 268,387) in relation to Sindh Infrastructure Development Cess (SIDC). In 2021 SCP through its order dated September 1, 2021 has directed that till further orders operation of the impugned judgement of the HCS dated June 4, 2021 which validated SIDC and its recovery shall remain suspended. SCP's order further stated that the petitioners (including FCEPL) shall keep the bank guarantees already submitted with the Government of Sindh and shall furnish fresh bank guarantees equivalent to 100% of the amount of SIDC against release of all future consignments of imported goods.
- 33.7.3 Commitments given by the associated companies and joint venture in respect of capital and operational expenditure including bank guarantees amount to Rs. 2,418,431 (2021: Rs. 1,716,093). Other commitments include arrangements in respect of standby letters of credit and Ijarah which are not material to the Group.
- 33.8 Commitments
 - Details of commitments as at December 31, 2022 entered by the Group are as follows:
- 33.8.1 Commitments in respect of capital and operational expenditure contracted but not incurred amount to Rs. 43,204,163 (2021: Rs. 31,245,701).
- 33.8.2 The aggregate facilities available to the Group for opening Letter of credits and bank guarantees, and other commitments other than those disclosed elsewhere in these consolidated financial statements, amount to Rs. 35,314,255 (2021: Rs. 28,424,600).

(Amounts in thousand)

- 33.8.3 In 2019, Engro Peroxide (Private) Limited, a subsidiary of EPCL, entered into a contract with Chematur Engineering AB to establish a plant of Hydrogen Peroxide at a consideration of EUR 6,993. During the year, there was an increase in the project cost by EUR 662 due to increase in price of catalyst. As at December 31, 2022, outstanding commitment for civil works and equipment procurement amounts to EUR 1,331 (2021: EUR 367).
- 33.8.4 In 2021, Engro Peroxide (Private) Limited, a subsidiary of EPCL, entered into a contract with China National Air Separation Engineering Company Limited for design, procurement and engineering services for Hydrogen Peroxide Plant at a consideration of CNY 104,400. As at December 31, 2022, outstanding commitment for civil works and equipment procurement amounts to CNY 70,592 (2021: CNY 104,400).
- 33.8.5 In 2021, Engro Peroxide (Private) Limited, a subsidiary of EPCL, entered into a contract with Etimaad Engineering (Private) Limited for construction and installation services in respect of Hydrogen Peroxide Plant at a consideration of Rs. 927,000. As at December 31, 2022, outstanding commitment amounts to Rs. 472,174 (2021: Rs. 741,600).
- 33.8.6 In May 2022, Engro Peroxide (Private) Limited, a subsidiary of EPCL, entered into a contract with Suria Engineering (Private) Limited for purchase of Hydrogen Peroxide Steel Structure in respect of the manufacturing plant for a consideration of Rs. 470,000. As at December 31, 2022, outstanding commitment for equipment procurement amounts to Rs. 180,716 (2021: Nil)
- 33.8.7 EPCL has entered into operating lease arrangements with Al-Rahim Trading Company (Private) Limited for the storage and handling of Ethylene Di Chloride (EDC) in respect of which future lease commitments aggregate to Rs. 3,600 (2021: Rs. 2,500).
- 33.8.8 EETPL under the Time Charter Party and LNG Storage and Re-gasification Agreement with Excelerate Energy Middle East, LLC (EE) has furnished SBLC through National Bank of Pakistan amounting to USD 22,500 (2021: USD 22,500) to EE. This SBLC is valid till March 7, 2023 and is renewable annually. The aforementioned guarantee is secured against the Holding Company owned Treasury Bills equivalent to 10% margin of the facility amount and a corporate guarantee and project assets of EETPL.
- 33.8.9 National Bank of Pakistan (NBP) has issued Standby Letter of Credit (Equity SBLC) worth USD 18,900 (in Pak Rupee equivalent) on behalf of EEL for its equity commitments related to SECMC in favour of the Inter-creditor Agent (Habib Bank Limited) and SECMC. The Equity SBLC has been furnished for subscription and / or contribution of sponsor equity pursuant to the Sponsor Support Agreement (SSA) originally dated February 26, 2016, and amended and restated from time to time. Equity SBLC expire as per the terms of the SSA. The SBLC is secured through lien over cash or cash equivalent of the Holding Company. As of December 31, 2022, the outstanding amount of SBLC is USD 5,600 (2021: USD 8,635).
- 33.8.10 Allied Bank of Pakistan (ABL) has issued a Standby Letter of Credit (Put Option SBLC) worth USD 21,070 on behalf of EEL relating to EPTL in favour of the Put Option Fronting Bank (Habib Bank Limited). The Put Option SBLC has been furnished to meet sponsor obligations under Sponsor Support Agreement (Put Option SSA) dated March 22, 2016 and expires on earlier of (i) June 30, 2023 or (ii) on payment of the Maximum Amount. It is secured through lien over cash and cash equivalents of the Holding Company.

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- 33.8.11 EEL has also provided sponsor support contractual commitment for cost overrun, among other commitments, in favour of Senior Lenders amounting to cumulative USD 6,300 for SECMC Phase I and Phase II Expansion pursuant to the Amended and Restated Sponsor Support Agreements (A&R SSA) dated September 02, 2019 for SECMC and USD 41,600 pursuant to Amendment and Restatement Sponsor Support Agreement dated February 12, 2016 in case of EPTL.
 - Phase I and Phase II have been achieved; however, the cost overruns / commitment will be released on finalization of Project Completion Document (PCD). PCD for Phase I has been filed with lenders and is expected to be concluded in 2023, following which PCD for Phase II will also be initiated.
- 33.8.12 Commitments in respect of rentals of storage tanks at EVTL for the handling of Ethylene aggregate to USD 22,752 valid till 31 March 2026, Ethylene Di Chloride (EDC) aggregate to USD 11,602 valid till 31 December 2028 and Vinyl Chloride Monomer (VCM) aggregate to USD 655 valid till 31 December 2023.
- 33.8.13 In 2018, EEL took over the operations and maintenance of the power plant owned by Tenaga Generasi Limited (TGL) under an agreement signed between both parties. EEL needs to submit a performance bond equivalent to USD 930 on an annual basis as per the agreement. The bond was furnished by EEL on October 21, 2019 and was extended upto December 20, 2022. It is in the process of being renewed.
- 33.8.14 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 Standby Letter of Credit worth USD 23,316 and Rs. 1,029,044 on behalf of EEL for its commitments related to EPTL in favor of their Senior Lenders.
- 33.8.15 EEAP has entered into export selling contracts of 2,100 tons (2021: 26,202 tons) of Super Basmati Rice to various parties on a agreed terms for delivery on various date subsequent to the year end. The sales value of these open commitments at year end amounts to Rs. 619,103 (2021: Rs. 3,687,500).
- 33.8.16 Following bank guarantees have been extended by other companies of the Group:
 - EETPL has provided a Letter of Guarantee through National Bank of Pakistan amounting to Rs. 1,860,000 (2021: Rs. 1,620,000) and Rs. 930,000 (2021: Rs. 810,000) in favour of SSGCL to guarantee performance of its obligations under the LNG Operations and Services Agreement (LSA). The aforementioned guarantee is secured against project assets of ETPL and the Holding Company's corporate guarantee. Both of the guarantees in favour of SSGCL are valid till April 30, 2023 and are renewable annually.
 - EETPL has provided bank guarantee amounting to Rs. 1,952,145 (2021: Rs. 1,881,115) from MCB Bank Limited and Rs. 1,322,483 (2021: Nil) from Bank Alfalah Limited, in favor of Nazir of the Court to comply with the interim orders of the HSC. During the last year, tax department filed application to the HSC to adjust payment of advance tax against the bank guarantee provided above which was duly allowed by the HSC.
 - EFert has issued bank guarantees amounting to Rs. 9,117,070 (2021: Rs. 5,332,652) in favour of third parties.

(Amounts in thousand)

- EPCL has availed aggregate facilities for issuance of performance guarantees by the banks on its behalf as at December 31, 2022 amounting to Rs. 7,048,000 (2021: Rs. 5,148,000). The amount utilized there against as at December 31, 2022 is Rs. 6,268,568 (2021: Rs. 3,336,182).

The performance guarantees of Rs. 73,644 and Rs. 286,682 given in respect of Sindh Development and Maintenance of Infrastructure Cess (SIDC) and greenfield application status of Engro Peroxide (Private) Limited, respectively. With regards to greenfield status, the management of the EPCL is of the view that if any payment on account of sales tax and income tax which amounts to Rs. 149,620 is required to be made to the Government authorities, the same will be recoupable in its tax returns for future periods. Accordingly, no provision has been made in this respect.

- EEL, in order to provide the collateral to all the Bank Guarantees issued by Bank Alfalah Limited, Allied Bank Limited has issued counter guarantee on behalf of EEL amounting to Rs. 400,000 in favor of Bank Alfalah Limited.
- Bank guarantees amounting to Rs. 2,496,126 (2021: Rs. 2,496,126) have been given by EPQL to Sui Northern Gas Pipelines Limited (SNGPL) representing an amount equivalent to three months contractual quantities of gas in accordance with the terms of Gas Supply Agreement (GSA) between EPQL and SNGPL.
- National Bank Limited, Askari Bank Limited and Faysal Bank Limited, have issued guarantees of Rs. 1,500,000, Rs. 1,000,000 and Rs. 2,066,800, respectively, expiring on December 31, 2023, December 28, 2023 and July 6, 2024, respectively. Further, Meezan Bank Limited has issued three quarantees of Rs. 1,114,610, Rs. 900,000 and Rs. 485,000 each expiring on November 21, 2023, December 27, 2023 and August 3, 2023 respectively. These guarantees have been issued on behalf of EPTL in favour of SECMC to secure EPTL's payment obligations under the Coal Supply Agreement. The SBLC issuing Banks have entered into a non-funded financing facility with EPTL as Junior Creditors and acceded the Intercreditor Agreement and security accordingly.

For other tax related matters, refer note 42

2021 2022 -----Rupees-----

34. revenue

Own manufactured products (notes 34.1 and 34.2)

Less:

- Sales tax
- Discounts

Purchased products Services rendered (note 34.3) Less: Sales tax

292.903.884 (23.991.695) (2.297.964)(26,289,659) 266,614,225 63,532,101 31,209,905 (4,928,705)89,813,301 356,427,526

273,152,534 (16.600.268)(1.827.474)(18,427,742) 254,724,792 44,445,348 18,592,513 (6,175,252)56,862,609 311,587,401

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Includes export sales amounting to Rs. 6,817,888 (2021: Rs. 7,916,927) in European, USA, Middle East and Afghanistan markets.

2022 2021 ------Rupees------

34.2 Includes revenue from sale of Energy which comprises of:

Capacity purchase price (note 34.2.1) Energy purchase price 43,773,052 50,761,902 **94,534,954** 34,031,257 53,087,941 **87,119,198**

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

Further, EPTL had obtained a stay order from HCS against the above Tariff Decision till the finalisation 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's management had assessed that it has strong legal grounds against certain disallowances made by NEPRA in the Tariff Decision and the Group has continued to recognize revenue in these consolidated financial statements in accordance with its interpretation of the relevant tariff provisions.

However, there are certain adjustments disallowed in the Tariff Decision which are applicable on EPTL post CoD and the Group had decided to recognize its impact in these consolidated financial statements amounting to Rs. 2,338,389 which pertains to prior periods i.e. from July 10, 2019 till December 31, 2021. Resultantly, the Group has recognized contract liability of Rs. 833,355.

34.3 This includes revenue from services rendered by EETPL which comprises of:

2022 2021 ------Rupees------

Operating lease rental income Revenue from O&M services Finance income on sublease Revenue from utilization / regasification services 1,261,205 4,125,807 6,139,802 4,882,042 **16,408,856**

983,699 3,137,001 5,153,362 3,685,727 **12,959,789** (Amounts in thousand)

2022 2021 ------Rupees------

35. cost of revenue

	Cost of goods sold (note 35.1) Cost of services rendered (note 35.2) Finance cost on lease liabilities	233,446,118 14,021,085 4,341,277 251,808,480	199,846,819 8,332,033 3,675,852 211,854,704
35.1	Cost of goods sold		
	Raw and packing materials consumed including unprocessed rice (notes 35.1.2 and 35.1.4) Salaries, wages and staff welfare (note 35.1.3) Fuel and power Operation and management Repairs and maintenance Depreciation - Right-of-use asset (note 5.2) Depreciation (note 4.4) Amortization (note 6.1) Consumable stores Staff recruitment, training, safety and other expenses Purchased services Storage and handling / product transportation Travel Communication, stationery and other office expenses Insurance Rent, rates and taxes Provision against surplus and slow moving spares (note 13.1 Write-off of stores and spares (note 13.2) Write-off of stock-in-trade (net of proceeds) (note 14.1.1) Other expenses	25,975 237,549 128,842	104,667,094 5,767,405 25,642,334 3,730,876 3,671,968 419,364 11,070,934 37,176 2,057,542 733,977 2,040,589 2,329,666 357,868 77,786 2,351,378 259,316 195,262 98,719 49,265 64,249
	Manufacturing cost Add: Opening stock of work-in-process	186,980,380	165,622,768
	Less: Closing stock of work-in-process (note 14)	133,161	177,862 (42,174)
	Cost of goods manufactured	187,025,081	165,580,594
	Add: Opening stock of finished goods manufactured	7,351,417	7,588,920
	Less: Closing stock of finished goods manufactured (note 14)	9,469,340 (2,117,923)	7,351,417
	Cost of goods sold - own manufactured product - purchased product (note 35.1.1)	184,907,158 48,538,960	165,818,097 34,028,722
		233,446,118	199,846,819
35.1.1	Cost of goods sold - purchased product		
	Opening stock (net of NRV) Add: Purchases Less: Closing stock (net of NRV)	8,523,247 49,469,428 9,453,715 48,538,960	1,020,662 41,531,307 8,523,247 34,028,722

- 35.1.2 This includes an amount of Rs. 2,402,000 representing downward adjustment of inventory relating to the Group's subsidiary EEAP, identified during the third guarter of the current year based on an exercise carried out by the management of EEAP to reconcile inventory balances as appearing in books and the inventory available in warehouses.
- 35.1.3 This includes Rs. 396,648 (2021: Rs. 337,450) in respect of staff retirement benefits.
- 35.1.4 This includes reversal of cost amounting to Rs. 12,130,839 to be charged by SECMC based on the decision given by Thar Coal Energy Board (TCEB) on December 29, 2022 related to the CoD stage tariff for 3.8 mtpa tariff true up of SECMC. Resultantly, the Group has also accounted for consequential adjustment in revenue by the same amount and recognized contract liability of Rs. 12,130,839 (note 29).

Variable expenses (note 35.2.2)	Rupe ,539,978 ,289,463	1,852,227
Fixed expenses Variable expenses (note 35.2.2)		
Variable expenses (note 35.2.2)		
Depreciation (note 4.4) Depreciation - Right-of-use asset (note 5.2) Amortization (note 6.1) Amortization of direct cost on FSRU Salaries, wages and staff welfare (note 35.2.1) Fuel and power Purchased services Communication and other office expenses Stores and spares consumed Repairs and maintenance Travelling and entertainment Security and other expenses Others	996,950 ,026,426 603,671 10,889 86,516 865,853 ,143,452 160,218 89,105 - 504,839 157,238 525,328 21,159 ,021,085	2,367,451 1,193,140 398,397 354,230 63 86,516 708,418 541,992 199,453 100,727 77,983 284,008 68,571 96,054 2,803 8,332,033

- 35.2.1 This includes Rs. 39,718 (2021: Rs. 29,808) in respect of staff retirement benefits.
- 35.2.2 This includes Rs. 1,989,088 (2021: Rs. 1,724,391) in respect of royalty charges paid to Port Qasim Authorities as per the LSA.

(Amounts in thousand) 2022 -----Rupees-----

selling and distribution expenses

Salaries, wages and staff welfare (note 36.1)	1,629,617	1,435,788
Staff recruitment, training, safety and other expenses	196,958	196,309
Product transportation and handling	5,448,535	4,684,979
Repairs and maintenance	19,225	10,258
Advertising and sales promotion	755,244	435,539
Rent, rates and taxes	554,666	577,379
Communication, stationery and other office expenses	49,988	31,004
Travel	307,305	98,513
Depreciation (note 4.4)	154,212	138,007
Depreciation - Right-to-use asset (note 5.2)	25,299	-
Amortization (note 6.1)	4,371	4,756
Purchased services	96,926	121,366
Others	83,504	85,393
	9,325,850	7,819,291

2022

2021

0004

This includes Rs. 137,130 (2021: Rs. 119,723) in respect of staff retirement benefits.

		2022	2021
37.	administrative expenses	Kupe	es
37.	administrative expenses Salaries, wages and staff welfare (note 37.1) Staff recruitment, training, safety and other expenses Repairs and maintenance Advertising Rent, rates and taxes Communication, stationery and other office expenses Travel Depreciation - Right-of-use asset (note 5.2) Depreciation (note 4.4) Amortization (note 6.1) Purchased services Directors' remuneration Share based compensation expense (note 37.2) Others	4,993,768 222,203 87,440 418,551 525,279 506,512 862,619 245,086 547,752 368,457 1,960,888 479,698 133,993 424,401	3,101,845 206,122 58,929 235,118 378,876 461,803 393,877 244,739 312,530 202,797 1,780,844 228,848
		11,776,647	7,658,843

- 37.1. This includes Rs. 393,174 (2021: Rs. 285,187) in respect of staff retirement benefits.
- 37.2. This represents expense recognized for cash settled share based payment transactions of Rs. 133,993 (2021: Nil) (note 28.9).

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2022 2021 ------Rupees------

38. other income

39.

Financial assets:		
Income on deposits / other financial assets Interest on amount receivable from SSGCL Others	14,196,542 161,969 - 14,358,511	7,754,537 170,749 4,378 7,929,664
Non financial assets:		
Insurance claims Gain on disposal of property, plant and equipment Delayed payment charges on overdue receivables Income from sale of spares / scrap Reversal of impairment of property, plant and equipment (note 4.5) Others	106,743 260,370 5,233,201 181,248 1,458,297 275,490 7,515,349 21,873,860	54,803 3,458 3,702,727 120,418 - 416,317 4,297,723 12,227,387
other operating expenses		
Workers' profits participation fund Workers' welfare fund Legal and professional charges Human resource development Research and development Auditors' remuneration (note 39.1) Provision for doubtful debts (note 15.6) Donations (note 55) Exchange loss Impairment against long-term investment and	2,006,619 627,473 547,066 21,351 2,507,929 155,884 12,426 800,832 2,998,075	2,566,039 745,505 823,958 134,701 1,579,583 94,753 289,094 1,196,668 658,979
off balance sheet obligation of investee company Write-off of property, plant and equipment Others (note 39.2)	71,146 270 285,877	691,371 120,968 334,062

39.1 Auditors' remuneration:

The aggregate amount charged in respect of auditors' remuneration, including remuneration of auditors of foreign subsidiaries, is as follows:

10,034,948

(Amounts in thousand)

Fee for: 20,236 17,390 - audit of annual financial statements - review of half yearly financial information 5,238 5,149 - Special audits, certifications, review of compliance with the Code of Corporate Governance and other assurance & advisory services 48,587 30,192 Taxation services 76,670 37,515 Reimbursement of expenses 5,153 4,507 155,884 94,753

2022

2021

-----Rupees-----

This includes an amount equal to 51% of the sales tax receivable of FrieslandCampina Engro Pakistan Limited (FCEPL), an associated company, recognized in the financial years 2012 to 2016, which the Holding Company is required to pay, under the Share Purchase Agreement (SPA) with FrieslandCampina Pakistan Holding B.V. (FCP), if the same is not recovered by FCEPL within six years after it is recognized. Accordingly, on prudence basis, the Holding Company has recognized its liability under the SPA equivalent to 51% of the sales tax receivable pertaining to FCEPL being sales tax short recovered till December 31, 2022.

	2022	2021
	Rupe	es
finance cost	· ·	

Interest / mark-up on: - long term borrowings	15,553,638	10,038,921
- short term borrowings	3,588,937	1,253,956
Markup on Shariah compliant borrowings	151,940	136,315
Interest on lease liabilities	1,537,633	906,275
Unwinding of deferred incentive revenue	79,313	121,417
Foreign exchange loss, net	789,319	344,883
Amortization of transaction costs	885,075	1,012,054
Financial / bank charges	1,770,705	1,112,736
Default surcharge on GIDC	503,733	156,583
Delayed payment charges	3,806,908	2,055,404
Others	77,038	135,514
	00 = 44 000	4 - 0 - 4 0 - 0

41. share of income from joint venture and associates

Joint venture:

Engro Vopak Terminal Limited Share of profit before taxation Less: Share of provision for taxation

Associates:

Share of profit from:

- Sindh Engro Coal Mining Company Limited
- Friesland Campina Engro Pakistan Limited

77,038	135,514
28,744,239	17,274,058
1,975,972	1,653,036
(753,203)	(477,579)
1,222,769	1,175,457
.,,	.,
1,008,703	1,331,413
983,804	719,827
1,992,507	2,051,240
3,215,276	3,226,697

9,235,681

40.

2022 2021 ------Rupees------

42. taxation

Current

- for the year (note 42.1)
- for prior years (notes 42.1 to note 42.3)

Deferred

- for the vear
- for prior years

20,570,800 6,512,742 27,083,542

> (4,995,038) 1,174 (4,993,864) **22,089,678**

18,402,348 (1,455,423) 16,946,925 1,716,380 (6,092) 1,710,288 18,657,213

Includes super tax aggregating to Rs. 2,604,907 and Rs. 2,589,681 for the year ended December 31, 2021 [(tax year 2022) (as explained in note 33.1)] and December 31, 2022 (tax year 2023) respectively, on account of provision 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.

The management of the Group believes that the tax authorities will file an appeal before the Supreme Court of Pakistan (SCP) against the decision of HCS. However, legal advisors have opined that there are reasonable chances that SCP will uphold the decision of HCS on the matter of 6% discriminatory super tax. Accordingly, the Group, based on legal advice, has recognized provision at the rate of 4% for all eligible companies in the Group including those falling under the notified sectors for the year ended December 31, 2021 and 2022.

- This includes an amount of Rs. 6,457,059 (2021: Nil) relating to the disallowance of GIDC provision by the income tax department on account of non-payment. The Group has therefore recognized the prior year charge and a corresponding impact on deferred tax asset which shall be realized once the matter is settled by the Court as disclosed in note 27.
- During the year, the Holding Company's management has reassessed its income tax provisions based on the finalization of its income tax assessments of prior tax years from 2011 to 2022 by the income tax department. Upon such assessment, the Holding Company's management has recognized a reversal of tax provisions amounting in aggregate to Rs. 1,444,225 in these consolidated financial statements.

Details of significant income tax matters are as follows:

- 42.4 The Holding Company
- 42.4.1 In 2016, an amendment was introduced in the Ordinance, via the Finance Act, 2016 imposing tax on Inter-Corporate Dividends (ICD) which were previously exempt to companies designated as a Group under section 59B of the Ordinance. Subsequently, in December 2019, the exemption on ICD was restored through amendment in the Ordinance vide Tax Laws (Second Amendment) Ordinance, 2019 (the Amendment Ordinance). However, in respect of the dividends received before the said amendment, the Holding Company had challenged the imposition of tax on ICD in HCS and has been granted a stay in this respect.

(Amounts in thousand)

In 2020, the Amendment Ordinance was laid down before the Parliament and enacted as Tax Laws (Amendment) Act 2020 (the 2020 Act). The 2020 Act ratified the exemption on ICD restored by the Amendment Ordinance, however, the provision granting exemption from application of withholding tax on ICD, as previously deleted by Finance Act 2016, was not restored. Hence, in respect of the ICD received by the Holding Company from its subsidiaries during the year 2020, the Holding Company obtained stay from the HCS against deduction of withholding of tax.

Subsequently in 2021, the exemption of income tax on ICD was again withdrawn via Tax Laws (Second Amendment) Ordinance, 2021 in March 2021 and subsequently by Finance Act 2021. The Holding Company has again challenged the amendment before the HCS and stay has been granted in this respect. The management, on prudent basis, has recognized a tax charge of Rs. 9,218,658 (2021: Rs. 6,408,991) in these consolidated financial statements pertaining to periods during which exemption of income tax on ICD remained withdrawn.

Through the Finance Act 2015, levy of 'Super Tax for rehabilitation of temporarily displaced persons' under section 4B of the Ordinance was introduced for tax year 2015. The said levy was extended and made applicable on succeeding years via subsequent Finance Acts upto financial year ended December 31, 2018. In the year 2019, through Finance Supplementary Act, 2019, the levy of Super Tax is prescribed at zero percent from financial year ended December 31, 2019 onwards for companies other than banking companies.

In 2020, the petition filed by the Holding Company along with other taxpayers against the imposition of Super Tax in the HCS was rejected vide order dated July 21, 2020. The Holding Company, in consultation with its legal and tax advisors, has filed an appeal against the decision of the HCS in the Supreme Court of Pakistan (SCP). Consequent to the High Court judgement, the tax authorities issued notices to the Holding Company and subsequently framed orders for recovery of Super Tax for tax years 2017 to 2019 with total tax demand of Rs. 2,232,966. Appeal was filed against these orders with Commissioner Inland Revenue (Appeals) (CIR(A)) on certain contentions and factual grounds. The CIR(A) has decided all appeals against the Holding Company and maintained the levy of Super Tax considering the HCS judgement. The Holding Company has filed a further appeal before the Appellate Tribunal Inland Revenue (ATIR) which is pending to be heard.

In November 2020, SCP granted leave to appeal and passed an interim order restraining the Respondents from taking any coercive action against the Petitioner taxpayers (including the Holding Company) subject to them depositing 50% of the impugned outstanding tax amount.

The Holding Company has till date paid Super Tax amounting to Rs. 265,389 through adjustments of excess tax refunds against the demand for tax years 2018 and 2019. Adequate provision for Super Tax for the respective tax years is being maintained in these consolidated financial statements.

42.4.3 Following is the position of the Holding Company's open tax assessments:

42.4.3.1 During the year, the Deputy Commissioner Inland Revenue (DCIR) - Audit has finalized the tax audit proceedings for tax year 2018 which is a "Group Return" filed under section 59AA of the Ordinance with its wholly owned subsidiaries EEL and EEAP. The Amended Order dated January 9, 2023, creates tax demand of Rs. 211,992 which is mainly on account of disallowances made of the provision pertaining to retirement benefits in the case of the Holding Company, a portion of disallowance of 'Purchases' for alleged non-withholding of taxes thereon in the case of EEAP and taxation of project management fee in the case of EEL as 'services rendered' at the rate of 7 percent vis a vis 8 percent as per the return.

Super Tax under section 4B of the Ordinance has also been reworked to Rs. 321,581 in this order based on the revised amounts of taxes determined. Moreover, the entire amount has been considered recoverable despite the adjustments made.

The Holding Company is in the process of filing an appeal against the order before the CIR(A). The management of the Holding Company is confident of a positive outcome of the case.

- 42.4.3.2 In 2020, the Assistant Commissioner Inland Revenue (ACIR) Audit through order dated December 22, 2020 amended the return for the tax year 2017 by creating tax demand of Rs. 4,335,176 mainly on account of tax levied on undistributed profits under section 5A and Super Tax under section 4B. The Holding Company had obtained stay from HCS against the levy of tax on undistributed profits, therefore the said demand was not recoverable by the tax department. In April 2021, the HCS disposed of the appeal against the levy of tax under section 5A as ultra vires to the Constitution. During the year, the ACIR passed the order dated December 30, 2022 rectifying the earlier order in relation to the levy of tax on undistributed profits. Thereafter, the demand of Rs. 4,335,176 was reduced and refundable of Rs. 392,231 was determined. As normal recourse, the Holding Company filed an appeal against the order of ACIR Audit before the CIR(A) which has been heard on January 31, 2023 and is reserved for order. The management of the Holding Company is confident of a positive outcome of the case.
- 42.4.3.3 In 2020, the income tax department, in respect of the tax year 2014, amended the return by creating tax demand of Rs. 401,240 whereby the Additional Commissioner Inland Revenue (ACIR) has levied tax on capital gains on disposal of shares of listed subsidiary, apportioned expenses against dividend income, disallowed the classification of 'Interest Income' as "Income from Business" as well as not allowing the adjustment of brought forward capital losses and brought forward minimum tax paid under section 113(2)(c) of the Ordinance. As a normal recourse, the Holding Company filed an appeal against the order of ACIR before the CIR(A). During the year, Appellate order has been framed by CIR(A) and favorable decision was made in respect of taxation of capital gains on disposal of shares of listed subsidiary whereas other matters have been remanded back to the ACIR for reconsideration.
- 42.4.3.4 During 2017, the income tax department in respect of the tax year 2015, determined an additional income tax liability of Rs. 128,400, whereby, the ACIR Audit has levied tax on inter-corporate dividends, Super Tax including on exempt income, the effects of classification of 'Interest Income' as "Income from Other Sources" as well as not allowing the adjustment of the minimum tax paid under section 113(2)(c) of the Ordinance. In the year 2019, the CIR(A) vide order dated May 6, 2019 has maintained the matter relating to taxation of intercorporate dividend, Super Tax under section 4B, the classification of the interest income and carry forward of minimum tax for adjustment whereas the rectificatory matters including the levy of Super Tax on exempt income was remanded back. The Holding Company has preferred an appeal before ATIR on all issues adjudicated against it. The Holding Company, based on the advice of its tax consultant, is confident that these matters will be decided in favour of the Holding Company. However, on prudence, the Holding Company has recorded provision against Super Tax.

engro corporation limited

(Amounts in thousand)

42.4.3.5 In 2017, the ACIR through order dated June 13, 2017 amended the return for the tax year 2016 creating tax demand of Rs. 1,573,876 mainly on account of tax levied on inter-corporate dividend, Super Tax including on exempt income and disallowance on account of allocation of expenses to dividend and capital gains including minimum tax paid under section 113 of the Ordinance. The CIR(A) while disposing off the Holding Company's appeal maintained the order of ACIR with respect to certain issues which were further contested before the ATIR. During 2019, the ATIR in its order dated July 31, 2019 has annulled the order of ACIR and validated the exemption on intercorporate dividend as well as the non-applicability of Super Tax on such exempt income whereas the issues relating to the levy of Super Tax under section 4B and the carry forward of minimum tax have been linked to the pending decisions of the HCS (where the matter is separately being contested by the Holding Company) and the carry forward under section 113(2)(c) has been linked to the decision of the SCP in the case of another taxpayer.

Against the order dated June 13, 2017, the Holding Company had filed an application for rectification. The ACIR through rectified order dated August 29, 2017 reduced the demand to Rs. 1,084,733. Through the said order, the ACIR accepted the Holding Company's contention relating to various matters except the issue of allocation of expenses to capital gains. The Holding Company contested this matter in appeal before the CIR(A) who has maintained the order of ACIR through order dated December 18, 2018. The Holding Company filed an appeal before the ATIR against the CIR(A) order.

In 2020, the Holding Company received appeal effect order dated November 20, 2020 issued by the ACIR giving effect to the findings of appellate orders of CIR(A) and ATIR by deleting the tax levied on inter-corporate dividends and Super Tax on exempt income which resulted in revised demand of Rs. 149,257. Moreover, the issue of classification of income from interest on bank deposits and from subordinated loans has been decided in the Holding Company's favour as "Income from Business".

During the year, Appellate Order has been framed by the CIR(A) wherein the levy of Super Tax under section 4B of the Ordinance has been maintained. An appeal has been filed before the ATIR which is pending.

In addition to the above, the ACIR issued a further amendment order dated November 24, 2020 for the same tax year and determined additional income tax liability of Rs. 21,808 on account of capital gain tax on debt securities. The same has been discharged by the Holding Company.

42.4.3.6 In 2013, the income tax department, in respect of the tax year 2011, determined additional income tax liability of Rs. 218,790 and raised a demand of Rs. 139,575 whereby DCIR - Audit disallowed allocation of expenses against interest income and apportioned expenses against dividend income and capital gains. The Holding Company filed an appeal with the CIR(A) who maintained the apportionment of expenses against dividend income and capital gains but allowed the allocation of administrative expenses against interest income, thereby reducing the income tax liability to Rs. 184,191 and revised the demand to Rs. 104,976. The Holding Company paid Rs. 53,250 there against and simultaneously filed an appeal against the CIR(A) decision with ATIR which granted a stay to the Holding Company. During 2014, the ATIR issued an order whereby the aforementioned appeal was remanded back to the assessing officers for denovo proceedings, thereby accepting the Holding Company's contention. The income tax department, in response there against, had filed an appeal with ATIR, which was dismissed during 2016.

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In 2014, the income tax department in respect of tax year 2012, amended the assessment and raised an additional demand of Rs. 250,773 on similar grounds as above. The Holding Company filed an appeal against the said order with CIR(A), who based on ATIR's order for tax year 2011, has remanded back the order to assessing officers for denovo proceedings.

During 2015, in respect of pending tax assessments for tax year 2011 and tax year 2012, the Holding Company received notices of demand amounting to Rs. 105,955 and Rs. 250,773, respectively, whereby the Deputy / Additional Commissioner Inland Revenue - Audit again disallowed allocation of expenses against interest income and apportioned expenses against dividend income and capital gains. The Holding Company filed appeals thereagainst before the CIR(A) and also obtained stays from the HCS from initiating any recovery proceedings in respect of both tax years. During 2016, in respect of both tax years, the CIR(A) accepted the Holding Company's plea and annulled the order passed by the DCIR. In response, the DCIR filed appeals before the ATIR for rectification of the orders passed by the CIR(A) for both tax years, which were subsequently dismissed. In 2017, the Holding Company reversed excess provision of Rs. 168,896 in respect of tax years 2011 and 2012 consequent to denovo proceedings after which the amended orders were passed in respect of the aforementioned tax years, wherein, the Commissioner has maintained the classification of income from interest on bank deposits and from subordinated loans as "income from other sources". In response, the Holding Company filed an appeal challenging this contention before the CIR(A). In January 2019, the CIR(A) passed the appellate orders for both the years and has again remanded the matter to the assessing officer for denovo proceedings.

During 2020, the Holding Company received appeal effect orders both dated June 29, 2020 along with notices of demand amounting to Rs. 75,308 and Rs. 112,681, respectively, whereby the Deputy / Additional Commissioner Inland Revenue - Audit has again maintained the classification of income from interest on bank deposits and from subordinated loans as "Income from Other Sources". During the year, Appellate order was framed by CIR(A) and favorable decision was made in respect of classification of interest income as "Income from Business" and allocation of expenses to dividend income and capital gains. The income tax department, in response thereagainst, had filed an appeal with ATIR, which is still pending.

Subsidiary Companies

- 42.5 Engro Fertilizers Limited (EFert) and its subsidiary company
- 42.5.1 Subsequent to the year end, EFert received an amendment order in respect of TY 2021, creating disallowances having a tax impact of Rs. 916,584. The disallowances mainly pertain to disallowance of WPPF and minimum tax on stock-in-trade.
 - EFert's management considers, based on its tax advisor's opinion, that it has reasonable grounds to defend the case and therefore will not be exposed to any additional liability in this respect.
- 42.5.2 During the year, in respect of TY 2018, EFert received an order from ACIR restricting brought forward losses having a tax impact of Rs. 580,910. This disallowance has been made in the assessment orders relating to prior years which are pending in appeals. Certain errors have been made in relation to allowance of credits which are being taken up in rectification.

EFert 's management, based on its tax advisor's opinion, that it has reasonable grounds to defend the case and therefore will not be exposed to any additional liability in this respect.

(Amounts in thousand)

42.5.3 In 2020, the income tax department amended the assessment filed by EFert for tax year 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 the year, the appeal was heard by CIR(A) and favorable decision was passed mainly pertaining to proration of expenses to exempt income, tax credit on investment in plant and machinery, and disallowance of deductible allowances for WWF and WPPF, hence, reducing the aggregate demand to Rs. 294,586. EFert has filed appeal before ATIR against the unfavorable decision of CIR(A).

Subsequently, the tax department has passed appeal effect order based on favourable CIR(A)'s decision and has maintained disallowance on deductible allowance for WPPF having tax impact of Rs. 269,435. Appeal before CIR(A) has been filed against this matter.

The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome on this amendment.

42.5.4 In 2019, the income tax department amended the assessment filed by EFert for the tax years 2015, 2016 and 2017. EFert filed appeals before CIR(A) for disallowances made in the orders which mainly included proration of expenses to exempt / FTR incomes, exchange loss disallowances, loss on derivatives and losses purchased from EEAP under section 59B of the Ordinance, resulting in cumulative demand of Rs. 1,980,698 (cumulative addition of Rs. 16,173,826 to taxable income) for these tax years. Subsequently, CIR(A) passed an order for tax years 2015, 2016 and 2017 maintaining most of the additions made by taxation officer in the amendment order, whilst allowing deletion of expenses on allocation basis to exempt income and claim of exchange losses on realised basis. EFert, as well as the tax department filed appeals against CIR(A)'s order before ATIR.

Through order dated February 26, 2020, ATIR decided the amendment orders for TY 2015 and 2016 mainly in favor of EFert, except for certain disallowances including provisions on other receivables, retirement benefits and disallowance of loss on fair valuation of embedded derivative which were maintained or remanded back to the tax department for verification. On June 01, 2020, the tax department filed reference application before HCS for questions of law arising out of the ATIR order.

The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome on these amendments.

42.5.5 In 2018, EFert received recovery notice from the Federal Board of Revenue for payment of Super Tax, in accordance with Section 4B of the Ordinance for TY 2018. EFert filed a Constitutional Petition before the HCS challenging the notice as well as the vires of Section 4B of the Ordinance. An interim order was granted in favour of EFert. On July 21, 2020, HCS held that of Section 4B was intra vires the Constitution (HCS Judgment). Thereafter, EFert filed a Civil Petition for Leave to Appeal (CPLA) before the SCP challenging the HCS Judgment. The CPLA was filed by EFert only in relation to TY 2018 i.e. the year which was challenged before the HCS as well.

Pursuant to the HCS Judgement, the tax department passed orders to EFert for TY 2015 to 2019 in relation to recovery of Super Tax amounting in aggregate of Rs. 2,110,491. EFert filed appeals against the orders before CIR(A).

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On November 26, 2020, SCP granted leave to appeal and passed an interim order restraining the Respondents from taking any coercive action against the Petitioner taxpavers (including the EFert) subject to them depositing 50% of the impugned outstanding tax amount.

42.5.6 In 2015, the income tax department amended the assessment filed by EFert for tax year 2014. EFert filed an appeal before the CIR(A) against the disallowances, which mainly pertained to exchange gain and loss, loss on derivatives and losses purchased from Engro Eximp Agriproducts (Private) Limited, an associate, under section 59B of the Ordinance resulting in demand of Rs. 1,231,201 (additions to taxable income of Rs. 3,191,963). In addition, the tax department raised demand for the Alternative Corporate Tax (ACT) through the same order, for which EFert specifically obtained a stay order. The matter was heard by the CIR(A) and favorable decision was made in respect of exchange gain and loss and acceptance of prior years tax refunds, whilst other additions made by the tax department in respect of ACT, loss on derivatives and group relief under section 59B were maintained in the order. EFert has filed an appeal against the order of CIR(A) before the Income Tax Appellate Tribunal which is pending to be heard.

The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome on this amendment.

- 42.5.7 In 2014, the income tax department amended the assessment filed by EFert for tax years 2010 and 2011. EFert filed appeals thereagainst before ATIR against the said disallowances, which through its decision provided relief in respect of certain items and confirmed certain disallowances in favor of the tax department. The said disallowances included the charge in respect of exchange gain and loss incurred for tax year 2010 and tax year 2011, and loss on derivative for tax year 2011 raising a demand in respect of these years in aggregate of Rs. 1,075,466. EFert had challenged the said decision before the HCS. In the year 2020, the matter was heard, and was reserved for judgement. The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome on these amendments.
- 42.5.8 As a result of merger of Engro Eximp (Private) Limited (EXIMP) with EFert, all pending tax issues of EXIMP have been transferred to EFert. Major pending issue pertains to exercise of option to be taxed under the Normal Tax Regime (NTR) by EXIMP for the years 2012 and 2013, resulting in an aggregate refund of Rs. 796,000. The tax department had not accepted the said treatment for tax year 2013, however, the matter was decided in favor of EFert by the Commissioner Income Tax Appeals (CIT(A)), against which the tax department has filed an appeal with the ITAT. However, the department has given appeal effect order to the aforementioned favorable decision of the CIT(A) for tax year 2013.

In 2019, in respect of tax year 2013, the matter was decided by the ITAT in favor of EFert and the department's appeal in this respect was rejected. EFert's management is confident for a favorable outcome on this case.

42.5.9 As a result of demerger in the year 2009, all pending tax issues of the then Holding Company, Engro Chemical Pakistan Limited had been transferred to EFert. Major issues pending before the tax authorities are described below:

(Amounts in thousand)

In previous years, the taxation department had filed reference applications in the HCS against the below-mentioned ATIR's decisions in EFert's favor. No hearing has been conducted to-date. The reference application includes the following matters:

- Group Relief (Financial years 2006 to 2008): Rs. 1,500,847
- Inter-Corporate Dividend (Financial years 2007 and 2008); Rs. 336,500
- G.P. Apportionment (Financial years 1995 to 2002): Rs. 653,000

The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome.

- Engro Polymer & Chemicals Limited (EPCL) and its subsidiary companies
- 42.6.1 Through the notice dated January 20, 2020, ACIR raised issues inter alia with respect to the adjustment of carried forward minimum taxes from the tax liability of Tax Year 2019 and required EPCL to pay Rs. 552,331 being the amount short paid with the return. EPCL filed a Constitutional Petition in the HCS challenging the notice, which through order dated February 4, 2020, dismissed the case based on the decision of the HCS in respect of another company. However, HCS directed the department to refrain from passing the order on the bases of the aforesaid notice for a period of thirty days which was then extended for further thirty days to enable EPCL to approach the SCP. EPCL has filed Civil Petition for Leave to Appeal against HCS order in SCP, which was heard on March 18, 2020 and an interim stay has been granted to EPCL subject to the submission of Bank Guarantee equivalent to the order amount, which has been duly submitted by EPCL. EPCL based on the advice of its legal advisor, is confident of a favorable decision. Accordingly, no provision is recognized in these consolidated financial statements.
- 42.6.2 Through the Finance Act 2015, section 4B of the Ordinance was inserted which levied super tax at specified rates on income for the tax year 2015. This levy was subject to the threshold of taxable income of Rs. 500,000. The levy was extended uptil tax year 2020 vide subsequent Finance Acts. Through Finance Supplementary Act, 2019, the levy of super tax has amended the rate of super tax to 0% from tax year 2020 and onwards for companies other than banking companies. On August 01, 2018, EPCL filed petition against the levy of super tax in the HCS and based on the opinion of its legal advisor, EPCL has made a provision for full amount of Super tax of Rs. 328,000. In 2020, super tax was declared intra vires by HCS and has been declared a tax rightly introduced through Finance Act and vacated all the stays filed in this respect. Consequently, EPCL received various notices from tax authorities for recovery of super tax for the tax years 2017 to 2019. EPCL filed appeal against the said notices with CIR(A) whereby the action of Officer has been confirmed by CIR(A) for tax years 2017 to 2019. EPCL filed an appeal before Appellate Tribunal against the decision of CIR(A) which is pending adjudication.

In the meanwhile, EPCL also filed petition in SCP against the order of HCS, which is pending adjudication. In November 2020, the SCP conditionally granted stay subject to deposit of 50% of super tax demand.

42.6.3 DCIR through order dated November 30, 2010 raised a tax demand of Rs. 163,206. The demand arose as a result of disallowance of finance cost of Rs. 457,282, additions to income of trading liabilities of Rs. 21,859 under section 34(5) of the Ordinance, disallowance of provision for retirement benefits of Rs. 14,239, disallowance of provision against Special Excise Duty (SED) refundable of Rs. 36,687, addition of imputed interest on loans to employees and executives of Rs. 20,599 and not considering net loss.

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In 2013, the ATIR issued an order whereby the aforementioned appeal was disposed of by accepting EPCL's position except for additions on account of SED provision of Rs. 36,687 and imputed interest on loans to employees and executives to the extent of Rs. 17,430, which were maintained. EPCL filed a reference with HCS against the additions maintained by ATIR. Likewise, the tax department has also filed reference with HCS against the order passed by the ATIR in favour of EPCL. The Group, based on the advice of EPCL's tax consultants, is confident that the ultimate outcome of the aforementioned matters would be favorable and, accordingly, has not recognized the effects for the same in these consolidated financial statements.

42.6.4 DCIR through an order dated November 26, 2009, raised a tax demand of Rs. 213,172 from EPCL for tax year 2008. The demand arose as a result of additions on account of trading liabilities of Rs. 47,582 under Section 34(5) of the Ordinance, disallowance of provision for retirement benefits of Rs. 5,899; addition of imputed interest on loans to employees and executives of Rs. 16,069 to income, disallowance of finance cost of Rs. 134,414 and disallowance of adjustment of minimum tax paid for tax years 2004 to 2007 against the above demand.

EPCL filed an appeal against the aforesaid order before the CIR(A) but discharged the entire demand through adjustment against assessed refunds of Rs. 180,768 and payment of the balance of Rs. 32,404 'under protest'. Through the appellate order, the CIR(A) maintained certain additions aggregating Rs. 189,810 including finance cost amounting to Rs. 134,414 and remanded back the issue of imputed interest on loans to employees and executives and directed the DCIR to allow credit of the minimum tax charged for the period from tax years 2004 to 2007. An appeal against the said appellate order was filed by EPCL before the ATIR. The department also filed an appeal against the said appellate order challenging the actions of the CIR(A).

In 2013, the ATIR issued an order whereby the aforementioned appeal was disposed of by accepting EPCL's position on all the disallowances made earlier except for additions on account of trading liabilities to the extent of Rs. 20,280 and minimum turnover tax for tax years 2004 to 2007 to the extent of Rs. 26,992 which were maintained.

In 2013, EPCL filed a reference with the HCS against the additions maintained by ATIR. Likewise, the tax department also filed reference with the HCS against the order passed by the ATIR in favor of the EPCL. In 2018, the HCS disposed of EPCL's appeal on the ground that the issues raised by EPCL requires factual verification whereas the petition of the tax department is still pending before the HCS. The Group based on the advice of EPCL's tax consultants, decided to accept the decision of the HCS and accordingly, has recognized the provision of Rs. 108,882 in respect of additions maintained by ATIR in these consolidated financial statements.

- 42.7 Elengy Terminal Pakistan Limited (ETPL) and its subsidiary company
- 42.7.1 EETPL's tax exemption period ended on March 28, 2020. In the post exemption period, EETPL applied for issuance of nil deduction certificate on the premise that its income from terminal services falls under clause 42 of Part IV of Second Schedule of the Ordinance. However, the Commissioner rejected the EETPL's request. Thereafter, EETPL filed Revision Application with the Chief Commissioner Inland Revenue, who maintained the action of the Commissioner. EETPL in consultation with the lawyer filed Constitution Petition before the HCS and through the interim orders HCS has directed SSGCL not to withhold tax on payments made to EETPL, however, this is subject to submission of Bank Guarantee

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(Amounts in thousand)

(BG) of equal amount with the Nazir of HCS. EETPL in compliance with the HCS directions is submitting BG and, based on assessment, has recognized the current tax charge based on the withholding tax deductible considering this as a minimum tax liability of EETPL as per the applicable provisions of the Ordinance.

- 42.8 Engro Energy Limited (EEL) and its subsidiary companies
- 42.8.1 In 2021, the ACIR under section 122 (5A) of the Ordinance, amended the tax return for the tax year 2020 vide order dated September 28, 2021 (Rectified Order November 8, 2021) and made certain additions and disallowances that primarily pertains to profit on debt on account of loans from the Holding Company claimed as a deduction and reciepts on account of project management services to be taxed under Normal Tax Regime (NTR) / Minimum Tax Regime (MTR). EEL filed an appeal before CIR(A) dated October 26, 2021, which is pending for hearing.
- 42.8.2 EPTL's income tax return for tax year 2020 has been amended under section 122(5) of the Ordinance. The ACIR has issued order dated August 30, 2021, under which other income has been taxed which was partially treated by EPTL as exempt business income while the remaining was set-off against business losses. This has resulted in a tax demand of Rs. 190,963. Based on the advice of its tax advisor, EPTL has filed an appeal before CIR(A) dated September 8, 2021, for which hearing was held on December 29, 2022 and is reserved for order. EPTL based on the advice of its tax advisor, is confident that chances of ultimate success are good, hence, no provision has been made in this respect in these consolidated financial statements.
- 42.8.3 In 2020, the ACIR under section 122 (5A), amended the tax return for the tax year 2017 vide order dated November 30, 2020 and made certain additions and disallowances that primarily pertains to apportionment of administrative expenses against profit on debt and reciepts on account of project management services to be taxed under Normal Tax Regime (NTR) / Minimum Tax Regime (MTR). EEL has filed an appeal before CIR(A) dated December 28, 2020, which was heard on December 31, 2021 and is pending adjudication.
- 42.8.4 EEL's income tax return for the tax year 2016 was selected for audit under section 214C of the Ordinance. The DCIR after conducting audit made certain additions and disallowances, and hence, amended the return filed by EEL vide order dated November 2, 2018, framed under section 122(1)/(5) of the Ordinance. These additions primarily relate to treating reimbursement from subsidiary as services, additions on account of apportionment of administrative expenses and receipts on account of the project management services to be taxed under normal tax regime / minimum tax regime and resulted in tax demand of Rs. 80,888. EEL being aggrieved filed an appeal before the CIR(A). EEL also approached the HCS for stay against recovery of demand which was duly granted till the adjudication of appeal by the CIR(A).

ATIR annulled the order of DCIR and CIR(A) and the return position was reinstated vide appeal effect order October 25, 2022. Appeal has been filed before the CIR(A) against the Order dated June 28, 2022 under section 4B of the Ordinance for the tax year 2016.

In 2019, EEL received an order from CIR(A) in which certain issues were remanded back to the DCIR while the other issues were decided in favor of tax authorities. EEL filed an appeal before the ATIR on the issues decided against it which is currently pending. Based on the views of the tax advisors and

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legal consultant of EEL, EEL's management is confident that EEL has a good case on merit and expects a favorable outcome. Accordingly, no provision has been made in respect of the aforementioned demand in these consolidated financial statements.

- 42.8.5 The ACIR through separate show cause notices dated December 11, 2017 and December 12, 2017, issued in respect of tax years 2012, 2013, 2015 and 2016, raised an issue with respect to the inter-corporate dividend claimed as exempt. The ACIR also showed an intention to levy super tax on dividend income for tax years 2015 and 2016. EEL challenged these notices before the HCS which has restrained the tax authorities from taking any coercive action including passing an order on the basis of the said notices. Accordingly, no provision has been made in this respect in these consolidated financial statements.
- 42.8.6 EEL's income tax return for the tax year 2014 was selected for audit under section 214C of the Ordinance. The DCIR after conducting the audit made certain additions and disallowances, and, hence amended the return filed by EEL vide order dated January 12, 2017, framed under section 122(1)/(5) of the Ordinance and raised a tax demand of Rs. 268,584. EEL being aggrieved filed an appeal before CIR(A). EEL also approached the HCS for a stay against recovery of said demand which was duly granted till the adjudication of appeal by the CIR(A).

In 2019, EEL received an order of CIR(A) in which certain issues were remanded back to the DCIR while other issues were decided in favour of tax authorities. EEL filed an appeal before the ATIR on the issues decided against it which is currently pending. Based on the views of tax advisor and legal consultant of EEL, EEL's management believes that EEL has a good case on merits and expects a favourable outcome. Accordingly, no provision has been made in respect of the aforementioned demand in these consolidated financial statements.

Associated Company and Joint Venture

42.9 FrieslandCampina Engro Pakistan Limited (FCEPL)

Following is the position of FCEPL's open tax assessments:

42.9.1 The DCIR issued show cause notices to FCEPL for sales tax on tea whitener and dairy drink product i.e. 'Tarang' and 'Omung' respectively for year 2013 on October 17, 2017 and for years 2014, 2015 and 2016 on March 9, 2018 aggregating to Rs. 14,886,500 challenging the exemption / zero rating on these products. Against the show cause notices the FCEPL had filed Constitutional Petitions before HCS for year 2013 on October 25, 2017 and for years 2014, 2015 and 2016 on March 15, 2018, and had obtained an interim injunction against adverse action by tax authorities on the same day. The HCS vide its order dated November 18, 2020 has upheld FCEPL's view with respect to 'Tarang' in view of the decision of the Classification Committee obtained by FCEPL on February 11, 2019. With respect to 'Omung' the HCS has suspended the notice, advising that the FBR may refer the matter to the Classification Committee, for a decision afresh; and till such time no action can be taken against FCEPL. The amount of show cause notices pertaining to 'Omung' aggregate to Rs. 1,480,841. In case the Classification Committee (for Omung) decides against FCEPL, FCEPL can avail all legal remedies available to it. FCEPL has filed an appeal against this decision with respect to Omung in the SCP. Further, FBR has also challenged the order dated November 18, 2020 in the SCP. SCP disposed-off cross appeals filed against the HCS order dated November 18, 2020. SCP has allowed the FECPL's appeals and has set aside the notices related to Omung, whereas SCP dismissed the appeals of tax department against 'Tarang'. After the SCP order, show cause notices issued to FECPL have been completely set aside.

(Amounts in thousand)

On March 15, 2022, the Classification Committee (CC) issued ruling, effective prospectively, on tea whiteners including 'Tarang'. CC therein reviewed its previous rulings and decided the matter against the taxpayers. On October 28, 2022, the Lahore High Court (LHC) passed an order setting aside the ruling dated March 15, 2022 and remanded back the case to the Collector of Customs to re-adjudicate the matter as per the procedure prescribed under the law. Pursuant to the order of the LHC, if any classification ruling is issued, the same would be applicable from the date of the final decision by the Collector of Customs. The Collector of Customs held various hearings and FCEPL has submitted its responses however decision of the Collector of Customs is pending. The Parties in LHC case have also further appealed the LHC's order in the SCP. Some dairy companies have further challenged LHC order in SCP on the ground that LHC direction to Collector of Customs to re-adjudicate the matter afresh is void and illegal.

- 42.9.2 On January 29, 2009, DCIR reduced tax loss from Rs. 1,224,964 to Rs. 1,106,493 for the tax year 2007. Being aggrieved with the impugned order, FCEPL has filed appeal before the CIR(A) on March 11, 2009, which is pending for adjudication. However, FCEPL, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and hence no provision has been recognized in these consolidated financial statements.
- 42.9.3 FCEPL in accordance with section 59B 'Group Relief' of the Ordinance had surrendered to Holding Company, its tax losses amounting to Rs. 4,288,134 out of the total tax losses of Rs. 4,485,498 for the financial years ended December 31, 2006, 2007 and 2008 (i.e. tax years 2007, 2008 and 2009) for cash consideration aggregating to Rs. 1,500,847, being equivalent to tax benefit / effect thereof.

FCEPL had been designated as part of the Group of ECL by the Securities and Exchange Commission of Pakistan (SECP) through its letter dated February 26, 2010. Such designation was mandatory for availing Group tax relief under section 59B of the Ordinance and a requirement under the Group Companies Registration Regulations, 2008 notified by the SECP on December 31, 2008.

The ATIR, in respect of surrender of aforementioned tax losses by the FCEPL to the Holding Company for the financial years ended December 31, 2006 and 2007, decided the appeals on July 1, 2010 in favor of the Holding Company, whereby, allowing the surrender of tax losses by FCEPL to the Holding Company. The tax authority has filed reference application dated October 23, 2010 there against before the HCS, which is under the process of hearings. On May 20, 2013, ATIR also decided similar appeal filed by the Holding Company for the year ended December 31, 2008 in favor of the Holding Company. FCEPL based on the merits of the case expects a favorable outcome of the matter.

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42.10 Relationship between tax expense and accounting profit

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Group's applicable tax rate as follows:

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	2022 2021 Rupees	
Profit before taxation	68,200,884	71,239,689
Tax calculated at the rate of 29% (2021: 29%) Effect of exemption from tax on certain income Effect of applicability of Super tax, lower tax rate,	19,778,256 (5,716,960)	20,659,510 (4,383,832)
Final Tax Regime and other tax credits / debits Prior year current and deferred tax charge Un-recoupable minimum turnover tax	1,520,586 6,513,916 4,870	2,129,559 (1,461,515) 5,298
Impact of change in tax rate Tax effect of minimum tax liability on imports, exports and local trading	(1,326,196) 897,734	- 541,986
Effect of surrender of tax losses Effect of expenses not allowed for tax Others	(2,171,249) 2,649,975 (61,254)	1,145,054 21,153
Tax charge for the year	22,089,678	18,657,213

43. profit from discontinued operations

As stated in note 1.3.3.1, the Board of Directors of EDL has decided to discontinue its operations. As a result, financial performance of EDL has been classified as discontinued operations, a summary of which is as follows:

	2022 Rupe	2021 Bes
Administrative expenses Other operating expenses Other income Profit from operations	(197) 268 71	(2,642) (4,365) 32,389 25,382
Finance cost Profit before taxation Taxation Profit for the year Net cash inflow / (outflow) from operating activities Net increase / (decrease) in cash generated by EDL	71 - 71 204 204	(7,308) 18,074 11,209 29,283 (21,688) (21,688)

44. earnings per share - basic and diluted

Basic earnings per share has been calculated by dividing the profit attributable to equity holders of the Group by weighted average number of ordinary shares in issue during the year.

As at December 31, 2022, there is no dilutive effect on the basic earnings per share of the Group. Earnings per share is based on the following:

(Amounts in thousand)

2022 2021 -----Rupees------

Profit for the year, attributable to:

- continuing operations
- discontinued operations

24,331,981 71 **24,332,052**

27,912,231 29,283 **27,941,514**

-----Number in thousands-----

Weighted average number of ordinary shares for determination of basic and diluted EPS

Earnings per share in rupees - Basic and Diluted

- continuing operations
- discontinued operations

576,163 42.23 0.00

42.23

48.45 0.05 48.50

45. remuneration of CEO, directors and executives

The aggregate amounts for remuneration, including all benefits, to chief executive and directors of the Holding Company and executives of the Group are given below:

		2022			2021	
	Directors		Executives	Directors		Executives
	Chief	Others	_	Chief	Others	
	Executive			Executive		
			Rupees	3		
Managerial remuneration	95,931	-	6,893,608	75,862	-	5,390,889
Bonus	70,195	-	2,227,161	102,623		1,217,577
Retirement benefits funds	-	-	864,429	-	-	705,922
Fees	-	136,242	53,474	-	103,458	-
Advisory arrangement	-	100,484	-	-	-	-
Other benefits	-	-	467,584	-	-	783,517
Total	166,126	236,726	10,506,256	178,485	103,458	8,097,905
Number of persons including those who						
worked part of the year	1	9	1,485	1	9	1,190

The Group also makes contributions to pension and gratuity funds and provides certain household items for use of some executives. The Group also provides certain household items for use of some employees and Chief Executive. Cars are also provided for use of certain employees and directors. In addition, directors of the Holding Company are also entitled for travelling benefits in respect of which Rs. 318,498 (2021: Rs. 63,084) have been incurred. Further, an amount of Rs. 133,993 (2021: Nil) has been recognized in these consolidated financial statements for the share based payment transactions. Individual allocations of this amount will be determined upon completion of the vesting conditions.

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45.2 Premium charged during the year in respect of directors indemnity insurance policy, purchased by the Group, amounts to Rs. 506 (2021: Rs. 3,511).

46. retirement benefits

46.1 Defined benefit plans

The Group offers a defined post-employment gratuity benefit to permanent management and non-management employees. In addition, until June 30, 2005, EFert offered a defined post-employment pension benefit to management employees in service which has been discontinued and the plan now only covers a handful of retired pensioners.

The gratuity and pension funds are governed under the Trusts Act, 1882, Trust Deed and Rules of Fund, the Act, the Ordinance and the Income Tax Rules, 2002.

Responsibility for governance of plan, including investment decisions and contribution schedule lie with Board of Trustees of the Fund.

The Group faces the following risks on account of defined benefit plans:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Group has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in risk free investments of 3, 5 or 10 year Special Savings Certificates, Regular Income Certificates, Defence Savings Certificates or Government Bonds. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

In addition to above, the pension fund exposes the Group to Longevity Risk i.e. the pensioners survive longer than expected.

46.1.1 Valuation results

The latest actuarial valuation of the defined benefit plans was carried out as at December 31, 2022, using the Projected Unit Credit Method. Details of the defined benefit plans are as follows:

(Amounts in thousand)			nefit Gratuity unded 2021	Defined Ben Plan Funded 2022	
				_	
46.1.2	Consolidated Statement of Financial Position reconciliation				
	Present value of defined benefit obligation Fair value of plan assets Deficit / (Surplus) Unrecognized asset Net liability recognized in the consolidated	540,263 (348,973) 191,290	445,393 (333,472) 111,921	19,103 (43,900) (24,797) 24,797	22,324 (42,821) (20,497) 20,497
	statement of financial position	191,290	111,921	_	-
			nefit Gratuity unded 2021	Defined Ben Plan Funded 2022 Rupees	d (Curtailed) 2021
46.1.3	Movement in net liability recognized in the Statement of Financial Position			Πάροσο	
	Net liability at beginning of the year Expense / (income) for the year Remeasurement loss to Other	111,921 35,120	35,966 27,569	(2,278)	(978)
	Comprehensive Income Payments made to outgoing members Net liability at end of the year	44,249 - 191,290	58,542 (10,156) 111,921	2,278	978
46.1.4	Movement in present value of defined benefit obligation				
	As at beginning of the year Current service cost	445,393 22,234	537,779 25,461	22,324	26,836
	Interest cost Benefits paid during the year Remeasurement loss / (gain) to Other	52,335 (3,112)	45,479 (214,711)	2,400 (3,059)	2,118 (3,192)
	Comprehensive Income As at end of the year	23,413 540,263	51,385 445,393	(2,562) 19,103	(3,438) 22,324

		Plan F 2022	nefit Gratuity unded 2021	Defined Bene Plan Funded 2022	(Curtailed) 2021
46.1.5	Movement in fair value of plan assets		Rupe	es	
	As at beginning of the year Expected return on plan assets Benefits paid during the year Remeasurement (loss) / gain to Other	333,472 39,449 (3,112)	511,969 43,371 (214,711)	42,821 4,678 (3,059)	38,820 3,096 (3,192)
	Comprehensive Income As at end of the year	(20,836) 348,973	(7,157) 333,472	(540) 43,900	4,097 42,821
46.1.6	Charge for the year				
	Current service cost Net Interest cost	22,234 12,886 35,120	25,461 2,108 27,569	(2,278) (2,278)	(978) (978)
			nefit Gratuity unded 2021	Defined Ben Plan Funded 2022	
46.1.7	Principal actuarial assumptions used in the actuarial valuation				
	Discount rate Expected rate of return on plan assets	13.25%	11.75%	13.25%	11.75%
	- per annum	13.25%	11.75%	13.25%	11.75%
	Expected rate of increase in future salaries - per annum	12.25% to 13.25%	10.75% to 11.75%	-	-
			nefit Gratuity iunded 2021 Rupe	Defined Bene Plan Funded 2022 ees	
46.1.8	Actual return on plan assets	19,572	36,214	7,581	7,193
46.1.9	Plan assets comprise of the following		22	202	
	Defined Benefit Gratuity Plans	Rupees	(%)	Rupees	(%)
	Debt Equity	257,437 81,213	73.77% 23.27%	240,397 92,699	72.09% 27.80%
	Others (including cash)	10,323 348,973	2.96% 100%	376 333,472	0.11%
	Defined Benefit Pension Plan Debt	30,000	68.34%	42,821	100.00%
	Others	13,900 43,900	31.66% 100%	42,821	0.00%
		43,900	100%	42,021	100%

46.1.10 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

46.1.11 Historical information of staff retirement benefits

	2022	2021	_ 2020	2019	2018
Defined benefit gratuity plans			Rupees-		
Present value of defined benefit obligation	(540,263)	(445,393)	(537,779)	(517,729)	(503,530)
Fair value of plan assets	348,973	333,472	511,969	306,420	364,649
Deficit	(191,290)	(111,921)	(25,810)	(211,309)	(138,881)
Defined benefit pension plan Present value of defined benefit obligation	(19,103)	(22,324)	(26,836)	(24,018)	(24,600)
Fair value of plan assets	43,900	42,821	38,820	38,277	38,104
Surplus	24,797	20,497	11,984	14,259	13,504

46.1.12 Expected future cost / (reversal) for the year ending December 31, 2022 is as follows:

	(Rupees)
Defined benefit gratuity plans	55,433
Defined benefit pension plan	(3,087)

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(Amounts in thousand)	Defined Benefi	t Gratuity	Defined Bene	fit Pension
,	Plan Funded		Plan Funded (Curtailed)	
	2022	2021	2022	2021
		Rur	Dees	

46.1.13 Remeasurement recognized in Other Comprehensive Income

Comprehensive Income				
Gain / (Loss) from change in experience adjustments	(22,983)	(50,469)	1,332	(286)
Gain / (Loss) from change in financial assumptions	(430)	(916)	1,230	3,724
Remeasurement of obligation	(23,413)	(51,385)	2,562	3,438
Actual Return on plan assets Expected Return on plan assets Difference in opening fair value of plan assets	19,572 (39,449) (959)	36,214 (43,371) -	7,581 (4,678) (3,443)	7,193 (3,096)
Remeasurement of plan assets	(20,836)	(7,157)	(540)	4,097
Effect of asset ceiling	(44,249)	(58,542)	(4,300) (2,278)	(8,513) (978)

46.1.14 Sensitivity analysis

The impact of 1% change in following variables on defined benefit obligation is as follows:

	Defined Benefit Gratuity Plan Funded		Defined Benefit Pension Plan Funded (Curtailed)	
	Increase in Decrease in		Increase in Decreas	
	Assumption	Assumption	Assumption	Assumption
		Ru	pees	
Discount rate	507,590	539,084	18,363	19,906
Long term salary increases	577,369	468,423	-	-
Long term pension increases	-	-	20,008	18,261

	Gratuity Plans	Pension Plan
46.1.15 Maturity Profile	Rup	ees
Time in years	•	
1	72,110	3,370
2	141,553	3,088
3	45,410	2,810
4	57,089	2,538
5-10	322,182	10,114
11-15	567,574	3,437
16-20	706,977	1,121
20+	2,787,164	445
Weighted average duration	8.09	3.87 t

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(Amounts in thousand)

47.

Defined contribution plans

46.2.1 An amount of Rs. 944,603 (2021: Rs. 529,756) has been charged during the year in respect of defined contribution plans maintained by the Holding Company.

contribution plans maintained by the Holding Company.		
	2022 Rupe	2021
cash generated from operations	Тире	,63
Profit before taxation	68,200,884	71,239,689
Add: Profit attributable to discontinued operations	71	29,283
Profit before taxation from continuing operations	68,200,955	71,268,972
Adjustment for non-cash charges and other items:		
Depreciation	14,619,166	11,889,284
Depreciation on right-of-use asset	1,341,441	1,041,963
Amortization of intangible assets	412,260	244,983
Amortization of deferred income	(360,721)	(177,078)
A secondination of alive et a set au FODII	00 510	00 510

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Amortization of direct cost on FSRU	86,516	86,516
Reversal of impairment of property, plant and equipment	(1,458,297)	-
Gain on disposal / write-off of property,	, , , , ,	
plant and equipment	(260,370)	(3,458)
Rent concession on lease liability	(12,729)	(24,205)
Remeasurement loss on provision for GIDC (note 27.1)	1,102,678	1,401,519
Impairment of long term investment	35,212	691,371
Financial charges	22,309,198	12,329,200
Default surcharge on GIDC (note 40)	503,733	156,583
Finance income on net investment in lease	(6,139,802)	(5,153,362)
Finance cost on lease liability	5,931,308	3,933,976
Income on deposits / other financial assets	(14,358,511)	(7,754,737)
Loss allowance on subsidy receivable from	, , , ,	

522,936

(3,215,276)

3,787,394

11,063,664

104,110,755

42,789,936

11,063,664

557,700

(3,226,697)

(26, 136, 852)

61,832,875

(1,853,932)

(8,239,945) (181,043) (9,534,664)

(12,476,649)

(32,286,233)

6,149,381

(26,136,852)

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707,197

47.1 Working capital changes

GoP (note 17.1)

associates (note 41) Foreign currency translation

Share of income from joint venture and

- Trade and other payables and provisions

Working capital changes (note 47.1)

(Increase) / decrease in current assets

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

(524,683)
1,270,218
(20,303,880)
(1,829,009)
(10,338,918)
(31,726,272)

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48. cash and cash equivalents

Cash and bank balances (notes 20 and 48.1) Short term investments with original maturity less than 3 months (note 19) Short-term borrowings 44,986,627 11,783,721 (30,174,299) **26,596,049**

40,452,829 70,739,366 (19,838,727) **91,353,468**

Balances of Rs. 17,000 (2021: Rs. 17,000) held against bank guarantee in favor of custom authorities to comply with interim orders of the Court and Rs. 40,752 (2021: Rs. 25,772) held against letter of credit in favor of Custom Authorities have been excluded from cash and cash equivalents for the purpose of consolidated statement of cash flows.

2022	2021
Rup)ees

49. financial instruments by category

49.1 Financial assets

- Financial assets at amortized cost Financial asset at amortized cost Loans and advances Net investment in lease Trade debts Contract assets Other receivables Accrued income Short term investments Cash and bank balances
- Financial assets measured at fair value through other comprehensive income Pakistan Investment Bonds Derivative financial instruments Other investments
- Financial assets measured at fair value through profit or loss Mutual fund units
 Pakistan Investment Bonds

49.2 Financial liabilities

 Financial liabilities measured at amortized cost Borrowings Trade and other payables Lease liabilities Accrued interest / mark-up

3,783,265 3,020,695 57,843,698 71,195,463 14,124,293 16,848,807 2,269,306 37,758,554 44,986,627 251,830,708	3,592,784 2,796,878 49,208,145 58,528,771 6,487,105 12,261,027 633,633 62,366,150 40,495,601 236,370,094
29,380,322 737,319 92,320 30,209,961	92,805 144,244 237,049
17,166,688 1,799,903 18,966,591	20,005,901
216,858,673 104,857,649 71,416,814 2,764,706 395,897,842	186,198,561 84,009,447 59,274,424 1,366,497 330,848,929

(Amounts in thousand)

50. financial risk management

50.1 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. The Group's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Group's Finance and Planning departments under policies approved by the Senior Management.

a) Market risk

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

This exists due to the Group's exposure resulting from outstanding import payments, foreign commercial transactions, foreign currency loan liabilities, related interest payments and foreign currency bank accounts. A foreign exchange risk management policy has been developed and approved by the management. The policy allows the Group to take currency exposure for limited periods within predefined limits while open exposures are rigorously monitored. The Group ensures to the extent possible that it has options available to manage exposure, either through forward contracts, options, interest rate swaps or prepayments, etc. subject to the prevailing foreign exchange regulations.

At December 31, 2022, if the foreign exchange rate had weakened / strengthened by 1% against Pakistani Rupee with all other variables held constant, consolidated post tax profit for the year would have been lower / higher by Rs. 59,820.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from short and long-term borrowings and short term investments. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk.

The Group analyses its interest rate exposure on a regular basis by monitoring interest rate trends to determine whether to enter into hedging alternatives.

As at December 31, 2022, if interest rates had been 1% higher / lower with all other variables held constant, consolidated post tax profit for the year would have been lower / higher by Rs. 778,452, mainly as a result of interest rate exposure on variable rate borrowings.

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. The Group is exposed to price risk on its mutual fund investments.

As at December 31, 2022, if net asset value had been 1% higher / lower with all other variables held constant, consolidated post tax profit for the year would have been lower / higher by Rs. 11,747.

b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk arises from deposits with banks and financial institutions, trade debts, loans, advances, deposits, bank guarantees and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with a reasonably high credit rating or mutual funds which in turn are deposited in banks and government securities. The Group maintains internal policy to place funds with commercial banks and mutual funds of asset management companies having a minimum short term credit rating of A1 and AM3 respectively. However, the Group maintains operational balances with certain banks of lower rating for the purpose of effective collection of bank guarantees and to cater to loan disbursements.

The Group's fertilizer segment is exposed to concentration of credit risk on its trade debts by virtue of all its customers being agri-based businesses in Pakistan. However, this risk is mitigated by applying individual credit limits and by securing a majority of trade debts against bank guarantees and inland letter of credits.

The Group's power segment is not exposed to any credit risk on its trade debts as these are secured by sovereign guarantee from the Government of Pakistan.

The Group's polymer / chemical segment is not materially exposed to credit risk on trade debts as unsecured credit is provided to selected parties with no default in recent history and a major part is secured by bank guarantees.

The Group's terminal segment is not materially exposed to credit risk on trade debts, other and lease receivables from SSGC considering history, no default has been made by the customer and payments are received on a timely basis.

The Group's connectivity and telecom segment is not materially exposed to credit risk on balances with banks and financial institutions, deposits, trade debts and other receivables.

(Amounts in thousand)

The Group monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

	2022	2021
	Rup)ees
Loans and advances	3,020,695	2,796,878
Trade debts	29,963,359	20,817,542
Contract assets	14,124,293	6,487,105
Other receivables	9,264,012	2,127,193
Short term investments	26,674,249	59,630,819
Bank balances	44,973,038	40,483,497
Accrued income	2,269,306	633,633
	130,288,952	132,976,667

The credit quality of receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history. Investments in Pakistan Investment Bonds and Treasury Bills are government guaranteed. The credit quality of Group's bank balances and short term investments can be assessed with reference to external credit ratings as follows:

Bank / financial Institution	Rating	Rating		
	agency	Short term	Long term	
ABL Asset Management Company Limited	PACRA	-	AM1	
Al Baraka Bank (Pakistan) Limited	VIS	A-1	A+	
Allied Bank Limited	PACRA	A1+	AAA	
Askari Bank Limited	PACRA	A1+	AA+	
Bank Alfalah Limited	PACRA	A1+	AA+	
Bank Al Habib Limited	PACRA	A1+	AAA	
Bank Islami Pakistan Limited	PACRA	A1	Α	
Bank of China	FITCH	F1+	A+	
Bank of Khyber	PACRA	A-1	Α	
CIMB Bank Berhad	Moody's	P-2	A3	
Citibank N.A.	Moody's	P-1	Aa3	
Dubai Islamic Bank Pakistan Limited	VIS	A1+	AAA	
Faysal Bank Limited	PACRA	A1+	AA	
Habib Bank Limited_	JCR-VIS	A1+	AAA	
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	
HBL Asset Management Limited	JCR-VIS	AM1	AM1	
Industrial and Commercial Bank of China	Moody	P-1	A2	
JS Bank Limited	PACRA	A1+	AA-	
Mashreq Bank	Moody's	P-2	Baa1	
MCB Bank Limited	PACRA	A1+	AAA	
MCB Islamic Bank Limited	PACRA	A-1	A	
Meezan Bank Limited	JCR-VIS	A1+	AAA	
National Bank of Pakistan	PACRA	A1+	AAA	
National Investment Trust Limited	PACRA	-	AM1	

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Bank / financial Institution	Rating	Ratin	g
	agency	Short term	Long term
Pak Brunei Investment Company Limited Pak China Investment Company Limited Pak Kuwait Investment Company (Private) Limited Pak Oman Investment Company Limited Samba Bank Limited Silk Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited The Bank of Punjab UBL Fund Managers Limited Mobilink Microfinance Bank Telenor Microfinance Bank United Bank Limited	JCR-VIS JCR-VIS PACRA JCR-VIS JCR-VIS PACRA PACRA JCR-VIS PACRA JCR-VIS PACRA JCR-VIS PACRA JCR-VIS PACRA JCR-VIS	A1+ A1+ A1+ A1+ A-1 A2 A1+ A1+ A-3 A-1+ AM1 A-1 A-1 A-1 A-1	AA+ AAA AA+ AA- AAA BBB- AA+ AM1 A AAA
OTTICO DATIN LITTICO		$\triangle I \perp$	$\neg \lor \neg \lor \neg$

c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Group maintains flexibility in funding by maintaining committed credit lines available.

The Group's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

		2022			2021	
	Maturity	Maturity		Maturity	Maturity	
	upto	after	Total	upto	after	Total
	one year	one year		one year	one year	
			Rupees			
Financial liabilities						
Borrowings	63,268,513	165,197,151	228,465,664	52,258,880	143,349,916	195,608,796
Trade and other payables	104,857,649	-	104,857,649	84,009,447	-	84,009,447
Lease Liability	12,794,103	86,187,057	98,981,160	10,405,735	78,538,247	88,943,982
Accrued interest / mark-up	2,764,706	-	2,764,706	1,366,497	-	1,366,497
	183,684,971	251,384,208	435,069,179	148,040,559	221,888,163	369,928,722

(Amounts in thousand)

50.2 Capital risk management

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for share holders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The regulatory regime in which the Group's power segment operates, renders the value of the equity to a bond given the guaranteed IRR of 15% with an indexation allowed under the Power Purchase Agreement for changes in US \$ / PKR exchange rate.

The Group's strategy is to ensure compliance with agreements executed with financial institutions so that the total long term borrowings to equity ratio does not exceed the lender covenants. The proportion of borrowing to equity at year end was:

2022 2021 -----Rupees-----162,928,247 Borrowings (note 23) 183,873,713 Lease liabilities (note 25) 71.416.814 59.274.424 255,290,527 222,202,671 Total borrowings 240,583,957 242,799,687 Equity 465,002,358 495,874,484 Gearing ratio 51.48% 47.79%

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

51. fair value estimation

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. The table below analyses financial instruments carried at fair value by valuation method. The different level have been defined as follows:

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

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(Amounts in thousand)	Level 1	Level 2	Level 3	Total
		Rupe	es	
As at December 31, 2022				
Fair value through profit or loss				
- Mutual fund units	-	17,166,688	-	17,166,688
- Pakistan Investment Bonds		1,799,903		1,799,903
		18,966,591		18,966,591
Fair value through other comprehensive income				
- Derivative financial instruments	-	737,319	-	737,319
- Pakistan Investment Bonds	-	29,380,322	-	29,380,322
- Other investments		92,320		92,320
		30,209,961		30,209,961
As at December 31, 2021 Fair value through profit or loss				
- Mutual fund units		20,005,901		20,005,901
Fair value through other comprehensive income				
- Derivative financial instruments	-	92,805	_	92,805
- Other investments	139,244	5,000		144,244
	139,244	97,805		237,049
				-

Level 2 fair value have been determined on the basis of PKRV rates and closing net asset values for government securities and mutual fund units respectively.

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

52. segment reporting

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

Type of segments	Nature of business

Fertilizer

This part of the business manufactures, purchases and markets fertilizers. The operations of this segment includes a wide range of fertilizer brands, besides urea, which primarily comprises of Engro Zarkhez, Zingro and Engro DAP optimized for local cultivation needs and demand. Further, the segment is a leading importer and seller of phosphate products which are marketed extensively across Pakistan as phosphatic fertilizers. The Company carrying on the fertilizer business is listed on Islamic Index.

(Amounts in thousand)

Type of segments Nature of business

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. The Company carrying on

the polymer business is listed on Islamic Index.

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 anciliary products and

services.

Other operations It includes management of investments in associates and joint ventures

by the Holding Company. It also includes investments made in foods and

dairy segment.

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

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The following information presents operating results regarding operating segments for the year ended December 31, 2022 and asset information regarding operating segments as at December 31, 2022:

	Fert 2022	Fertilizer Polymer 022 2021 2022 2021			Terminal 2022 2021	
Revenue from external customers (note 34)						
At a point in time Over time	157,016,931 - 157,016,931	132,363,138 - 132,363,138	81,982,766 76,817 82,059,583	69,941,017 80,661 70,021,678	16,408,856 16,408,856	12,959,789 12,959,789
Segment gross profit / (loss)	42,847,140	44,074,160	23,379,899	24,035,625	5,611,632	4,281,671
Segment expenses - net off other income	(14,979,123)	(13,655,222)	(5,029,383)	(3,439,552)	(546,548)	(723,140)
Interest income	1,838,431	1,631,204	1,437,332	1,294,603	692,804	486,850
Finance cost (note 40)	(2,621,808)	(1,602,197)	(3,091,904)	(1,903,508)	(965,141)	(811,304)
Loss allowance on subsidy receivable from GoP	(522,936)	(557,700)	-	-	-	-
Share of income from joint venture and associates (note 41)	-	-	-	-	1,222,769	1,175,457
Reversal of impairment of property, plant and equipment (note 4.5)	-	-	-	-	-	-
Income tax (charge) / credit (note 42)	(10,558,414)	(8,797,588)	(5,006,829)	(4,926,657)	(2,323,766)	(1,672,342)
Segment profit / (loss) after tax - continuing operations	16,003,290	21,092,657	11,689,115	15,060,511	3,691,750	2,737,192
Segment gain / (loss) - discontinued operations	-	-	-	-	-	-
	16,003,290	21,092,657	11,689,115	15,060,511	3,691,750	2,737,192
Segment assets	145,413,332	132,818,383	85,400,579	77,985,743	74,971,634	64,339,032
Investment in joint venture / associates	-	-	-	-	-	-
Total segment assets	145,413,332	132,818,383	85,400,579	77,985,743	74,971,634	64,339,032
Total segment liabilities	100,359,904	85,731,575	58,278,863	48,017,833	67,330,086	56,715,706
Capital expenditure	8,377,514	10,567,296	9,095,716	3,600,670	463,889	102,530
Impairment of long term investment						
Depreciation	3,256,411	2,884,200	2,934,134	2,251,063	442,703	400,486
Amortization of intangible assets (note 6.1)	181,908	144,891	97,446	33,740	12,332	9,250

2022	nd mining 2021	2022	and telecom 2021	2022	perations 2021	Elimination 2022	on - net 2021	Consol 2022	idated 2021
	Ri	upees							
83,069,965 83,069,965	87,525,307 87,525,307	9,094,633 9,094,633	118,822 4,370,455 4,489,277	75,246,438 - 75,246,438	24,992,776 - 24,992,776	(66,392,063) (76,817) (66,468,880)	(20,764,564)	247,854,072 108,573,454 356,427,526	206,651,189 104,936,212 311,587,401
29,371,094	24,139,901	3,830,597	2,085,645	22,930,852	21,273,670	(23,352,168)	(20,435,947)	104,619,046	99,454,725
2,267,909	1,096,415	(795,503)	(929,772)	(8,235,648)	(4,881,378)	1,135,225	997,389	(26,183,071)	(21,535,260)
3,527,054	1,065,730	546,632	835,351	7,533,956	4,121,683	(1,217,698)	(1,510,136)	14,358,511	7,925,285
(18,846,137)	(11,755,063)	(3,603,487)	(2,711,648)	(847,870)	(309,622)	1,232,108	1,819,284	(28,744,239)	(17,274,058)
-	-	-	-	-	-	-	-	(522,936)	(557,700)
1,008,703	1,331,413	-	-	983,804	719,827	-	-	3,215,276	3,226,697
-	-	-	-	1,458,297	-	-	-	1,458,297	-
(1,976,879)	(1,230,392)	308,915	139,515	(2,391,416)	(1,761,716)	(141,289)	(408,033)	(22,089,678)	(18,657,213)
15,351,744 q	14,648,004	287,154	(580,909)	21,431,975	19,162,464	(22,343,822)	(19,537,443)	46,111,206	52,582,476
-	-	71	29,283	-	-	-	-	71	29,283
15,351,744	14,648,004	287,225	(551,626)	21,431,975	19,162,465	(22,343,822)	(19,537,443)	46,111,277	52,611,759
292,796,191	243,371,269	60,974,587	44,859,768	92,570,122	83,543,972	(38,699,719)	(36,669,948)	713,426,726	610,248,219
7,696,482	6,722,991	-	-	28,292,444	27,349,835	-	-	35,988,926	34,072,826
300,492,673	250,094,260	60,974,587	44,859,768	120,862,566	110,893,807	(38,699,719)	(36,669,948)	749,415,652	644,321,045
228,595,228	178,169,148	42,760,262	27,071,529	26,155,440	17,079,157	(14,648,088)	(11,263,590)	508,831,695	401,521,358
4,671,204	1,469,212	17,626,696	4,323,274	495,244	437,001			40,730,263	20,499,983
	383,829								383,829
6,486,824	5,718,469	2,276,585	1,156,702	563,950	520,327			15,960,607	12,931,247
64,171	26,741	10,811	2,749	54,424	31,478	(8,832)	(3,866)	412,260	244,983

 Revenue derived from CPPA-G which is in excess of 10% or more of the Group's revenue amounting to Rs. 82,548,083 (2021: Rs. 87,119,198), attributable to power and mining segment.

53. transactions with related parties

Following are the details of associated undertakings and other related parties with whom the Group 53.1 entered into transactions or had agreements and arrangements in place during the year:

S. No.	Name of Related parties	Direct shareholding % of the Holding Company	Relationship
1	Dawood Hercules Corporation Limited	37.22%	Holding Company
2	Arabian Sea Country Club	N/A	Associated Company
3	Engro Foundation	N/A	Associated Company
4	FrieslandCampina Engro Pakistan Limited	39.90%	Associated Company
5	Habib Bank Limited	N/A	Associated Company
6	Javed Akbar Associates (Private) Limited	N/A	Associated Company
7	Mitsubishi Corporation	N/A	Associated Company
8	Pakistan Institute of Corporate Governance (PICG)	N/A	Associated Company
9	Pakistan Stock Exchange - PSX	N/A	Associated Company
10	Reon Energy Limited	N/A	Associated Company
11	Siddiqsons Energy Limited	N/A	Associated Company
12	Signify Pakistan Limited	N/A	Associated Company
13	Sindh Engro Coal Mining Company Limited	N/A	Associated Company
14	Sui Southern Gas Company Limtited - SSGC	N/A	Associated Company
15	Thar Foundation	N/A	Associated Company
16	Thar Power Company Limited	N/A	Associated Company
17	Vopak LNG Holding B.V., incorporated in the Netherlands	N/A	Associated Company
18	Engro Vopak Terminal Limited	50%	Joint Venture
19	Mr. Ghias Khan	N/A	Chief Executive Officer
20	Mr. Mazhar Abbas Hasnani	N/A	Chief Financial Officer
21	Dawood Corporation (Private) Limited	0.01%	Common Directorship
22 23	Hagler Bailly Pakistan	N/A N/A	Common Directorship
	Inbox Business Technologies Private Limited Karachi School for Business & Leadership	N/A	Common Directorship
24 25		N/A	Common Directorship
26	Overseas Investors Chamber of Commerce & Industry Pakistan Oxygen Limited	N/A	Common Directorship Common Directorship
27	Dawood Investments	2.01%	Common Directorship
28	Tenaga Generasi Limited	2.0176 N/A	Common Directorship
29	The Dawood Foundation	N/A	Common Directorship
30	The Karachi Education Initiative	N/A	Common Directorship
31	Mr. Abdul Samad Dawood	0.29%	Director
32	Mr. Hussain Dawood	2.90%	Director
33	Mr. Khawaja Iqbal Hassan	0.01%	Director
34	Mr. Mohammad Abdul Aleem	0.04%	Director
35	Mr. Rizwan Diwan	N/A	Director
36	Mr. Shahzada Dawood	1.00%	Director
37	Ms. Dominique Russo	N/A	Director
38	Ms. Henna Inam	N/A	Director
39	Ms. Sabrina Dawood	0.64%	Director
40	Ms. Azmeh Dawood	0.26%	Daughter of director
41	Mrs. Ayesha Dawood	N/A	Spouse of director
42	Mrs. Humera Aleem	0.01%	Spouse of director
43	Mrs. Kulsum Dawood	1.26%	Spouse of director
44	Dr. Shamshad Akhtar	N/A	Director of Group Company
45	Mr. Asad Said Jafar	N/A	Director of Group Company
46	Mr. Asim Murtaza Khan	N/A	Director of Group Company
47	Mr. Feroz Rizvi	N/A	Director of Group Company
48	Mr. Hideki Adachi	N/A	Director of Group Company

S. No.	Name of Related parties	Direct shareholding % of the Holding Company	Relationship
49	Mr. Ismail Mahmud	N/A	Director of Group Company
50	Mr. Javed Akbar	N/A	Director of Group Company
51	Mr. Nazoor Ali Baig	N/A	Director of Group Company
52	Mr. Noriyuki Koga	N/A	Director of Group Company
53	Ms. Ayesha Aziz	N/A	Director of Group Company
54	Mr. Shahab Qader	N/A	Key management personnel
55	Mr. Abdul Qayoom	N/A	Key management personnel
56	Mr. Adil Mushtag	N/A	Key management personnel
57	Mr. Ahsan Zafar Syed	N/A	Key management personnel
58	Mr. Aneeg Ahmed	N/A	Key management personnel
59	Mr. Asghar Ali Khan	N/A	Key management personnel
60	Mr. Athar Abrar Khawaja	N/A	Key management personnel
61	Mr. Eram Hasan	N/A	Key Management Personnel
62	Mr. Fahd Khawaja	N/A	Key management personnel
63	Mr. Farooq Barkat Ali	N/A	Key Management Personnel
64	Mr. Farooq Nazim Shah	N/A	Key Management Personnel
65	Mr. Imran Ahmed	N/A	Key Management Personnel
66	Mr. Jahangir Piracha	N/A	Key management personnel
67	Mr. Kalimuddin A Khan	N/A	Key management personnel
68	Mr. Khawaja Bilal Hussain	N/A	Key Management Personnel
69	Mr. Khawaja Bilal Mustafa	N/A	Key Management Personnel
70	Mr. Khusrau Nadir Gilani	N/A	Key Management Personnel
71	Mr. Mahmood Siddiqui	N/A	Key management personnel
72 73	Mr. Mohammad Omer	N/A	Key management personnel
73 74	Mr. Muhammad Idrana	N/A N/A	Key Management Personnel
74 75	Mr. Muhammad Idrees	N/A N/A	Key Management Personnel
76	Mr. Muhammad Majid Latif Mr. Muhammad Saad Khan	N/A N/A	Key Management Personnel Key Management Personnel
77	Mr. Nadir Salar Qureshi	N/A	Key Management Personnel
78	Mr. Rizwan Masood Raja	N/A	Key Management Personnel
79	Mr. Salman Hafeez	N/A	Key management personnel
80	Mr. Shahzad Nabi	N/A	Key Management Personnel
81	Mr. Shariq Abdullah	N/A	Key Management Personnel
82	Mr. Sulaiman Ijaz	N/A	Key Management Personnel
83	Mr. Syed Abbas Raza	N/A	Key management personnel
84	Mr. Syed Ali Akbar	N/A	Key management personnel
85	Mr. Syed Ammar Shah	N/A	Key management personnel
86	Mr. Syed Manzoor Hussain Zaidi	N/A	Key Management Personnel
87	Mr. Syed Mohsin Hassan	N/A	Key management personnel
88	Mr. Syed Zaheer Mehdi	N/A	Key Management Personnel
89	Mr. Tariq Zafar	N/A	Key Management Personnel
90	Mr. Yusuf Siddiqui	N/A	Key Management Personnel
91	Ms. Ekta Sitani	N/A	Key Management Personnel
92	Ms. Fatima Khushnud	N/A	Key Management Personnel
93	Ms. Nida Fatima Hashmi	N/A	Key management personnel
94	Ms. Rabia Wafah Khan	N/A	Key management personnel
95	Ms. Rizwana Halepoto	N/A	Key management personnel
96 97	Ms. Shomaila Loan	N/A	Key Management Personnel
98	Mr. Vaqar Zakaria	N/A N/A	Key Management Personnel Key Management Personnel
99	Ms. Fauzia Viqar Mr. Kaiser Bengali	N/A N/A	Key Management Personnel
100	Ms. Nausheen Ahmed	N/A	Key Management Personnel
101	Mr. Kan Li	N/A	Key Management Personnel
102	Mr. Xiangwei Duan	N/A	Key Management Personnel
103	Mr. Xinjie Wei	N/A	Key Management Personnel
104	Mr. Sami Aziz	N/A	Key Management Personnel
105	Mr. Wang Pu	N/A	Key Management Personnel
106	Mr. Amir Qasim	N/A	Key Management Personnel
			=

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S. No.	Name of Related parties	Direct shareholding % of the Holding Company	Relationship
107	Engro Corporation Limited - MPT Employees DC Gratuity Fund	d N/A	Post Employement Benefits
108	Engro Corporation Limited - MPT Employees DC Pension Fund	d N/A	Post Employement Benefits
109	Engro Corporation Limited Gratuity Fund	N/A	Post Employement Benefits
110	Engro Corporation Provident Fund	N/A	Post Employement Benefits
111	Engro Fertilizers Limited NMPT Gratuity Fund	N/A	Post Employement Benefits
112	Engro Fertilizers Limited Pension Fund	N/A	Post Employement Benefits
113	Engro Foods Employees Gratuity Fund	N/A	Post Employement Benefits

(Amounts in thousand)

Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

	2022 Ruŗ	2021 Dees
Parent Company		
Dividend paid Expense in connection with advisory agreement Reimbursements to Parent company	7,291,974 14,617 16,098	7,720,913 117,000 -
Associated Companies		
Purchases and services Donations Payments against EPC contract Short term loan received Repayment of overdraft facility Reimbursement to associated companies Expenses paid on behalf of associated companies Dividends paid / payable Loans repaid Finance costs	51,083,731 671,184 - 2,849,878 3,609,879 323,324 310,277 537,680 113,052 4,170,368	45,600,457 818,262 289,825 3,500,000 500,000 215,927 544,219 920,842 98,083 2,280,518
Joint Venture		
Purchase of services Reimbursements Dividend received Expenses paid on behalf of joint venture company Dividend paid	3,178,688 78,865 932,400 399,456 1,078,176	2,540,891 35,041 1,155,000 177,884
Retirement funds		
Contribution to retirement benefit funds	1,050,298	1,013,252
Directors		
Dividend paid Dividend paid to key management personnel Advisory arrangement Directors' fees	1,259,953 15,750 100,484 136,242	1,201,160 - - 106,659
Others		
Other benefits paid Remuneration of key management personnel Reimbursement to key management personnel	147,844 1,514,454 1,808	136,252 1,298,203 1,458

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Details of related parties incorporated outside Pakistan with whom the Group had transactions or arrangements in place are as follows:

	GEL Utility Limited	China Machinery Engineering Corporation	China East Resources Import & Export Corporation	Engro Power Services Limited (EPSL)	Engro Power Investment International B.V. (EPII B.V.)	Engro Power Services Holding B.V. (EPSH B.V.)	Engro Power International Holding B.V. (EPIH)	Engro Eximp FZE	Vopak LNG Holding B.V.
Country of									
Incorporation	Nigeria	People's	People's					United	
		Republic of	Republic of	Netherlands	Netherlands	Netherlands	Netherlands	Arab	Netherlands
		China	China					Emirates	
% of holding	45%	N/A	N/A	100%	100%	100%	100%	100%	N/A
	(indirectly	(indirectly	(indirectly	(indirectly	(indirectly through	(indirectly	(indirectly	(Subsidi-	(Associate)
Basis of	through	through	through	through	subsidiary)	through	through	ary)	
Relationship	subsidiary)	subsidiary)	subsidiary)	subsidiary)		subsidiary)	subsidiary)		

54. contributory retirement funds

The employees of the Group participate in the Provident Fund maintained by the Holding Company. Monthly contributions are made both by the companies in the Group and the employees to the fund maintained by the Holding Company at the rate of 10% of basic salary.

The investments out of the provident funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified there under.

55. donations

Donations include the following in which the Directors of the Holding Company or Group companies are interested:

Director	Interest in Donee	Name of donee	2022 Rupees
Ghias Khan	Director	Engro Foundation	497,218

During the year the Group made / accrued the following donations which are above Rs. 1,000 or 10% of each component's total amount of donation:

Engro Foundation	497,218
Thar Foundation	167,619
R. B. Udhawdas Tarachand Hospital, DC Office, Shikarpur	49,728
Prime Minister Flood Relief Fund	22,845
Flood Relief	12,582
NED University of Engineering & Technology	9,890
Developments in Literacy	2,150
The Kidney Centre Post Graduate	2,000
Lady Dufferin Hospital	1,500
Strengthening Participatory Organization	1,213
Behbud Foundation	1,000

(Amounts in thousand)

56. production capacity

production capacity		Des	igned		
		Annual	Capacity	Actual Pr	roduction
		2022	2021	2022	2021
Urea (note 56.1)	Metric Tons	2,275,000	2,275,000	1,954,528	2,104,722
NPK (note 56.1)	Metric Tons	100,000	100,000	137,075	144,564
PVC Resin (note 56.1)	Metric Tons	295,000	295,000	239,000	243,000
EDC (note 56.1)	Metric Tons	127,000	127,000	102,000	94,000
Caustic soda (note 56.1)	Metric Tons	106,000	106,000	97,000	92,000
Caustic flakes (note 56.1)	Metric Tons	20,000	20,000	9,000	8,000
VCM (note 56.1)	Metric Tons	254,000	254,000	219,000	203,000
Power (note 56.2)	Mega Watt Hours	7,139,758	7,141,295	4,454,614	5,076,068
Power	Mega Watt	66	66	55	55
Milling / Drying unit of rice					
processing plant (note 56.3)	Metric Tons	414,000	414,000	87,856	148,839

- 56.1 Production planned as per market demand and in house consumption needs.
- Output produced by the plants of EPQL and EPTL is dependent on the load demanded by NTDC and plants' availability.
- 56.3 Three months season design capacity and production is dependent on availability of rice paddy.
- The annual regassification capacity of EETPL as service provider to SSGCL is 4.5 MTPA and there has been no shortfall during the year.

57. number of employees of the group

	Numb employe		Average ni employees du	
	December	December	December	December
	31, 2022	31, 2021	31, 2022	31, 2021
Management employees Non-management employees	2,342	2,297	2,290	2,217
	472	469	471	469
	2,814	2,766	2,761	2,686

58. seasonality

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

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.

59. interest in joint arrangements

During the year, EFert, Fauji Fertilizer Company Limited (Fauji) and Fatima Fertilizer Company Limited (FATIMA) (collectively the Fertilizer Manufacturers) entered into a Framework Agreement dated November 30, 2022 (the Agreement) for Gas Pressure Enhancement Facilities (PEF) project. Under the Agreement, the Fertilizer Manufacturers have decided to jointly develop and install pressure enhancement facilities at Mari Petroleum Company Limited's (MPCL's) delivery node to sustain the current level of pressure of gas supply from HRL reservoir of MPCL.

All decisions with respect to the development and operations of PEF would be made only with unanimous consent of the Fertilizer Manufacturers. Accordingly, PEF arrangement would be classified as a 'Joint Arrangement' in accordance with IFRS 11 - Joint Arrangements. Further, PEF would not be established through a separate legal entity and consists of an asset i.e. PEF facility which will be jointly owned and operated by the Fertilizer Manufacturers, hence, the joint arrangement for establishment and operations of PEF has been classified as a 'Joint Operation' in these consolidated financial statements. Current cost sharing percentages in PEF of EFert, Fauji and FATIMA are 33.9%, 47.7% and 18.4%, respectively. The Group has recognized its share of jointly held asset in these consolidated financial statements.

60. non-adjusting event after reporting date

- The Board of Directors of the Holding Company in its meeting held on February 15, 2023 has proposed a final cash dividend of Rs. 1 per share for the year ended December 31, 2022 amounting to Rs. 576,163 for approval of the members at the Annual General Meeting to be held on March 30, 2023.
- The members of the Holding Company in its meeting held on January 26, 2023 have approved purchase / buy-back by the Holding Company upto an aggregate number of 70,000,000 issued ordinary shares of the Holding Company, having paid-up / face value of Rs. 10 each, representing approximately 12.1% of the total issued and paid-up ordinary shares of the Holding Company, at the spot / current share price acceptable to the Holding Company prevailing during the purchase period, through the stock exchange.

(Amounts in thousand)

61. listing of subsidiary companies, associated companies and joint venture

Name of Subsidiaries	Financial year end
Engro Fertilizers Limited (EFert)	December 31
EFERT Agritrade (Private) Limited (EAPL)	December 31
Engro Polymer and Chemicals Limited (EPCL)	December 31
Think PVC (Private) Limited	December 31
Engro Peroxide (Private) Limited	December 31
Engro Plasticizer (Private) Limited	December 31
Engro Energy Limited (EEL)	December 31
Engro Power Services Limited (EPSL)	December 31
Engro Power International Holding B.V. (EPIH)	December 31
Engro Power Services Holding B.V. (EPSH B.V.)	December 31
Engro Power Investment International B.V. (EPII B.V.)	December 31
Engro Powergen Qadirpur Limited (EPQL)	December 31
Engro Powergen Thar (Private) Limited (EPTPL)	December 31
Elengy Terminal Pakistan Limited (ETPL)	December 31
Engro Elengy Terminal (Private) Limited (EETPL)	December 31
Engro Eximp FZE (FZE)	December 31
Engro LNG FZE (ELNG)	December 31
Engro Eximp Agriproducts (Private) Limited (EEAPL)	December 31
Engro Connect (Private) Limited	December 31
Engro Infiniti (Private) Limited	December 31
Engro Enfrashare (Private) Limited	December 31
Engro Energy Services Limited (EESL)	December 31
Name of Joint Venture	
Engro Vopak Terminal Limited (EVTL)	December 31
Name of Associates	
FrieslandCampina Engro Pakistan Limited (FCEPL)	December 31
Sindh Engro Coal Mining Company Limited (SECMC)	December 31
Gel Utility Limited (GEL)	December 31
Siddigsons Energy Limited (SEL)	June 30
Pakistan Energy Gateway Limited (PEGL)	December 31
Magboro Power Company Limited (MPCL)	December 31

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61.1 Set out below is summarised financial information for each subsidiary that has Non-Controlling Interests (NCI). The amounts disclosed for each subsidiary are before inter-company eliminations:

			2022		
	EPQL	EPTPL	ETPL Rupees	EFert	EPCL
Total Assets	24,161,647	272,636,155	74,971,632	145,413,332	85,400,580
Total Liabilities	11,056,858	206,364,041	67,330,086	100,359,904	58,278,865
Total Comprehensive Income	1,460,181	16,264,068	2,468,981	15,993,161	11,689,115
Total Comprehensive Income allocated to NCI	454,262	8,115,770	1,086,352	6,993,809	5,121,001
Accumulated NCI	4,105,813	33,580,023	3,350,938	19,618,902	13,106,710
Cash and cash equivalents	(5,934,338)	19,751,100	4,027,769	(4,096,566)	3,453,356
Cash (utilized in) / generated from - operating activities - investing activities - financing activities Dividend paid / payable to NCI	4,281,667 (544,366) (4,963,631) (1,410,279)	23,887,877 6,766 (27,808,130) (12,078,738)	5,209,228 (463,889) (3,828,703) (1,078,335)	31,634,356 (18,926,865) (29,181,275) (7,883,006)	21,734,401 (8,753,830) (15,550,460) (6,619,089)
Dividend paid / payable to NOI	(1,410,219)	(12,070,730)	(1,070,333)	(1,000,000)	(0,019,009)
Interest of NCI	31.11%	49.90%	44%	43.73%	43.81%
			2021		
	EPQL	EPTPL	ETPL Rupees	EFert	EPCL
Total Assets	27,444,638	223,245,066	64,339,032	132,818,383	77,966,040
Total Liabilities	11,266,830	157,734,827	56,715,706	85,731,575	47,998,130
Total Comprehensive Income	1,593,433	14,154,879	1,561,735	21,053,202	15,060,511
Total Comprehensive Income allocated to NCI	495,445	7,063,635	687,163	9,832,729	6,573,746
Accumulated NCI	5,061,830	37,542,991	3,342,921	20,508,099	14,604,798
Cash and cash equivalents	(4,708,006)	21,717,985	3,901,720	12,377,216	6,304,008
Cash (utilized in) / generated from - operating activities - investing activities - financing activities	374,796 (108,518) (1,368,880)	29,225,940 (1,372,270) (16,036,280)	3,082,098 (102,530) (2,396,996)	14,611,502 16,027,644 (23,388,309)	14,569,087 (9,341,299) (13,334,631)
Dividend paid / payable to NCI	327,397		329,060	9,050,857	5,061,651
Interest of NCI	31.11%	49.90%	44%	43.73%	43.81%

(Amounts in thousand)

62. corresponding figures

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

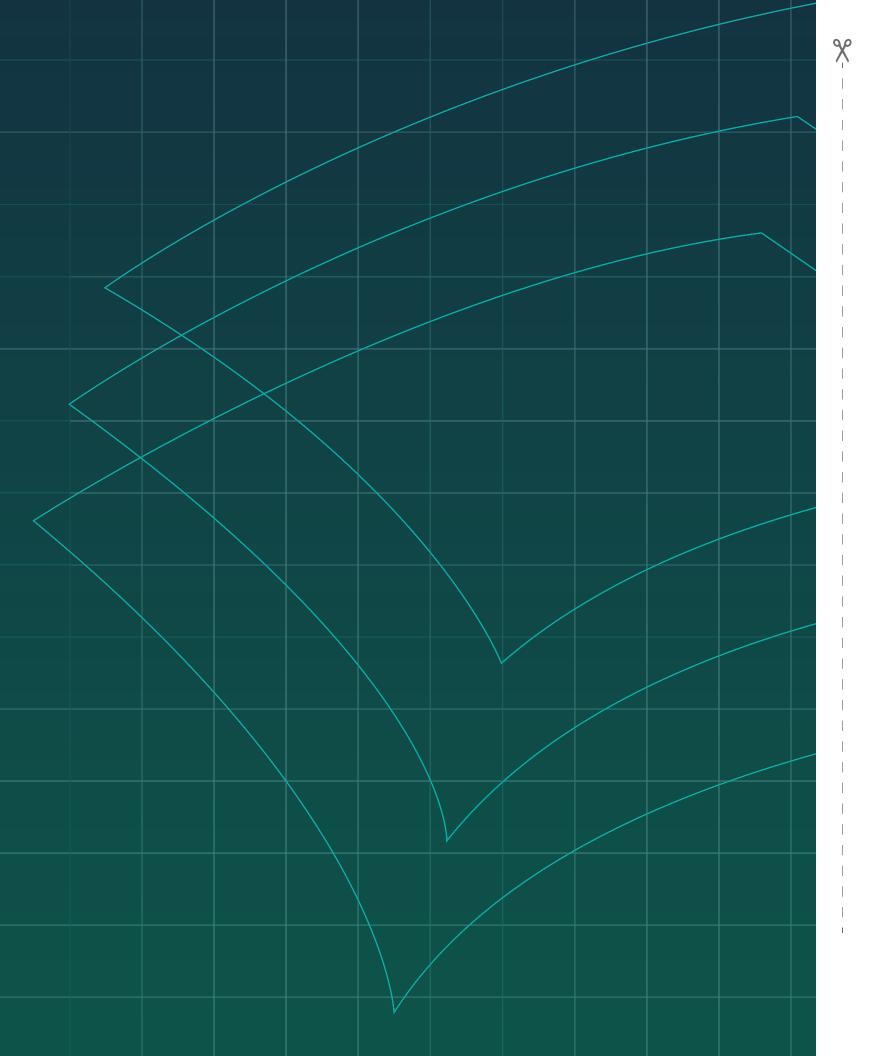
63. date of authorization for issue

These consolidated financial statements were authorized for issue on February 15, 2023 by the Board of Directors of the Holding Company.

Muhammad Abdul Aleem Director Mazhar Abbas Hasnani Chief Financial Officer Ghias Khan
President & CEO

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proxy form

I/We		
of		being a member of ENGRO
CORPORATION LIMITED and holder	of	Ordinary Shares as per
share(Number of Shares)		
Register Folio Noand/o	r CDC Participant I.D. No	
and Sub Account No	, hereby appoint	of
or failing him/her	of	
as my/our proxy to vote for me/us a	nd on my/our behalf at the A	nnual General Meeting of the
Company to be held on the 30th day	of March, 2023, and at any	adjournment thereof.
Signed this	day of	2023.
WITNESSES:		
1.Signature:	_	
Name:	_	
Address:	_	
	_	
CNIC or	_	
Passport No	— Signa	Signature should agree with the
2.Signature:	O C	registered with the Company.
Name:	_	
Address:	_	
CNIC or	_	
Passport No.		

Note: Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A Proxy holder may not need to be a member of the Company. CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

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اینگروکار پوریشن کمپٹر کے ممبر کی حیثیت سے		ريان مير المائم <u>المائم المائم المائ</u>
اور /یاسی ڈیسی پارٹی سپیٹ آئی ڈی	جىٹر فوليونمبر _	شيئررة
عمومی شیئر ز کی تحویل رکھتا		نمبراورسب كاؤنث نمبر
چ 2023 کو ہونے والے سالانہ اجلاس میں اپنی اہماری غیر موجودگی میں شرکت اور ووٹ دینے	کو30ماریز	ہوں۔ میں اہم بہاں
		کے لیے اپنا جمار اپرائسی مقرر کرتا / کرتی ہوں۔
	2023_	. پارخ. بارخ.
		گواہان:
	_	وستخط:
وسنتخط		نام:نام: ایڈرلیس:
(پیدستخط ممپنی میں رجسٹر ڈ دستخط کے نمونے جیسیا ہونا جیا ہے)		سی این آئی سی ایا سیپورٹ نمبر:
	_	د شخط:
	_	نام:نام: نام:
		ا پیردین. سی این آئی سی / پاسپورٹ نمبر:
) کمپنی کوموصول ہوجا کیں ۔ پراکسی کے لیے کمپنی کاممبر ہونا ضروری نہیں ہے۔	لم 48 گھنٹے بل	نوٹ: پراکسیز کے موثر ہونے کے لیے بیلازمی ہے کہ پراکسیز اجلاس سے کم از کم
ہ سے پہلے وہ اپنے تی این آئی تی یا پاسپورٹ کی تصدیق شدہ کا پی پراکسی فارم کے ساتھ منسلک کریں۔	فارم جمع کرانے	CDC شیئر ہولڈرزاوران کے پراکسیز سے گزارش کی جاتی ہے کہ کمپنی کو پراکسی ف

standard request form circulation of annual audited accounts

	The Share Registrar Engro Corporation Limited. FAMCO Associates (Pvt.) Ltd. 8-F, Near Hotel Faran Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal KARACHI. E-mail: info.shares@famco.com.pk Telephone No. (9221) 3438 0101-5, 3438 4621-3	Dated:
Engro Cor FAMCO A 8-F, Near Nursery, I KARACH E-mail: in Telephone Dear Sir, Subject: I,		
	Dear Sir,	
,	Subject: Request for Hard Copy of Annual I	Report of Engro Corporation Limited.
	shareholder of Engro Corporation Limited with the my name be added to the list of Shareholders of the the Annual Report of the Company and hereby requ	being a registered particulars as mentioned below would request that the Company who opt for delivery of a hardcopy of uest you send to me the Annual Report in hard copy the member register instead of providing the same
	Partic	culars
	Name of Shareholder	
	Folio No. / CDC ID No.	
	CNIC/NICOP/ Passport No.	
	Land Line Telephone No. (if any)	
	Cell No. (if any)	
,	Yours truly,	
	Shareholder's Signature	
	Copy to: Company Secretary Engro Corporation Limited 8th Floor, The Harbour Front, Dolmen City HC-3, Block 4, Clifton, Karachi-75600.	

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7 ـ الكثراك ويدفع يدفع مينايت

کینٹرا کے نے 2017 کے پیشن 242 کی شرائلا کے مطابق اسٹ کی تی کویش او پر ٹیر کی ادا بھی سرق الیکٹرا کل سرق الیکٹرا کل ارسے مقدارشیئر اولڈرزی طرف سے مقر دکروہ پیک اکا اوٹ میں براہ راست کرتا ہوگا۔ براہ راست اسپنے بیک اکا اوس میں او پر ٹیر طامل کرنے کے لیے بشیئر ہولڈرزے درخواست کی جاتی ہے کردہ کہنی کی ویب سائٹ پر دستایا بھٹر ایک کرنے کے ساتھ دھھا شدہ بشیئر رجڑ اربیسر الیمکو انہوی ایٹس (یہا توبیت) کسینڈ کو کھیں۔

ا کا کی ای شر صف رکھنے کی صورت ش الیکٹرا تک واج بالط میں ایس الیکٹرا تک واج بالط میں الیکٹرا تک ان انا و مشدمر وسر کوئٹ کروایا جاتا جا ہے۔

معلومات كي عدم وصوى كي صورت على ، كيني أثيم ووللرز كواع يلظ كي اوا يكي روك يريجور وكي-

ایل بی آرے مطابق مشتر کدا کا ویش کی صورت میں دو دولڈ کے تھی رہتل گئے ہے۔ تا کر ایان قام کر ایٹیش کے ساتھ ساتھ جوانت وولڈرز کے اٹیشس کی بنیادی کے بنیادی کے بنیادی کی بنیادی کی جانے گئے۔ چوکمبران جوانت ٹیس کی میانہ کے بیان سے دوقواست کی جاتی ہے کہ رہتل ٹیمٹر بولڈراورجوانت کی جائے ہے کہ ایک ایموی ایشس کی جاتے ہولڈرڈ کے ٹیمٹر ہولڈرگ کا تناسب میارے ٹیمٹر دیٹر اردیسلو پرمطوبات فروہم تھی جاتے ہی تھے جاتے گئے کے تھی رہنل ٹیمٹر ہولڈراورجوانت مولڈرڈ کے برابری سے میں دیکھ کی جاتے ہیں۔

10-וניבטונטולטט לעוו(פונט)

الیں ای می کی جانیت کے مطابق جن شیخ مولارز کے درست شاختی کاروز رشیخ رجمزار کے پاس دختیاب قبل جن بان کاری پیش دوکا جاسکا ہے۔ اس لیے فردیکل شیخر مولا تک رکھنے والدرز کو مشورہ و یا جاتا ہے کہ دواسیت درست می این آئی می کی فر کو کا فیاف دی طور پر ماگر پہلے سے فرائم فیکس کی گئی جیس شیخر رجمزار دسمبرز ٹیمکوائیوی ایٹس (پرائویٹ کے المیطرز کو تا کیس کے کروائیس

21- 5,00 4100 45

کینیزا یکن 17 2 کے کیکٹن 244 کے پروویٹن کے مطابق میکٹی گی طرف سے جاری کردہ کوئی جی شیئرز میااملان کردہ ڈیج پیٹٹ جوادا منگی کی تاریخ کے شین سال کی عدمت تک فیرواویدارا فیرادا شدورہ گئے ایل اور قابل ادا ہیں ماٹھیں فیڈرل گورشٹ سے کر بیٹ کے لیے اورشیئر جولڈرز کے وائوئل کو قائل کرتے کے لیے شیئر جولڈرز کو جاری کردہ فیٹس کے بعد سیکھ رشیز ایڈ کی کیٹس آف پاکستان میں میٹ کردانا عشر وری ہے۔ جاری کردہ شیئر زادر کھٹی کی طرف سے اعلان کردہ ڈیج پیٹھ کی تھیدات ہو تھی سال سے زائد اور سے سے بھایا ہے، شیئر جولڈرز کو تھی دی گئی ہیں۔

شیئر دولڈرزے درخواست کی جاتی ہے کہ دواس بات کولیٹی بنا کی کران کے فیرزموی شدہ آج کے ظا ادر ثیئر زے دموے فررگا خور پر درج کیے جا کی۔ اگر مقررہ دانت میں کھٹی کے باس کو گی درج نیس کیا جاتا ہے، آق کھٹی اسکیٹن (2) 244 کیک کے تب اخبار میں فرش دیسے کے بعد فیرزمو بیزارا فیراداشدہ، قم ادرحص دفاقی عکومت کے باس بھٹ کردائے گی۔

12-ىدى كالكاون يى أو يكل شيرز كاتبد في

الیں ای بی لیے آئے اپنے لیونیر 640-639-630 CSD/ED/Misc/2016 مؤرف 2021 کی دریانیا تام ابلاکیٹیں کوشورہ دیا ہے کہ دو گھٹے ان کی سات کی دفعات پر عمل کر براے جس کے تحت تنام کمیٹیوں کوا مکت کے فقاؤ کے جارسالوں کے اندرفویکل قارم میں جاری کردہ ٹیٹیز کو کیک انٹری قارم میں تبدیل کرنے کی خرورت ہے۔

اس کے مطابق بنویکل فرای الشیر شیقایت رکھے والے کیٹی کے تمام شیئز بولڈرزے ورخواست کی جاتی ہے کہ وہ اپنے شیئز رکوفز مکل قارم ہے جلد از جلد بک اعزی قارم میں تبدیل کریں۔ شیئز بولڈرزی و کی ایس اکا ڈوٹ کھولئے اور بعداز ان فریکل شیئز رکو بک اعزی قارم میں تبدیل کرنے ہیں ہوئے گئے ہی ایس ایکس مجروی ڈی کی تاثر میں اوس کا دوشر ان کو بھائنز کو بک اعزی قارم میں حسم کو برقر ارد کھنے کے بہت سے فوائد ہیں۔ بی ڈی کے مساتھ صمس کی محفوظ تھوئیں، واپلے ہیں۔ عالی ان کا اندر کی کارروائیوں سے کریز، وقیرو کیٹن کے شیئز رجز اداور فرائسفر ایجنٹ میں فیمکولئے میں انہیں (یہائیوں ایٹس ایڈل کے جیں۔

C کی گئی این و لی گئی انظروائی و میسی (پرائیویٹ) کینٹرنگ اوسینے و سینے کی منظوری ایک انٹر کھٹی فرخر رہ جو کہ جو گئا طور پر جارارب دو پ 4,000,000,000 دوسید) تک ہے جس میں دیگر ہیز وال کے ساتھ ساٹھ قریف این وائسز اور کہ پاسکتا ہے ۔ (بھٹول صدیندی کی ہنائش ، سرکاری سکتا و فیز ، نظر قرم ، دورن / فیرفرست شدہ سکتا و فیز و فیرہ) Arm's length basis پرائیک دیاوگ ایس آتا ہے کہ لیٹ کی شکل میں جو مسوسی قرائر دادگی تاریخ سے ایک سال کی مدے کے لیے دوست ہو بھی ہرائیک سال کے مسلس جارادوار تک کھٹی کی طرف سے انسین کی جا بھی ہے ؟

0 - گھڑی کوا پی ڈیل گھڑی ایکرو پارٹین قادر پورٹینیٹونک آوسی وسینٹ کی سھوری ایک اعزیمی قر شد ہو کہ جموق طور پر دوارب دوپ (2,000,000,000 دوپ) تک ہے، جس میں ونگر ہی وال کے ساتھ ساتھ قریعے ایڈ وانسز اور کیا سیکی شامل ہے۔ (جمول مد بندی کی ہوئیش سرکا رق بیکی وغیز ، فقدر قم ، دوری کو غیرست شدہ تکی رفیز وغیرہ) Arm's length basis پر ایک دیاؤنگ ادائی آف کریڈٹ کی دھل میں جو تصوصی قرار داد کو تا دین نے ایک سال کی درست ہو بھی ہے جو ہوایک سال کے سلسل جا رادوار دیک کھڑی کی طرف سے آوسی کی جاسکتی ہے ؟

E ۔ کیٹی کواپی و کی کیٹی وائلرووو بیک ٹریش کی طوری و ایس انٹر کیٹی ٹر شدہ کر جموی طور پردوارب دوپ (2,000,000,000 دوپ) کئٹ ہے، جس میں دیگر ہیزوں کے ساتھ ساتھ قر شدہ کے معلق ساتھ کر کے میں میں میں دیگر ہیزوں کے ساتھ ساتھ قر آجو است شدہ سکتا و ٹیروں کے معلق کی شاخل میں جو ایک انٹری آف کریڈٹ کی شاخل میں جو کا معلق کی خراف سے آئے میں کا درست ہوگئی ہے جو ہرایک سال کے مسلس بیا رادواد تک کھٹی کی خرف سے آئے سال کی مدت کے لیے درست ہوگئی ہے جو ہرایک سال کے مسلس بیا رادواد تک کھٹی کی خرف سے آئے سے کا جانگی ہے؛

F- کینی کواٹی ڈیل کینی، ایکروائٹر اٹیٹر (پرائیویٹ) کمیٹٹر کلسانوسٹے دینے کی منظوری ایک اعرکی قرضہ کو کہو گی طور پردوارب دو پے 2,000,000,000 دو ہے) کک ہے، جس میں دیگر جیڑوں کے ساتھ ساتھ قریض اللہ وانسز اورا پاسکتے رقی بھی شامل ہے۔ (جمول مدیندی کی ہائیں، سرکاری سیکنے رفیز ، انقدر قم اورن کی خرفیرسٹ شدہ سیکنے رفیز وغیرہ)Arm's length basis پرائیک دیولونگ الائن آف کریلے ٹ فائل میں جوضوسی قراردادی نادر نائے سے ایک سال کی مدت کے لیے درست ہوسکتی ہے جرائیک سال کے سلس جاراددار تھ کیلئی کی طرف سے توسعے کی جاسکتی ہے؛

حزید حقود کیا گیا کہ کی ہے جیف ایکزیکو آیٹسر، چیف قاطل آیٹسر اوراً یا کیٹی سکر ٹری کا آئی ، کار ایوریٹ اور لمریند کا او کی اور تمام مشروری اقد المات کرنے کا مجازے۔ ندکور دقر ادداووں کے مقصد کو کمل طور پر حاصل کرنے کے لیے اس کی جانب سے شروری اسے والے والے تمام شروری وستادیز ان کار بران قائل کریں۔

> جَمْم بورا کراچی **شاکلہ اون** 15 قروری ، 2023 کمپنی تیکر بیری

1۔ سالا شاجلاب عام میں بذرید وہ بھا توٹر کی سیلیٹ یا کیسیونٹس کی ترکت: ممبران ے درخواست کی جاتی ہے کہ وہ دہ ایکا توٹر کیسیلیٹن کے دریجا اجلاس میں ترکت کریں جس کے انتظامات کینٹی کی طرف سے کیے جا کیں گے۔

وہ قمام شیئر جولڈرز اجلاس میں فویکل طور پر یا بذرید والیو کافٹولس شرکت کے تواجشند ہیں و اُن سے درخواست ہے کہ وہ اپنا نام، فولیو قبر ، سویکل قبر و کی این آئی می اُ پاسپورٹ قبر https://forms.office.com/r/Svc5bvK4XMپررپشرکرواکس۔فویکل اجلال پاوٹا ہوائیک اور لاگ اِن کی تقدیقی ای کیل صرف اُن میران کو بھی جائے گی جن کی رپیٹر پیش سالانہ اجلامی عام ہے 48 کھے تھی موصول ہوگئی ہوں۔

شَيْرَ والدُرْدَ ما لا شاجلالِ عام كا يجندُ المَنْ يُحْور مِ تَعَلَّى الْيُي آرا ما در والات agm. e carp@engra.com يتحق كان على

2- مالانديورف 2022 كى البكترا تكسادالمسيقن

4۔ میر جواجلاس بی شرکت اوروٹ کا حقدار ہے، اُسے کی دوسر کے تھی کواچا پر اُسی بیا اور نا حزو کردہ پر اکی کواجلاس بی شرکت کرتے ، بولیے اور دوٹ و بینے کا بی حاصل ہوگا۔ پر اُسی فارحز کو اجلاس سے 48 تھے آل کھی کوموسول ہونالازی ہے۔ پر اُسی کو کھی کامیر ہونا شروری گئیں ہے۔

5 - ياكسون كالقررى كالوف

(8) انفرادی افرادی صورت می ۱۱ کا و تف موللد یاد یل ۱۷ و تف موللد جن کی رجمتر ایش کی تصیبات سینفرل دُیا زفری کمیشی آف یا کنتان کمیشتر مگایش ایسیادی کی جن معتدید بالاصطویات کے مطابق برا کی قارم مح کردا کمیں گے۔

(b) پاکئ قادم پردوافراد (مرو) گاه دول عجم علم بچاوری این آئی بخبرقارم پردری دول ع

(c) درست ي اين آنى كا تعديق شده كايال إ تفليفل اورك باليورت اوري كى دي كالارم كم العدوق كيدم كي ال

(d) يأكومالاداجاس مام كوقت المادرت الملك الين أفي ي إصل بالمودة ويلك كسكار

(٥) کار پوریت ادارے کی صورت بھی ، پورڈ آف ڈائز یکٹرز کی ٹرارداؤ، پادرآف اٹارٹی مناظر دیش کے تھوتے سکاد چھا کے ساتھ ، پاکی قارم کے ساتھ کھٹی کوئٹ کردا پاجا ہے گا جب بھل کراہے جہلے فراہم نہ کیا گیا ہو۔

6۔ کھیٹرر گولیھو (پٹل دیل)، 2018ء مطابق داہر تا گئیم کے کی بھی مقصد کے لیکٹیٹرا کی سے مشروط 14 دار 14 4 کے مطابق سے مشروط بھیران کواسیٹے بڈر بھر پھٹل دیل دوٹ دینے کی اجازت دی جائے گا، یعنی ڈرور مہالار کی لیشور عمادی اورق مطابق بڈر بھر بھسٹ والیکٹرا تک ووٹ دینا۔

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ESG ،EHS ، رسك اسيمت اور جميد آف يعينج (MOC) رحشتل ب- كروب انتاك (Group HSE) في جمي قيادت كي اورايا تفي تنائج كي جارة عن حدایاتا کد فیادی وجد کا تجوید کیا جا سے اورائ ممل کی تکرار کورو کئے کے لیے علی کا کردگی کے ذریعے وضاحت کی جاسے HSE کی ضروریات کی وضاحت میں سے پر وجیکش کی تیاری کدوران SME کی مدواور شرورت کے مطابق عملدرآ مدکی مہوات بھی قرائم کی گئا۔

يشرن آفشيتر مولدك

داؤد بركاس كار يوريش لميند سيت داؤوكروپ،ايكروكار يوريش كاجم شيئر بولذرز بين _ويكرشيئر بولذرز مين مقامي ادرغير مكى ادار ساورعوام الناس شاش بين _

شیئر ہولڈیگ کے عام پیٹرن کے ساتھ رپورٹنگ فریم ورک کے تحت شیئر ہولڈرز کی مخصوص کا اس جن کا اعلان ضروری تھا، کہشیئر ہولڈیگ کے پیٹرن اور 2022 میں ڈائر یکٹرز، ا بگزیکٹیوزاوران کے از واج سیت مجھوٹے بچوں کی طرف سے شیئر ز کی خرید وقر وخت کے کوشوارے کی تقصیلات اس رپورٹ کے شیئر ہولڈنگ کے سیکشن میں پیش کی گئی ہیں۔

يعدش وقرع في ياوف والداقعات عدوف والحاتيد في

سمینی کے مالی سال کے اختتا م اور اس رپورٹ کی تاریخ کے درمیان سمینی کی مالی حالت پر قائل ذکر تبدیلیوں اور دیگر عزائم سے سمی تنم کی کوئی تبدیلی واقع نمیس ہوئی۔

ڈ اٹر یکٹرز کمیٹی سے شیئر جولڈرز کاشکر بیادا کرتے ہیں کہ جنہوں نے بمیشے کمپٹی پراپٹااعتا وظاہر کیا۔ ہم شیئر ہولڈرز کے اینگروٹیلی کے ہرممبر کے عزم لگن اورجد پد خیالات کوسرا ہے پر مشکور و منون این اور پُر احتاد این کر منتشل ش بھی بیرسب ایسے ہی سراجے رہیں گے۔

1/20/

غياث خال

يريز يلزن اور چيف ايكز يكثيو

مع مدين (المراب) مع مدين والأو

سالانهاجلاس عام کی اطلاع

مطلح كياجات بكرمتدىدة يلى كارديارى أموركى الجام وى كديد يكروكار يوريش لميند ("كلفى") كاستادان دال سالاتداجلاس عام، بروز جسمرات و توريد 30 مارى 2023 كردوير 20:30 بيك اكرايي اسكوليا ف يدفس اينزليدرش بيعل الشيد يم رواه بإلقاف المات يعل وربيعل مراجي - 74800 من منعقد والا-

عمران ے درخواست کی جاتی ہے کده دوا یکا توٹر فیسیلیٹن کے ذریع اجلاس شریافٹر کرے کری میں کا تقابات کیٹن نے کیے ہیں (تصیبان مت کے لیے برادم پران توٹر کیٹشن کا سااند کریں)

1- کچنی کا 3 وائیر 2022 کوانتگام پذیر ہوتے والے سال کے آزاوا شاور مجمد شدو آؤٹ شدو مالیاتی گوشوارے کے ساتھ ساتھ ؤائز کیٹرز ریورٹ اورآؤپٹر شاور شیئر شن کی جائز دریورٹ کی وسولی،

كينزا يك، 2017 كيكن (7) 223 كمطوات كوه بن كوي كماياتي كوهد كان كان مايات والهاوة كرديك في جوند مجذا إلى الك سادا والداوك يواسك والد

https://www.engro.com/investor-relations/financial-reports/

2_ از از بکٹرزی مجویز کے مطابق 3 وزمیر 2022 کوافقام بیڈیر رسال کے لئے فاش کیٹن اوپو پھٹری کا انتقام بیڈی در سال کے لئے فاش کیٹن اوپو پھٹری کا انتقام بیڈی در سال کے لئے فاش کیٹن اوپو پھٹری کا انتقام بیڈی در سال کے لئے فاش کیٹن اوپو پھٹری کا انتقام کو بھٹر کے انتقام بیڈیر میں انتقام کو بھٹر کے انتقام کو بھٹر کے انتقام کو بھٹر کا انتقام کو بھٹر کا انتقام کو بھٹر کا انتقام کو بھٹر کے انتقام کو بھٹر کا انتقام کو بھٹر کا کو بھٹر کو بھٹر کو بھٹر کے انتقام کو بھٹر کو بھٹر کا کو بھٹر کو بھٹر کے انتقام کو بھٹر کو ب 3_مال 2023 ك ليم أ ويزر كالترراوران كم معاوي ف كالتين كرنام ميران كومطلع كياجاتا ب كربودة آف كيش اور بودة آف والزيكترز في كيش كا ويزر كي موريد وبار الترري كي ليدريا تربوت وال آؤیزانا افسار کون اید کھی اے ام کی سفارش کی ہے۔

4۔ کمیٹیزا بکت2017 کے بیکش 199 مے کمیٹر (شلک کمیٹریا شلک اطر کھکٹوٹس سربایا کار) ریکلیشٹور 2017 (جیسا کرڑمیم کیا گیاہو) کے ساتھ پڑھا جائے ، کے قبط وری ڈیلی ضومی قرار داور قرار داور اس قودك إدراكرمناسب مجماعات وتهم ماشاق بإحدف كساقه بإان كالفيريان كرناه جيدا كريمن كالدوار يكثر في الريم ويكاب:

معقود کیا گیا کہ کہتی کے متدرجہ ذیل آمور کی انجام وی کے لیے ایگر وکا را پر بیشن لوٹ (ا " کہتی") کے میران کی متھور کی خصوص قرار داد کے ذریعے دی جائے (برطالی کینیز ایک 2017 کے سیکن 199 ہے کہنیز (مَنْ كَاكِيْرْ بِالْمُلَافِرْ لِكُوسُ مِن بِيكارى) ديكوليقور 201 (جيماكر ترجم كياكيانو) كما تقديده والماب)-

A - کینی کواچی و کی کہتی ، اینگروفر ٹیاائز دز لمبیلا تک توسیح وسینا کی منظوری ، آیک انترکین فر شدجو کے موالی طور پر بارہ ارب رو یہ (12,000,000,000 روپ) تک سین ، جس میں ویکر بیزوں سے ساتھ قرمے دائے دانسز اوراً ایکے رنی بھی شال ہے۔ (بھول مدیندی کی عبائقی، مرکاری سکے رئیز، تقرقم، ورج / فیررست شدہ سکیورٹیز وغیرہ)Arm's length basis پرائید دیاوگ اوائی آف کر ایٹ کی تاقل على يوضوس الرادول عارية عاليد مال كاهد من ك في درست موسى عبد جرايك سال كمسلسل جارادوارتك كمول كالمرف عالاستان عاسان كالمسلس

B - كانى كوائي و يلى كانى وايند كيميكار لميل كل الين ويكري وايند كيميكار لميل كل المن ويكريي وال كان الميان الميل ويران الميان الميك التركي ويل كان الميل الميل ويران الميل ا قر من اليروانسز اورأ يا سيكي رئى جى شال ب، (بشهول مديندى كى مناشق ، مركارى سيكور شيز ، لقذرتم ، ودرج أخير فيرست شده سيكيو رشيز وغيره) Arm's length basis رياك ديلونك الأن آف كريف ك كالل على جوضوصي قرارداد كاناري السال كاندت ك ليدورت وكتي بجرج وأيك مال كاسل جارادواد كالرف عالوس والتي ب

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موجودہ آؤیٹرزاے ایف فرگوئ اینڈ کو بیارٹرڈ اکاؤنٹس ریٹائر ہو گئے ہیں اور الل ہونے کی بنیاد پرانہوں نے خودکود دہارہ استخاب کے لیے ہیں کیا ہے۔ بورڈ آڈٹ کیمیٹی نے 31 دمبر 2023 کوئتم ہونے والے سال کے لیے آؤیٹرز کی حیثیت سے ان کے دوبار وتقرر کی سفادش کی ہے۔

انسانی سرمایی

ایگرویش ادار ولوں کی صلاحیتوں میں اضافے اوراُن کی ترقی کے لیے سلسل توجہ مرکوز ہے۔ لوگوں میں تبدیلی کی شروعات کرنے کے بعداب ہم'' ٹیکنٹ ایجنڈا'' پراٹی اقجہ مرکوز رکھنے کا اختیار کے تیں۔ اس ملسلے میں ایک اہم قدم ادارے' ٹیکنٹ ڈیو لیمنٹ پردگرام (TDP)''متعارف کردانا ہے جس کا مقعد ملاز مین کو یا اختیار بنانا ہے تا کہ وہ اپنے کیریئر کے سفراور ترقی کا تھیں خود کر تکیس۔'' ٹیکنٹ ڈیو لیمنٹ پردگرام (TDP)'' کواس طرح سرابا جاسکتا ہے کہ اہم تعینا توں کی منصوبہ بندی کے لیے ٹیکنٹ کے شعبے کو فروغ دیٹا ایک اہم اقدام ہے۔

ستوع ادر شولیت ہاری روایت کے ایم جزوجیں۔ ہمارے کام کے ماحول اور تمام شعبول کوشوع مساوات ادر شولیت کتمام ذرائع کے تحت مرتب کیا گیا ہے۔ جیسا کہ ہم نے ایک ہاخیراور کیسال کام کاماحول ترتیب و بینے کے لیے اس بال ایک اس ال ایک اس بال ایک ہائے ہور کو گام منعقد کیا گیا ہے۔ اس بال ایک اس کے اس بال ایک اس کے اس بال ایک ہور گام منعقد کیا گیا جس کے ذریع ہور گام منعقد کیا گیا جس کے ذریع ہور گام ایک ہور گام ہیں اپنے کیر میز کا آغاز کر رہی ہیں۔ جیسے کہ العام اللہ کا ایک ہور کے بیٹی اس کے بیٹر کیا آغاز کر رہی ہیں۔ جیسے کہ العام اللہ کام کام مصرے خود پر ڈیجیش ایکسیلیٹی فریڈنگ تمام انترائی کیا گیا ہے جو تمام کروپ کے متحدد شعبوں میں اپنے کیر میز کا آغاز کر رہی ہیں۔ جیسے کہ العام اللہ کام کیا گیا ہم صصرے خود پر ڈیجیش ایکسیلیٹی فریڈنگ تمام انترائی کیوں کوابیا مواد تیار کرتے میں مدفر ایم کرتے کے لیے شروع کیا گیا جس تک معذورا فراد کی رسائی میکن ہو سک معزور کی ایک اور میں دوری سے معارف کروایا ہے۔ انترائی کی ساتھ انترائی کی ماتھ انترائی کی ساتھ انترائی کی ساتھ انترائی کی دوری انتہا ہی کہ کام ماتھ انترائی کی ساتھ انترائی کی دوری انتہا کا ہے۔

عینالوجیکل ایمه انسمنٹس کے تحت منظم طریقۂ کار کے ذریعے اپنے ملاز ثین کوبہترین تجربے فراہم کرنا ہمارے مقصد میں شامل ہے، ای لیے اینگرونے اپنے آپریشنز کومرکزی اور ڈیمیٹلا تز کیا ہے۔'' اپنے لوگوں کواڈلیت دیتا'' ہمیشہ ہاری موڈی کی بنیاور ہاہے اوراس کی حکائی ہمارے اقد امات اور دوثن منتقبل کی جانب بڑھتے قدموں ہے ہوتی رہے گی۔

الحاسمار

سمی بھی کاروباری ادارے کے وسیع تناظر میں کارکردگی کو ہا حول وسواش سفادات کے بدلے ادارے کے سابق سریا ہے۔ ہم اس بات کو بخو بی بھتے میں کہ پر نسز کی ترقی کے لیے معاشرے کی خوشھالی اور ترقی بہت اہم ہے، اپنی کارپوریٹ گوزنس پرفٹو محسوں کرتے میں اور ما حول اور معاشرے کی ذ مدوار بول ہے بخو فی واقف ہیں۔

ہم ایسے پروگرام اور فیصلے کرتے رہے ہیں جن سے پاکستان کے دیریہ مسائل کے ساتھ ساتھ ان معاشروں بیں فلائی کام جاری رہیں جہاں ہم کام کرتے ہیں۔ ہماری تعلیم ،مبارتوں بیں اضافے بلتی سہولیات اور دیگر پروگراموں سے ہمارے پرنسز اور پسما عمرہ طبقے بیں ایک طویل مدتر تی تعلیق کوفر وغ ملاہے۔ ہمارے ماحولیاتی اور سابی پروگراموں کی تعصیل ہماری شملکدر پورٹس بیں چیش کی گئے ہے۔

محت ، تحاف (HSE) محت ، تحاف الرياح ل

صحت ، تحفظ اور ماحول بمیشہ سے اینگر و کیا اقد اررہی ہیں اورہم پاکستان شن اپنے وسیقے کار دیاری مقامات پران کے بہترین تجربات اپنانے کے لیے پُر عن مرجے ہیں۔ اپنے تجربات سے پیکے کر، HSE کے معیادات اور شعق تجربات شن بہترین پڑل کرناہماری سونٹے کا تحور رہتا ہے۔ ہم کی دجہ سے پیدا ہونے والی معذوری ، بھاری اور صحت ، حفاظت اور ماحولیاتی (HSE) حادثات کی شرح صفر کرنے کے لیے جدوجہد کررہے ہیں۔ جبکہ جہاں کہنی اپنا کام انجام دینے کے لیے وفاتی اور صوبائی دونوں ضروری ریگولیٹری پر عملارا آمدے لیے ڈیز ائن اور قبل میں حفاظتی بیٹین دہانی کی بایند ہے۔

مسلس بہتری اور تنظیم کوعالمی معیارے HSE اپنانے کے لیے اینگرونے ڈیوپوئٹ مسٹین اسل سلوطنز (+DSS) جوکدا کیٹ ٹمایاں بین الاقوامی HSE کنسکنٹ ہے، کے ساتھ شراکت میں خطرے پہنی HSE منچ مدے مسٹم موافقت پرٹئی تقطہ نظرے کثیر سالد سفر کا آغاز کیا ہے۔ اینگر وینٹول ٹیکنیکل ڈوپژن (ECTD) کے تحت ایک مخصوص فیم نے میں پورے ادارے میں اہم تید ملی کے نظامی تمل کی قیادت کی ہے۔

عالی معیارے HSE رسک اسیسند میں عالی پیشول ہیزر و آئی و یکی کیاں کوششیں انجام دی گئی ہیں۔ سال 2022 میں ''فرین دی فریز'' کے نظریہ پر پی فرات سے نیروا زیا اسلام (BTA) اور و کا کہ این این اسلام (BTA) بی کا نظریہ کی کا بیار (BTA) بی کا نظریہ کی کا بیار کا کہ انداز کی کھٹے موالے کے بیار کی کا بیار کی بیار کی کا بیار کا بیار کی کا بیار کی کا بیار کی کا بیار کا بیار کی کا بیار کی کا بیار کا بیار کی کا بیار کی کا بیار کی کا بیار کا بیار کا بیار کی کا بیار کی کا بیار کا بیار کا بیار کا بیار کی کا بیار کا کا بیار کا بیار کا بیار کا بیار کی کا بیار کا بیار کا بیار کا بیار کی کا بیار کا بیار کا کا بیار کا بیا

گروپان الیں ای (Group HSE) میم متعلقہ اداروں کے ساتھ صحت ، تحفظ ادریا حولیاتی اقد امات پڑھل درآ مدکراتی ہے ادرسلسل گھراتی ادریہ نمائی فراہم کرتی ہے۔ نم کار پوریٹ HSE کے معیارات کو برقر ارد کھتے ہُوئے تھیل ہے متعلق آؤٹ ، کارکردگی کے جائزے ، الا پردائی کی نشائد ہی ادرحادثے کی نفیش کے دریعے کمپنی کے حفاظتی ایجنڈ اکو تیشنی بناتی ہے۔ کمپنی یا متصد HSE شیخت سٹم کے نفاذ کی بنیادی ان وسواریوں کو ٹیھائے گی جے عالمی معیارات ادرا اللہ مثری کے بہترین تجریات کی روشتی میں بنایا گیا ہے۔ HSE کے معیارات پڑ مملدر آمد تماری اعلی قیادت کے کمپینٹسی ماڈل کا حصدہ جو تمارے طاز مین کی کا کردگ کے جائزے ادر ترقی کے لیے استعمال کیا جاتا ہے۔

سال 2022 کے دوران بنیادی توجاینگردکار پوریشن کے HSE معیارات کو کم سے کم ضروریات کے ساتھ اداراتی صورت دینے پڑھی تا کہ انھیں اینگردک کام سقامات پر افغان کے استحد HSE متنجف سسلم کی کارکردگی کی جاتھ ادرطاقوں کی بہتری ہے متعانق رہنمائی فراہم کرنے کے لیے متعدد سائٹس پرسینٹر پارٹی آ ڈٹس کیے گئے۔ گروپ انگا HSE کے ایس ان (Group HSE) کی کوششوں کا ایک بڑا حصر محیل کے لیے ادرایک سے HSE MIS پلیٹ قارم -VelocityEHS میں شال کیا گیا تاکہ کام کاطریقہ کاربہتر ہوسکے ادر معلومات کی بنیاد پر تجویات کو دائش کیا جائے تاکہ ان اہم علاقوں کی شناخت ہوسکے جنمیں توجہ کی ضرورت ہے۔ یہ پلیٹ فارم جار (4) ما ڈلز

والريشرز كامحادف

کمپنی بڑکینیزا یک 2017 اورلسفڈ کمپنیز (کوڈآف کارپوریٹ گورنس) ریگولیشنر 2019 کیفیل میں اپنے ڈائز یکٹرزے معاوضے کے لیے ایک شفاف طریقۂ کاراور ایک باضابطہ پالیسی موجود ہے۔ پالیسی بیس نان ایگز یکٹیوڈ ائز یکٹرزے لیے کاروباری سنرے لیے ڈیلی الاؤنس اورٹر بول سہولت کی وضاحت فراہم کی گئی ہے۔

معاوضہ بیٹمول بورڈ یا بورڈ کمیٹی کے اجلاس میں شرکت کے لیے ڈائر بکٹرز کی قیس، ڈائر بکٹرز اور چیف ایکز بکٹیوآ فیسرکو کی جانے والی ادائیگی کی تضییل ان کشالٹ بلڈ فائقل اعیامت کے نوٹ 28 پرواضح کی گئی ہے۔

اعدوني مالياتي كنفرولزي مناسيت

پورڈ آف ڈائز یکٹرزاینگروکا ندرونی کنٹرول کے سلم اوراس کے مؤثر ہوئے گاگرانی کے قطعی اسددار ہے۔ اپنی مجموعی اسدداری کو میز نظرر کھتے ہوئے پورڈ نے اندرونی کنٹرول کے نظام اور تفصیلی ڈیزائن کو چیف ایگز یکٹیو کے سامنے چیش کیا۔

اینگروکاندرونی کنٹرول کا نظام عمل درآ مدے واضح ڈھانچے ،اختیارات کی حدوداور حساب و کتاب،انچھی طرح مجھی گئی پالیسیوں اور بجٹ بنانے کے طریقتہ کارپر ششتل ہے۔ بورڈ ہر سہای میں اجلاس منعقد کرتا ہے جس میں اینگروکی امالیاتی اورآ پر یانگ بجٹ، تجارتی ترتی اور ترقیاتی منصوبوں ،سرمائے کی اخراجات کی تجاویز اور دیگراہم کارکردگی کے امور پرخوروخوس کیا جاتا ہے۔ بورڈ آڈٹ کیٹٹ اندروٹی اور بیروٹی آڈیٹرز کی جانب سے اندروٹی مالیاتی کنٹرول کے نظام کی رپورٹ وصول کرتی اورا عمروٹی کنٹرولز کے مؤثر ہونے کی گھرائی کے قمل کا جائز ولیتی ہے۔

متعلقه بإرثيز

کیٹی تمام متعلقہ پارٹیوں کی ایک تفصیلی فہرست برقر ارد کھتی ہے۔ ووقتام متعلقہ پارٹیاں جنہوں نے کمپنی کے سال دوران سال کی لین وین پی حصرایا ہوتا ہے ،ان کی تفصیل ، تعلق کی نوعیت اور کاروباری شرع الیاتی گوشواروں کے نوٹ 52 پس وضاحت کے ساتھ بیان کروی گئی ہے۔

کے بیک آفس میں انجام دیے جانے والے کام جیسا کہ ہو کن رہے ورسز ، افغار میشن جینالو بی ، کار پوریٹ کمینونکینیشن وغیرہ کو کہنی میں مرکزی طور پرمنظم کیا جاتا ہے تا کہنی آپریشن میں آسانی ، ؤہراؤ کا خاتمہ اور اچھا عیت کے ذریعے اخراجات میں کی واقع ہو۔ اس سے انتظامی بہتری اور خطرات پر قابو پائے کے ساتھ معیاری پروئیس ، سلم اور دپورٹنگ کی بدوات بہتر اور پر وقت گھرانی بیٹنی ہوجاتی ہے۔ کمپنی نے اپنی فرطی کمپنیوں اور متعلقہ اواروں کے ساتھ اخراجات پر گلت وشنید کے معاہدے کیے ہیں تا کہ اس بات کو بیٹنی متایا جائے کہوئی کاروباری امور میں متعلقہ یار ٹیوں کے ساتھ ہوئے والی لین وین کوٹوئ کاروباری شرائط وضوابط کے تحت انظر میں رکھا جائے۔

کوڈ آف کارپوریٹ گورنس اورنافذ تو انیمن کی تھیل میں ہر سمان میں تمام متعلقہ پارٹیوں کے ساتھ اُرزیکشن کی تفصیل بورڈ آ ڈٹ کیٹی کوجائزہ کے لیے ڈیٹی کی جاتی ہے اوراس کی حجو بزگ بنیا د بورڈ کی جانب سے ان کی منظوری ہوتی ہے۔

والزيكشرزى ومددار يول كاجيان

وَارْ يَكُرُرْ سَكِيورِ أَنَّ الْحِيْجَ مَيْضَ آف ياكتان كوو آف كار يوريث كورض كار يوريث اورفنافطل ديورتك قريم كالقيل كوثين كرت بين بوكدورج ويل بين:

- ا شقلامیا کی جانب سے تیار کروہ کمپنی کے مالیاتی گوشوارے، کمپنی کے معاملات، آپریشن کے تتائج رکیش فلوز اورا یکویٹی شین تبدیلیوں کی شفاف صورتھال پیش کرر ہے جیں۔
 - ۔ مینی کی جانب ہے ہا قاعدہ طور پرا کا وشش کی بکس برقر ارز محی گئی جیں۔
- ۔ مالیاتی گوشواروں کی تیاری میں متاسب اکاؤشٹک پالیسیوں پڑھل درآ مدکی جاتی ہے، ان معیارات ، ترامیم یاوضاحتوں کی بنیادی تھیل میں ہونے والی تید ملی کے علاوہ اورا کاؤشٹگ تخیینے کی تیاری مناسب اورفتاط انداز کی بنیاد پر کی گئی ہے۔
 - مالیاتی گوشواروں کی تیاری پاکستان میں لا گوائٹر میشقش فنافشل ر پورتنگ کے مطابق کی گئی ہے اور اس سے سی طرح کے انحراف کو با قاعدہ واضح کیا گیا ہے۔
 - انترال كشرول كاستم بهترين باوراس يربهترين اعداز يس عمل ورآ مداور كراني كي جاتى ب-
 - كىنى كا يخام اورآ كى يوجة كى صلاحيت يركى بھى شك وشيكوكونى مخوائش فيس-
 - کارپوریٹ گورنس پر بہترین اعداز جی عمل درآ مدے کی طرح کا بھی انحواف دیکھنے جی تیں آیا۔

تان الكريكيواورة زاد دائر يكثرز كے معاوض كاليسى

ڈائز یکٹرزے بورڈنے نان ایگزیکٹیوڈائز کیٹرزاورآزادڈائز کیٹرزے معاوضے کی پالیسی منظور کی ہے جس کی تمایاں خصوصیت درج ذیل ہیں:

- ۔ سعاد نسر معنول اور ڈائر کیٹرز کی مہارت اور ذسدار ہوں ہے مطابق ہونا جا ہے جس کا مقصد ڈائر کیٹرز کی توجہ ادر مصروفیت کو قائم رکھنا ہے جو کمپنی کی گرائی کے لیے شرور کی اور قدر میں اضافے کے لیے حوصلہ افزاء ہیں۔ بیسعاو نسد ڈائر کیٹرز کی خود مختاری پر ہرگز اثر انداز نہیں ہونا جا ہے ندی اس پرکوئی مجھونۃ کیا جائے گا۔
 - ۔ بورڈ اگر مناسب سمجھے تواہے ڈائر بکٹرز کے معاد ضول کی معقول سطح جا چنے کے لیے آزادکشیلنٹ کی خدمات حاصل کرسکتا ہے۔
- ۔ اینگروکی دیگر کمپنیوں میں تعینات دیگرا میکزیکیٹیوڈائز بیٹرزاورنان آیکز بیٹیوڈائز بیٹرزکو پورڈاوراس کی کمبیٹیوں کے اجلاس میں شرکت کرنے کا کوئی معاوضها وانسیس کیا جائے گا۔
- ۔ بورڈ اوراس کی میٹیوں کے اجلاسوں میں شرکت کے لیے ڈائر بکٹرز کی طرف سے خرج کیے گئے کئی بھی طرح کے سنری اور دی گرضروری اخراجات کی حقیقی رقم فاہل اوا ہوگی۔

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اليَّكَر وكار يوريشن نے ورج فر طرات كى نشا ندى كرتے ہوئے ان ير قابو پانے كى منصوبہ بندى كرر كھى ہے:

معاشی اورر محولیشری ارسک مستقل اورمؤ ترکوششول اور پالیسی سازوں ہے قدا کرات کے ذریعے اپنے کاروبارکومعاشی اورر میگولیشری مسائل ہے پیدا ہوئے والے خطرات ہے خشنے میں مدولی۔

غیر تکی زرمباول کا خطرہ ہارے سرمایکاری کے پورٹ ٹولیوئے ہم پر فیر کلی زرمبادلہ کا خطرہ واضح کردیا تھا، مجموق طور پر پورٹ ٹولیوکا جائز ہ لے کرہم اس بات کوئٹن بناتے ہیں کہ جہاں تک ممکن ہومنا سب قدر تی حدود کو برقر اردکھا جائے۔

شرب سود کا خطرہ جارے قرض اور سرماییکاری کے اضافی فنڈ زئے ہم پرشرے سود کا خطرہ واضح کیا۔ سی بھی شم سے حقی اتار پڑھاؤی مسلس مجرانی اور قبیل مدتی مسلس کھرانی اور تعریب کے مسلس کھرانی کی مسلس کھرانی کے مسلس کھرانی کی کھرانی کے مسلس کے مسلس کھرانی کے مسلس کھرانی کے مسلس کھرانی کے مسلس کھرانی کھرانی کے مسلس کے مسلس کھرانی کے مسلس کے مسلس کے مسلس کے مسلس کھرانی کے مسلس کے مسلس کھرانی کے مسلس کے مسلس

لیو یا بی رسک الیاتی اداروں کی جوابات کے در سے لیکو یا ہے جس کی لاتے ہیں۔

کریٹے دسک اعلی کریٹے شدریٹنگ کے حال مالیاتی اداروں سے تناطریقے کے احتجاب ہے جس سے تطرو کم کرتے جس مددلی۔

پروٹس آپریشن دسک توانائی کے خدشات ، درآ مدی خام مال اور دیگر آپریشنل خطرات کی جانج یا قاعد واور حالیہ بنیاد ول پر کیا جاتا ہے۔ کمپنی مختم ویلیو پین کو پائیدار اور درآ مدات بن اضافے کے لیے کمپنی گیس کمپریشن پروجیکٹس وغیر وجینے فعال اقد امات کرتی ہے۔

بدروا آف والزيمترز

بورڈ آف ڈائر بکٹرز کینی کے تمام اہم امور پر نظر ٹائی کرتا ہے۔اس ٹیس کینی کی کاروباری ست سالاندکاروباری منصوبے اوراجاف طویل مدتی سرمایدکاریاں اورقر ضرجات کے فیصلے شامل ہیں۔ بورڈ آف ڈائر بکٹرز کارپوریٹ گوزش کا اعلیٰ معیار قائم رکھنے کے لیے پُرعزم ہے۔

موجودہ بورڈ 26 اپر بل 2021 کونتی بوا۔ بورڈ 10 ڈائز کیٹرز پرٹی ہے جو چیف ایگز کیٹیوسیت علم جنس اور مہارتوں کے وسطے مجموعے پر شمتل ہے اوراس کے مؤثر ہوئے کی ایمیت کومز ید بردھا تا ہے۔ اس بورڈیش 3 خواتین ڈائز کیٹرزسیت7 مردڈ ائز کیٹرزشامل ہیں، جے درج ذیل انداز بین تقسیم کیا گیا ہے:

- 3 آزادمردؤار يكثرز
- 2 آزادخاتون ۋائر يكثرز
- ان الگزیکشومردد از یکشرز
- ان ایگر یکٹیوخاتون ڈائر یکٹر
 - أكَرْ يَكْثِودُ ارْ يَكُرْ

ویل میں ان افراد کے نام میں جوسال 2022 میں کمی بھی وقت کمپنی کے ڈائر بکٹر ذرہے ہیں:

- ا محترم تحسين داؤد
- ۲_ محرّ مشرّادوداؤد
- س محترم عبدالصدواؤد
- الم المخرّد بمريناداؤد
- ٥- محرّ م يرعيدالعليم
- ٣_ محترم رضوان ديوان
- محترم خواجدا قبال تحسن
 - ٨۔ محترمہ حناانعام
- 9۔ محترمیڈومنٹی روسو
- ا۔ محترم غیاث خان

بورۇكى سرگرميون كاجائزە كينے كے ليے 2022 مىل بورۇك 10 اجلاس متعقد ہوئے۔ بورۇئے تين كميٹيان تقليل دے ركى بين تاك بورۇكواچى قا تونى د سدواريان نيمائے مىل مدول كے يمبرشپ تفسيلات كساتھوان كميٹيول كى تفسيلات درج ديل بين:

بورة ملتيل كيش	بورة إنويسلنط تمينى	يورة آؤث ميثى
2022 ش 10 اجلال منعقدہوئے	2022 میں 8 اجلاس منعقد ہوئے	2022 میں 4 اجلائ منعقد ہوئے
محترمه حناانعام	محترم شغراد وواؤو	محزم فرعبداهليم
محترم شنراه ه دا دّ د	محترم تارجد العليم	محترم رشواك ويواك
محترم غواجيا قبال ئسن	مختزم رشوالنا ويوان	محترم خواجدا قبال حسن
محتر مدؤ وملق روسو	محتر مدا ومنيق روسو	محترمه حناانعام

بہر حال ،ہم راکل ووپاک کے ساتھ 25 سال پر محیط اپنے تھاتی کو کامیا بی کے ساتھ جاری رہنے پر سرت کا اظہار کرتے ہیں، جو کہ نہ صرف ایک مارکیٹ کیڈر ہے بلکہ جس نے متعالی اور بیان الاقوامی شخجی اپنے مشتر کہ دسائل اور مہارت کو بروئے کارلاتے ہوئے اینگر واور رائل ووپاک کی شراکت کی راہ کومزید ہموار کرنے ہیں ایک اہم کر داراوا کیا۔

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میکرواکنا کے کے پہلنج کرتے حالات کے نتیج میں صارفین کے اختیاری افراجات میں اعتدال پیدا ہوسکتا ہے اور ہماری ترقی کی راہ میں رکاوٹ پیدا کرسکتا ہے۔ تاہم ، کمپنی غذائیت ہے مجر پوراور محفوظ پروڈکٹس کی سلسل فراہمی کے مل کو بیٹنی بنانے پرترجے وے گی۔ یہ بہتر منافع پرتوجہ مرکوزر کھتے ہوئے اور ہموار سپلائے بھٹ کو بیٹنی بنانے کے لیے سپلائز داور ڈسٹری بیوٹرز کے ساتھ مل کرفعال انداز میں ترقی کے مل کو جاری رکھے گا۔

فلي كميونكيين انفراا سرتج

موبائل ڈیٹا کی پڑھتی ہوئی طلب اوراعلی ومعیاری سروسزئے ایم این اوالیس (MNOs) کوتیزی کے ساتھ built-to-suit پڑھلدرآ ھے کہ ڈریعے بہتر بنایا ہے۔جس کے متبع میں انفراشیئر کے لیے پرنس آؤٹ کا کردگی کو بہتر بنا کراہم این اوالیس (MNOs) کوأن کے بنیا دی برنس آؤٹ کے کا اس کی مورتوں کا ذریعے میں افراط زرے دباؤ ،کارد بارے لیے حزیدلاگت کی ضرورت پڑھتی ہے۔

ائدرونی اور بیرونی ترتی کے مواقع کے ذریعے بحثیت ایک خودمخارٹا قر کمپٹی کا ینگروانفراٹی ہارکیٹ لیڈرجپ کو برقرارر کھے گا۔ سال 2024 تک بیہ 5,000 + ٹاقد سمپٹی بننے کے پہلے مطے شدہ ہدف کوکھل کرنے کی راہ جس ہے۔

الكيتمار في الارواء في ويليت عديم إكتال عن كزفت 60 سال عام كررى ب، القرواى المموزية الكامية الدعال كي ايناجم كروارا نجام وينارب كا

شيئر مولارد كوصص كالتيم

پورڈ زیادہ سے زیادہ منافع دینے کے لیے پڑم ہے اور 31 وتمبر 2022 کوئم ہونے والے سال کے لیے فی شیئر 1 روپ کا حتی نقد منافع مقسمہ تجویز کرنے پہلے مد خوش ہے۔ اس صاب سے سال کے لیے فوٹل ڈیویٹر 34 روپ فی شیئر بٹا ہے اور اس میں دوران سال 33 روپ فی شیئر کا ٹوٹل مبوری نقد مقسمہ شامل ہے۔

كريلاث ديلتك اوركيتركك

سال 2022 كودران كريد فريد كاريت ايجتسيول في كم اوراس كرة على ادارون كى كريد في كراوش كار الم

^م کینی	دیننگ ایجنی	طويل مدة تي ريفتك	قليل مدّ تي رينتك
البنكر وكار يوريش لهينشه	PACRA	AA+	A1+
ايكر وقر فيلا تزركسينة	PACRA	AA	A1+
ايكروباليمر اينذ كبيكاز لمينذ	PACRA	AA	A1+
اينكروا يكزم إيكرى يروؤكش (يرائوك لمينشر) لمينشر	PACRA	A-	A2
اینگروانفراشیئر(برائیوٹ)لمینلهٔ	VIS	A-	A2
ا يَكْرُو يَا وَرِجْنِ قِرْ (يِهِ اتَّوِتْ) لَمِيْتُهُ	PACRA	AA-	A1
ا يَكْرُ واللَّهِ فِي رُمِيْلِ (يرائيونِ) لهيشْد	PACRA	AA-	A1

بیکریڈٹ ریٹنگر کمپٹی کی مالیاتی اور پنجھنٹ کی اطبیت اور سازگار کریڈٹ اسٹینڈ تک کی عکائ کرتی ہیں اور ہماری مضبوط بیلنس شیٹ اور شاندار کارکروگ کے ساتھ ساتھ شنقش ڈیویڈنڈ پے آوٹس کی گوائی ویزی ہے۔

سال کے اختتام پر مجموی طویل مدتی قرض بڑھ کر 255,291 طین روپے تک کھٹے گیا جو 31 وتمبر 2021 میں 222,203 ملین روپ تھا۔ 2021 کے تم شدوسال کے لیے گیئز تگ 48 فیصد کے مقابلے ٹی 51 فیصد ہے جس سے کپنی کوسٹنٹل میں ترقی کے مواقع میں مدوفراہم کرے گی۔

وسك تتجدي

اینگردکار پورپشن اوراس کے قبل اوارے خطرے کی جانچے اوراس سے حل کے لین انٹر پرائز رسکٹنچنٹ فریم ورک استعال کردہ جیں۔ ہمارے کار پورے مقاصدا ور اہداف سے صول پراٹر انداز ہونے والے خطرات اور بے بیٹنی کی کیفیت سے بی کرشیئر ہولڈرز کے لیے قدر پیدا کرتے ،اس سے جھندا اوراضائے کے لیے دسک مجھند کواہیت ویٹا ہماری یالیسی ہے۔

ہمارے مختلف کاروبارا کی بیجیدہ احول میں اپٹی سرگرمیاں انجام دیے ہیں اور انھیں ورہیش خطرات کا مکانات اور اس کے اثر اسکا جائز ولینے کی مفرورت ہوتی ہے اور پورے اوارے میں اس سے منتے کے لیے فرسدواریاں ہونپ دی جاتی ہیں۔ ہرفہ کی ادارہ خطرے کے امکانات اور ان پر قابو پانے کی سوج کے ساتھ ایک طے شدہ طریقہ کارے خطرے سے تمنے ہوئے اُسے کم کرتا ہے۔ پورے اوارے میں خطرات کا جائز و لیا جاتا اور ان کے انتہارے ان پر قابو پانے کی فرمداری دی جاتی ہے۔ خطرات کی نشا تد ہی کے بعد اس قابو پانے کی متصوبہ بندی وضع کی جاتی ہے جس کی گھرائی منجے سے کہنی اور بورؤ کرتے ہیں۔

- فیر ملکی زیرمبادلہ کی فیر بیٹنی صور تھال کود کیسے ہوئے اہم خام مال اوراجناس کوفعال انداز ہیں محفوظ میں کرنے کے لیے گروپ کمپنیوں نے ایک بھٹ ہملی کا تعیین کیا ہے۔ جس تے ہمار کے ممل پورٹ فولیو کے مارجن کے حصول میں مدوفراہم کی اور مملی سمونیات میں آئے والی زکاوٹوں کو کم سے کم ہونے کوئیٹنی بنایا۔ ہماری ٹیمیس اس حکمت عملی پڑئن کرتے ہوئے کا روہا ری سرگرمیوں کو متحکم یا ئیدا ری کے ساتھ آگے بروحائے کا م انجام ویتی رہیں گی۔
 - کمپنی برآ مدات کی ایک معجم حکست محلی بھی ہنار ہی ہے جس کا مقصد اپنے اہم اور قیمتی وسائل بشمول زمین ، قدر تی وسائل اور انسانی وسائل کو استعال کرنا ہے۔ ہمارا عزم چاول اور chlo-Vinyl کی مصنوعات کی بنیاوی برآ مدات میں مزیدا ضافہ کرنا ہے۔ پیفٹف سنعتوں مثلًا فوؤ ، زراعت ، کیمیکلز ، ٹیکنالو بی اور کاان ٹی میں برآ مدات کے مزید مواقع پیدا کرے گی۔
- بین الاقوای سطح پرنمایاں طور پرابجرنا ہماری ترجی ہے گئی نے حالمی شراکت دارول کے ساتھ بین الاقوامی منصوبوں پرکام کرنے کے لیے توجہ مرکوزر کھی ہوتی ہے، جواسے چغرافیائی تبدیلیوں کے اوراینگر و برانڈ کو دیا بجر بیس تشویر کرے گی۔

عتبل تريب كاجائزها

یرونی سرماییکاری کی گزتی حالت، غیر بیتنی سیاسی صورتمال اور مالیاتی چیلنجز کی وجہ بیدا ہوتے والی غیر متفتم میکروا کنا کم سے باعث متفتمل قریب میں ترتی کی رفتار کم نظراً تی ہے۔ تاہم، پالیسی کے مؤثر اقد امات کے ساتھ دیرتو تھ ہے کہ درمیانی مذت ہے معیشت کی رفتار میں ایک بار پھراضا فدہوجائے گا اور برآ مدات میں اضافے، ورآ مدات کی تبدیلی اور مکت غیر کملی سرماییکا رکی کے ذریعے ترتی کرے کی بھیشہ کے واسے معید ای اور مکت غیر کملی سرماییکا رکی کے دریعے ترتی کرے کی جموی طور پرطویل مدتی امکانات شبت نظراً تے ہیں اور کمینی پاکستان کی مکت استعماد کے حوالے بھی ہمیشہ کے واسے میں جمیدرای ہے۔

اینگروکار پوریش، پاکستان کے ضروری مسائل کوحل کرنے اوراس کے شہر یول کی زند گیول کو بہتر بنانے کے لیے ایک منتخکم حالت بیں ہے۔ سب کے لیے منتخکم قدر بنانے اور کار وہاری ساخت کو کچکدا راور تیز کرنے پر توجہ مرکوز کرنے کے ساتھ ساتھ ہم اپنے چارا ہم سطحوں اور ٹیکٹڑ پر کار وہار کو بڑھانے اور ٹر ٹی کے بیٹے مواقع حاصل کرنے کے لیے پُر عزم بیں۔

فرخلاوه

پاکستان میں زراعت کا شعبہ حال ہی میں پیش آئے والے فنظر ناک سیلاب اور سیاسی ومعاشی فیر نیٹنی صور تھال کے باعث تمایاں طور پر بڑے چیئے ہوئے۔ یہاں معیشت کا نحصار زیاد ومز زراعت پر ہے اس کیے آئندہ چھ ماہ میں بڑی رکا وٹوں کے پیدا ہوئے کی توقع ہے۔

گر ہمیں آوی یفین ہے کہ حکومت کے درست اقد امات اور متعلقہ ایجنہ بیوں کے تعاون سے حالات بہتر ہو کتے ہیں۔ ہماری کمپنی بین الاقوامی مارکیٹوں سے رعایتی قیمتوں پر ضروری کھا دوں کوخر ید کر قراہم کرتے ہُوئے خاص طور پرایتا کروارا واکر نے ہیں مصروف ہے۔

وينرويميكا

پولیمر کاروبار پرآ ہدات کے ذریعے فیر ملکی کرنی کمانے کے ساتھ ساتھ متبادل درآ ہدات کے ذریعے فیر ملکی کرنی کو محفوظ کرنے میں بھی ہے صدا ہم کر دارادا کر رہا ہے۔
اینگر و پولیمر اینڈ کیمیکلز کنسٹر کشن اور فیکسٹائل جیسی پاکسٹان کی بڑی صنعتوں کو بنیادی اور ضروری خام مال فراہم کتندہ کی حیثیت سے پٹی خدمات انجام وسیعے کے لیے ٹرم ہے۔ یہ
بڑے پیانے پر پیدا ہوئے والی گیس کی کی داقع ہوئے پر کا روبار کے لیے توانا کی کے متبادل ذرائع تلاش کر رہا ہے تا کہ بیلی کی لاگت میں کی اور دستیاب گیس کی کی سے خطرے کودور
کیا جا سے مجبکہ اس کے ساتھ ساتھ سے پر دیکیٹس اور مارکیٹس کی نشائد ہی جاری دیکے ہوئے ہے۔ نہ کورہ بالا کے مطاورہ برآ ہدات پر پٹی فیکسٹائل بیکٹر کو خام مال فراہم
کرنے والا ایک ایم ادارہ ہوئے کی حیثیت سے کمپنی محکومت کی جانب ہے متا سے بیس کی فراہم کی بھی اسیدر کھتی ہے۔

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ازتی کا تخفظ کرنا پاکستان کا سب سے اہم اور ویجیدہ مسئلہ رہا ہے۔ ورآ ندات سے چلنے والی انربی پالیسی ، ملک کے لیے مشخلم میں ہے اورای لیے مقامی سلم پرستی انربی فراہم کرنے کے مقصد کے ساتھو، پا ذرکینٹر کے لیے تخرکول حکومت کی میرٹ آرڈ رکسٹ بٹس شائل رہے گا کیونکہ یہ فیول کی بڑھتی قیمتوں کے خلاف hedging فراہم کرتا ہے۔ انربی کی حکمت کی خلاب کو پوراکرنے کے لیے ہمارے کان کئی کے کاروبار بٹس کا میابی کے ساتھ 7.6 ملین شن سالا شاخت اور سال 2024 کے آغاز بٹس 11.4 ملین شن سالا شائل اضافہ کردے گا۔

ا تظامیے بہت میٹے بینچرز اور درآ مدشدہ کوئلماستعال کرنے والے پاؤر پروڑ ہیسرز کے ساتھ اشتر اک کر دہی ہے تا کہ مقامی تھرکول کواستعال میں لایا جا سکتے۔ ہم تھے ہیں کہ تھرکول کے ممل طرح سے استعال کرنے سے انر بی کے دونوں مسائل بینی بیکٹراور ہما دے بڑھتے ہوئے زیمپادلہ کے بڑان کے مسائل کوئل کیا جاسکتا ہے۔

پائیدارازی کوقائل صلاحیت بنائے کے لیے از تی برنس نے ریگولیٹرز کے ساتھ اشتراک کیااورانڈسٹری اسٹیک بولڈرز نے جم پیریش مکنہ 400 میگاواٹ پر قائل تجدید از بی پارک (ری پارک) کی بہولت فراہم کرتے کی فیش رفت کی ہے۔ یہ ہوئے پرستی اور گرین الکیٹرک بٹی فراہم کرے متحکم مستقبل کی جانب راہ ہموار کرتے اوراس کے فروغ جس اہم کرواراواکرے گا۔ اس کے لیے کہنی نے 6,700 ایکڑڑ جن کی وسٹیائی کی تقدیق کی ہے جوکہ 400 میگاواٹ سے ڈیاوہ اڑ بی بیدا کرتے کی صلاحیت میں معاون ہے۔ یہ مکنہ طور پرسار فین سے 670 میگاواٹ کی فراہمی کے وعدے بھی رکھتا ہے۔

戸はいり

ایل این بھاڑ مینل از بی کی کودورکرنے ہیں بھی اپنا کروار اواکر رہاہے۔جس طرح مارکیٹ ہیں انر بی کی طلب ہیں اضافہ مور ہاہے ہم شیئر ہولڈر کی قدر ہی اضافے کے لیے منظمواقع کی علاش جاری رکھیں گے۔

لکو یڈ کیمیکلز ہونڈ نگ انڈسٹری میں اینگر دویاک کی منفر دیوزیشن پہلے ہے زیادہ بہتر کارکردگی کی امید کے ساتھ اے کیمیکل ہونڈ ننگ اوراسٹورٹ کی برنس میں مارکیت لیڈر کی حیثیت سے تعلیم کرتی ہے۔ تاہم ، تا قبان بارڈ رام یا کے ڈر لیے درآ ہدات کے مل میں میرین DP کی درآ ہدات کے دہاؤ میں رہنے کی توقع ہے۔

كييتل الميكشن اب ويد

سال کے دوران ،ایگرو نے اپنے verticale میں سر ماریکاری کے مل کو جاری رکھا ہے جو تھ میں یافتگان کی خاص قدر پیدا کرے گا اور پاکستان کی ترتی میں گروپ کے تعاون کو حزید آ کے بوجائے گا۔اس حوالے سے بچھ تمایاں تکات ورج ذیل ہیں:

- ۔ اینگروائر بی جموعیت سندہ کے ساتھ ل کراس وقت پاکتان کے پہلے ہا ہمرؤ renewable، GW1 انرٹی (RE) پارک کی بھیل کا جائزہ لے در ایدی متباول کے طور پر 400 ملین امریکی ڈار بچائے کی صلاحیت رکھتا ہے۔ 400 میگاواٹ کی وسعت کے ساتھ پر وجیکٹ کے فیز ا پر سال 2024 کے آغاز میں تقد بی شدہ زمین کی وستایی کے ساتھ کا م کرنے کا منصوبہ ہے۔ اس اقدام کا متعمد صنعتی صارفین کے لیے بخلی کی لاگت میں تقریباً 20 فیصد کی لانا ہے اور 2030 تک پاکستان کے انرٹی کی ساتھ کا م کرنے کا منصوبہ ہے۔ اس اقدام کا متعمد صنعتی صارفین کے لیے بخلی کی لاگت میں تقریباً دوں سے اور 2030 تک پاکستان کے انرٹی کئی میں میں اور 2030 فیصد تک بردھائے کے حکومتی بدف کی جماعت کرتا ہے۔ کہنی شریبال میں منصوب کے میں کہنی اور سے میں کا واضح شوت ہوئے میں اور 20 میگا واٹ مالیت کے MOUs بیں جن پر وستھنا کیے گئے ہیں۔ کمپنی نے پالیسی ساز وں کے ساتھ کی کرمنصوب پر محملد را مدے لیے زمین کو استعمال کرنے کی جانب فیش دفت بھی کی ہے۔
- 11۔ کمپنی نے میلی کیونیکیٹن انفراسٹر پھر انڈسٹری میں قدم رکھاجس کا متصد پورے ملک میں میلی کام تک رسائی کوفعال کرنا اوراس شیعے میں اہم قدر کومتھکم کرنا ہے۔ دمارے ذیلی کمپنیاں 2024 تک وی 4 تاورزے اپنے ہوف تک وینچنے کے لیے بہترین طرز پر گاھزن ہے۔ مزید برآل ، کمپنی فعال طور پر سرما ہیکاری کے منامق جاش کردہی ہے اوراس نے حال ہی میں مرجرزے منافع اور دستیاب سرگرمیوں کوآ کے بوحانے میں اپنی ولچپنی کا اعذان کیا ہے۔
- 111۔ کمپٹی نے buypack پروگرام کے تحت 23 جولائی 2023 کل 70 ملین ٹیٹر زخر بدنے کا اعلان کیا ہے۔ بورڈ آف ڈائز بکٹرزے ملنے والے تعاون کی وجہ سے انتظامید کی ٹیم پریفین رکھتی ہے کہ این تھوں پر ٹیش کردہ بیا کہ تاجاری رکھنے کی صلاحیت موجود ہا دیک کی قیمتوں پر ٹیش کردہ بیا کہ بہترین موقع بھی ہے۔
- ا۔ کمپنی نے پاکستان میں مقامی PDH اور PP سوات کی تغییر کی سوات کا جائزہ لینے کے لیے ایک جائ فیکو کمرش تجزیر کیا اور FEED کا تخیید نگایا۔ معظم مقامی مارکیٹ کے حالات اور بہترین محفیکی مہارت کے باوجود EPC محاہدوں میں غیر معمولی اضافے کے باعث پڑے سرمائے کے اخراجات کے تخیینے کی وجہ ہے اس منصوب کو عارضی طور پر دوکے کا فیصلہ کیا گیا۔ تاہم ، اینگر وسلسل صورتھال کا از سرتو جائزہ لے گا اور مستقبل میں اس منصوب پر دوبارہ کا م شروع کرنے کے امکان کے لیے تیار

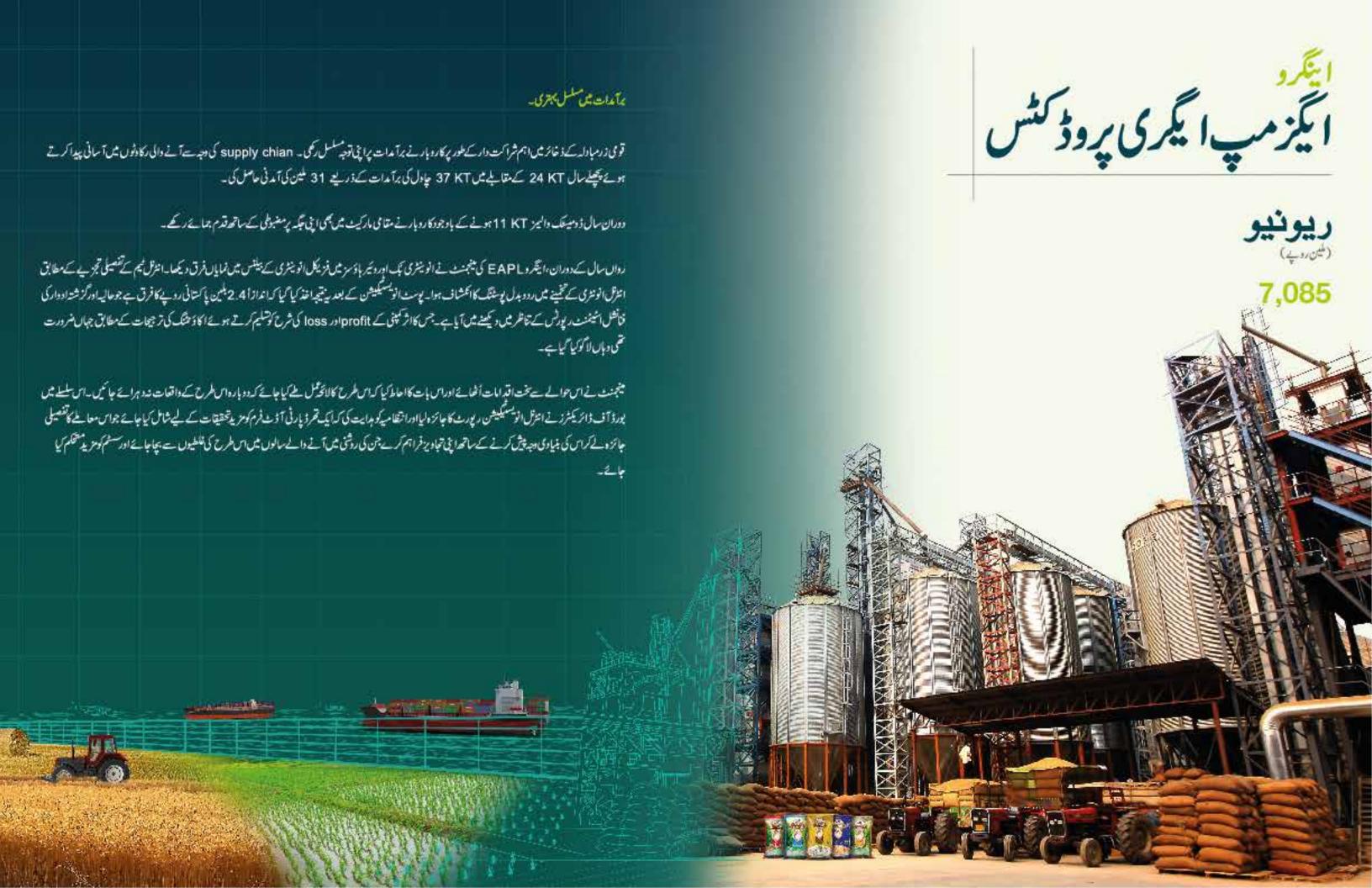
- اینگروفر ٹیلائز رزئے دیگر کھاو بنائے والول کے ساتھ ال کرماری فیلڈیش کمیریشن بوٹ کی تقییر کے لیے ماری پیٹر ولیم کمپیٹی کمییٹر کے لیا کا ساتھ معاہدہ کیا ہے۔
 جس سے تر بیل کے وباؤ کی مناسب سطح کو برقر ارر کھتے ہیں مدواور میٹوفینچر گھ کی ہولت کو مستقبل قریب ہیں متا ہی گیس پر بہترین سطح پر کام کرئے کی اجازت لیے گی۔
- VI اینگروپولیمراینڈ کیمیکلزنے -VCM KTPA 50 سہولٹ کے لیے FEED اسٹڈی کا آغاز کیا ہے جو بہترین اندازے جاری ہے۔ پاکستانی مارکیٹ ش expand کاممل سلسل جاری رہنے ہے EPCL مثنائی مارکیٹ کو PVC کا سب سے بڑا فراہم کنندہ رہنے کے لیے وقف ہے، جبکہ بیا تدرون ملک پیداوار اور برآ مدی صلاحیت کو استعمال میں لاتے ہوئے زیادہ سے زیادہ متافع کمار ہاہے۔
- VII ۔ اپنی مختلف اور درآ مدی متباول کی محست مملی کے مطابق وائیگر اینڈ کیمیکڑ اپنے 28 KMT کے بائیڈ روجن پیروآ کسائیڈ پر وجیکٹ بین کامیابی کے ساتھ آگے بڑھ رہا ہے۔ پر دجیکٹ کی تکیل کی تاریخ 2023 کی تیسر کی سمائی بین متوقع ہے۔ اس سے کمپنی کی مالی پوزیشن معنبوط ہوگی اور اس کے پورٹ اولیو میں ایک اہم پر وڈکٹ کا اضاف ہوگا۔

2023 - وكريكش

ہم اپنے پورٹ نولیوی کا رکردگی ہیں کرتے ہوئے سرت کا اظہار کرتے ہیں ؟ تاہم یہاں پہتلیم کرنا ضروری ہے کہ ہیرونی ماحل کی صورتحال کا غیر پیٹنی رہے کا امکان ہے اور مستقبل میں بھی چیلنجز کا سامنا ہوسکتا ہے۔ چونکہ اینکر وکی موجو و گی معیشت کے ہم سیکٹرزمٹلا فوڈاورا بینگروائر بی میں زیاوہ ہے اس لیے بہتر معیشت کے لیے کا روباری تمل کا مسلسل سے ساتھ جاری رہنا ضروری ہے۔ اپنے شیئر ہولڈرز کے تحفظ اور قدر میں اضافے کے لیے ہم ایک حکست عملی نافذ کرنے کا اراوہ رکھتے ہیں جو کہ تھنے رکاؤوں کو دور کرنے اور مختف خطوں میں ہمارے منتوع آپر پیشنز انجام دینے پر مرکوز ہوگی۔

ورج ویل میں محمت علی کے کھا ہم اقد امات ہیں جس کی تمام گروپ میں میروی کی جائے گی:

- ۔ ہم نے اپنے متعقبل کو بہتر بنانے کے لیے اخراجات کو کم کرنے پر توجہ مرکوز رکھی ہوئی ہے۔ لاگت کی اثر انگیزی ،احتیاط اور حالات بیس خود کو ڈ حالنے کی صلاحیت پر مجر پور توجہ نے ہمیں مشکل حالات سے گزرنے بیس مددوی۔ بیٹل آ ٹومیشن کے طریقتہ کارے ڈ رسیعے ملی کار کا کردگی بیس خاص اضافے ،اخراجات پر نظر رکھتے ہوئے شکینالو بی کا استعمال اور اہم کاروباری حصوں بیس پاکٹس ویلیو کی نشا تد تی کرے گا۔
- ۔ خراب معاشی صورتمال کے باوجود پلانٹ کا بہتر معیاراور مؤثر کا رکروگی ہماری ترج ہے اورآ کے بھی رہ گی۔ اینے اٹا اُٹو ل کو بہتر انداز بیں محقوظ بنانے کے لیے بچھے مخصوص رکا وٹوں پر فعال طور پر سرگرمیاں انجام دی جا کیں گی۔



Friesland Campina Engro نے وی اورائش کریم وراول شیوں عل معنوط والیو میٹرکسینل کی وجدے محکم رق ک ہے۔

FCEPL نے سیلاب سے ہونے والے نقصانات کے ازالے کے لیے بڑے پیانے پراٹی کوششیں جیز کردی ہیں اور سندھاور بلوچستان کے قریب اس کے عکم اور نارافارم پلانٹ میں جانوروں کی بہیود پر تفجہ مرکوز کی۔



ر **يونيو** لينسب

73,473



ایگرد وویک اورایلنجی ٹرمبینلز

ر **يونيو** ښروپ

21,912

عمرواكناك كافراب مورتمال كياوجود بلك ليكويل يميكزاور LPG كياستورت سلوعنو كافراسي كدوران التكرووويك في تأق ماصل ك-

ائیگرووو پکٹرمینل نے گزشتہ سال 1,280KT کے مقابلے میں 1,331KT تک کیمیکل وینڈ ٹنگ میں اب تک سب سے زیادہ جم کا اضافہ ریکارڈ کیا، جس کی وجہ نیاد می طور پر فاسفورک ایسڈ اور پیراکسیلین کی زیاد و درآ مدات کوقر اروپا جاسکتا ہے، جو تفتان یارڈ رکے دوبارہ تھلنے کی وجہ سے گزشتہ سال کے مقابلے میں 32 فیصد کی کم LPG میرین امپورٹ کی وجہ سے ممکن ہوا تھا۔

مجموق طور پرسال 2022 کے دوران ٹرمیٹل کاروبار کے منافع شیر قیکس کی وجہ سے متاثر ہُوا ہے۔ کاروبار نے محت ، هفاظت اور معیار کے فیر معمولی معیار کو برقر ارد کھتے ہوئے بغیر کسی کام یا مشکلات کے 25 سالد کامیاب اور محفوظ آپریشنز بہترین طور سے ممل کر لیے۔

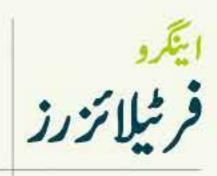
LNG ٹرمٹنل نےSSGC میں re-gastified 219 bcf کو 74 ویسلوک فراہمی کی جوکہ 97.6 فیصد کی دستیابی کے ساتھ ملک کی گلی میس بیلائی کے 13-15 فیصد کے مطابق ہے۔











157,016

ياكستان يمن غذا في تحفظ شراتعاون اور 1.3 بلين امريكي والركي متيادل ورآ هارت.

مقای ایکری فیرل سیموجود و عالمی معافی بدعالی اور عال بی میں ملک میں آئے والے شدید سیاب ہے بری طرح متاثر ہوا ہے۔ بوریا کی فروخت گزشتہ سال کے 2,295 KT کے مقابلے میں اس سال 1,935 KT ری جو بنیادی طور پرسال کے دوران میں بلانٹ میں اس سال turnaround کے مقابلے میں مغر TRIR كساته 50سالول ميسب عطويل اورهكل turnaround كوكمل كرتي بوئ ايك تاريخ رقم كى ب، جوكر تحفظ اور بايش ميس بهترى حاصل كرني ے حوالے سے گروپ کی جانب سے کیے معے عزم کا شہوت ہے۔ اس معظم پر وجیکٹ کے عمل ہونے کے بعد پلاٹ کی کارکرد گی میں اضافہ ہونے کی وجہ سے آنے والے سالوں ين آيريشل فيسيلني كاركروگي بين جي بهتري كاتوقع ہے۔

ونیا مجرین capacity expansion کی وجہ سے ہوریا کی ٹین الاقوامی تیمتیں سال 2022 کے آخریک 52 فیصد کی زی کے ساتھ امریکی ڈالر 456/T (705, 6رویدنی بوری کے برابر) پہنچ گئیں۔ بین الاقوامی فاسفیٹ کی قینتیں امریکی ڈالر 730/T تک کم ہوئیں جس کی وجہ عالمی طلب میں کی اوراجناس کی فصل میں تبدیلی پیدا ہوتا ہے۔ عالمی اجناس کی قیمتوں میں اتار چڑھاؤے ورمیان اسقامی کھاد کی صنعت نے بین الاقوامی قیمتوں کے مقالبے میں 66 فیصد کی رعایت رکسانوں تک مقامی طور پرتیار کرده بوریا کی دستیابی ویقی بنایارسال 2022 میں مقامی بوریا کی صنعت نے متباول درآ مدات کو 4.5 بلین امریکی ڈالرتک پہنچایا جس میں اینگروفر ٹیلائز در کا حصہ 29 فصد كيرابر1.3 بلين امركي والررباء

سال 2021 میں بنیادی طور پرمقامی بوریاادرعالمی اجناس کی تیتوں میں اضافے کی وجہ نے ٹیلائزر کے کاروبار میں 132 بلین کے مقابلے میں 157 بلین آ مدنی ریکار ڈ ک گئا ہے۔ گزشتہ سال منافع بعداز کیس (PAT) 21 بلین کے مقالے میں 16 بلین رہاجس میں بنیادی طور پر 3.8 بلین کی رقم کے سرتیس کی ویہ ہے کی ویکھنے میں آئی۔



سی مال کی آمدنی پر 4 فیصد پر قیکس کے نفاذ اور نفتی شعبوں پر 6 فیصد کے اضافی پر قیکس کے بارے میں گروپ نے ہائی کورٹ میں انتیل کی جس میں فیصلہ ان سے حق میں سنایا عمیا ہے۔ اپنے قانونی اور قیکس مشیروں کی حمایت حاصل کرتے ہوئے احتیاطاً گروپ نے پر 4 فیصد پر قیکس کی provision کو برقر ارد کھنے کا فیصلہ کیا گیا۔

ودران سال سمینی اوراس سے ذیلی اوارول نے علق برقی اور عملی سک میل عبور سے جیں:

- اا۔ ایس ای بی ایم بی (SECMC) کان کے فیزا ا کی توسیح کامیابی کے ساتھ کھمل کی جا چک ہے، جس سے اس کی موجودہ کان کی کی صلاحیت دوگئی ہوکر 7.6 ایم ٹی بی اے (MTPA) ہوگئی ہے۔ جس نے منصوب کے مطابق کیم اکتوبر 2022 کو دوران سال بھاری بارشوں کے باوجودہ 1000 فیصد کی آپریشنل دستیابی کے ساتھ تھی اوڈی (COD) حاصل کیا۔ حزید برآس ، حکومت سند مدھتے توسیح کے ٹیسر نے فیز کی منظوری دے دی ہے، جس کی جیمیل سال 2024 کے اوائل تک ہوئے کی توقع ہے۔ توسیح کے بعد تحرکو کیلیٹیں لوڈ انر بی کا سستانزین ڈر بیدین جائے گا۔
- ۔ پاکتان میں عالمی معیارے ڈیجیش افز اسٹر پکر کوفعال بنانے کے مقصد کے ساتھ ہم نے اپنے اینگر وشیئر کے connectivity vertical کے لیے ورٹ آؤلیو ادب دو پہا equity معاہرہ کیا ہے۔ یہ build-to-suit towers کی بڑھتی ہوئی طلب کو پورا کرے گا۔ سال کے دوران کا روبار نے اپنے پورٹ آؤلیو میں گل 83,328 آپریشش میں 1.17x کے tenancy ratio کے ساتھ 1,083 سے ٹاورز کا اضافہ کیا۔ 50 فیصد کا روبار کی سائٹش میں سازی اوراز بی اوراز بی اوراز بی اوراز بی اوراز بی اوراز بی ارجہ نو کو بھر بیتا نے کے للی پر فوکس رکھتی ہیں۔ اس وقار کے ساتھ آگے ہوئے ہوئے ہمارا مقصد 2024 کے تو جو کے مارا مقصد 2024 کے تو بھر کی مارٹ کی بیتا ہے۔
- ۱۷۔ دوران سال اینگرو کے عالمی تجارتی ادارے FZE نے UAE میں تجارتی سرگرمیوں کا آغاز کیا جس کا مقصد گروپ کی تجارتی سرگرمیوں کوایک بھت تخصیکم کرنا ہے۔اس کے علاوہ FZE اینگروونیا بھر میں تھرڈ پارٹی کنٹر یکٹ کے ڈریعے پاکستانی مصنوعات کی رسائی کو بڑھانے ادرمقامی مارکیٹ میں اشیاء کی آمدکو آسان بنائے کے لیےا پی بہتر پوزیشن سے قائمہ واٹھائے کا ارادہ رکھتا ہے۔
- ۷۔ ہم نے ایک پائیدار درآ مدی متبادل والی اور برآ مدات پرفنی اسٹر کیمر کی تقییر پر توجہ مرکوز رکئی ہے۔ ہمارے برنسز نے فر ٹیلائز ر، کوئلہ نگا لئے اور PVC کی متنائی پیدا دارے ذریعے 1.7 بلین امر کی ڈالر کی درآ مدے متبادل کومکن بنایا۔ ہم نے کامیابی کے ساتھ دیا وال ، کامٹک اور PVC کو 52 ملین امر کی ڈالر کی مالیت کے برآ مدکیا۔

كاروبارى كاركردكى كاجاكه

انفرادی طور پر کپنی نے مسادی سال کے لیے 18,516 ملین روپے کے مقابلے میں اس سال بعداز کیکس منافع 21,196 ملین روپے کا بعداز کیکس منافع (PAT) حاصل کیا، جس کے نتیجے میں فی خصص منافع 36.79 (EPS) روپے بنتا ہے۔ منافع میں 14 فیصدا ضافہ بنیادی طور پر زیادہ منافع آمد فی کے ساتھ ساتھ پولیمر فر ٹیلاکز راور توانا کی کے کاروبارے زیادہ ڈیویڈٹڈ کی وجہ سے ہے بڑوی طور پر سر قبلس کے ذریعہ پوراکیا گیا ہے۔

کیٹی کی مجمول آمدنی میں 14 فیصداضائے سے 356,428 ملین روپے تک بھی گئی جیکہ تھا کی سال میں یہ 311,587 ملین روپے تی 2022 کوئتم ہونے والے سال کے لیے مجمولی سنانع بعداز کیس (PAT) 46,111 ملین روپے تھی جو 7,151 ملین روپے کا شیر کیس کھنے اور 2,911 ملین روپے کی جو کی کی خرفہ اللہ کے لیے مجمولی منافع (PAT) میں روپے کی جو کہ 2021 میں 2021 میں 27,942 ملین روپے کی جو کی جس کے بیچ کے موکر 24,332 روگئی جس کے بیچ میں سال 2021 کے لیے فی جمعص منافع (EPS) 48.50 ملین روپے کے متا کے بی 42.23 روپے کے متا کے بی 2021 روپے کے متا کے بیل 2021 روپے کے متا کے بیل 2021 روپے کے متا کے بیل 2021 کے دوپے کے متا کے بیل 2021 کے لیے فی جمعص منافع (EPS) 48.50 میں روپے کے متا کے بیل 2023 کے دوپے کے متا کے بیل کے 2021 روپے کے متا کے بیل 2021 کے لیے فی جمعص منافع (EPS)

كاروبارى جائزه	آمانی (روپیش)		بعدازتیس منافع (روپیلین شی)	
	2022	2021	2022	2021
فرشِلائزراورفودُ 1	237,576	188,766	17,788	22,903
نوليمر ادر يحيكاز	82,060	70,022	11,689	15,061
ثلياكا م الغرااستريكر	9,095	4,489	(253)	(669)
الرى	83,070	87,525	15,351	14,649
وميمو	21,912	17,390	4,874	3,913

مرل FCEPL ، EFERT اورEEAP

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اینگروکار پوریش کمیٹنی) کے ڈائز بکٹرز 31 وتمبر 2022 کوئتم ہونے والے سال کی سالاند رپورٹ اورآ ڈٹ شدہ مالی کوشوارے بیش کرتے ہوئے سرت کا اظہار کرتے ہیں۔

بادى كرمان:

کمپنی کی بتیاوی سرگری فریلی کمپنیوں ،اواروں اور جوا کے ویٹیر زیش اپنی سر مابیکاری کا انتظام کرتا ہے جس بیش کھاد کی تیار کی اور تھارت ، chlor-vinyl مصنوعات کی تیار کی اور مارکیٹنگ، داہم ٹیلی کمپونیکییشن انٹر اسٹر پیمر کی ٹراہمی ، ڈیئز می مصنوعات کی پروسیننگ اور میکیجنگ ، پیلی کی پیداوار ،کو سکے کی کان کی ،خوراک ،ایل این تی اور بلک بیمبیل بینٹر لنگ ژمینلر اوراسٹورز کے کیار و بارشامل ہیں۔

ميكروا كناكساعول

مالمى معيشت

عالی اقتصادی ترقی سہای CY2021 میں 6 فیصدے کم جوکر CY2022 میں 3.2 فیصدہوگی جس کی بنیادی وجددی - بوکرین بحران کے اثرات اور بیسین میں کو فیر -19 لاک ڈائن کے دوبارہ الجرنے ہے ۔ بوکرین پردوں کے جیلے نے عالمی معیشت کو فیر محکم کردیا ہے۔ اس جگ نے جغرافیا کی سیاس کا معالم مورث کے علیمین عالمی بحران کے پیدا ہوئے میں مدد کی ہے۔ ان کرائم و کے ساتھ سیال کی سائیڈ افراط زر کے دباؤے میٹیج میں از بی مارکیٹس نے سال بجر آتار پڑھاؤ کا مظاہرہ کیا۔ رسد کی کی دجہ سے خام تیل کی زیادہ تیسی میں نے دکوویلہ 19 پالیسی کے تعیش سال لاک ڈاؤن کے منتیج میں جو کو دیا۔ 19 پالیسی کے تعیش سال لاک ڈاؤن کے منتیج میں جو کہ بھاؤ میں خال پڑا ہے جس نے غیر چینی میک دو ایک مقام جو بھی تا ہم فیصل لاک ڈاؤن کے منتیج میں جو کہ بھاؤ میں خال پڑا ہے جس نے غیر چینی میک دو ایک معاشر کیا ہے۔

منتج کے طور پر معالمی مرکزی بیکوں نے افراط زر کی بلندشرے کو سنجا لئے کے لیے شرح سودش اضافے کے ساتھ مالیاتی بخق کا سپارالیا۔ اس عالمی مالیاتی بختی اور ڈالر کی مضیوطی نے بہت کی البحرتی ہوئی انر تی مارکیٹس کو بر کی طرح متاثر کیا ہے، جس کی وجہ ہے مالی حالات بخت ہو گئے جیں اور درآمدی اشیاء کی قیستیں بلند ہور ہی جیں۔

ياكنتان كالمعيشة

مالی سال 2022 میں پاکستانی معیشت نے 6 فیصد گروتھ کا مظاہرہ کیااور کوویلہ کی بحالی کے بعداس میں تیزی آئی۔ تاہم میکروا کنا کم مشکلات کی وجہ سے مالی سال 2023 میں گروتھ کم ہوکر 2 سے 3 فیصد رہنے کا امکان ہے۔ تباہ کن سیلا ب کے نتیج میں مکن طور پر 30 بلین امریکی ڈالر کا نقصان ہوا ، اینڈ مین اور بکی کی سیسڈی کے خاتے ، روپے کی قدر میں بڑے بیانے پر کی اور عالمی اجناس کی قیمتوں میں اضافے کی وجہ سے تو انائی کی قیمتوں میں اضافہ ہوا۔ اس نے اوسط میڈرلائن افراط زرکو 20سے فیصد تک پہنچا دیا۔

ناکانی برآ مدات اور درآ مدات پرزیاد وانتھاری وجہ سے کرنت اکا ؤنٹ خسارہ گزشتہ سال کے 0.8 فیصد کے مقالے میں بڑھ کرنی ڈی پی کا 0.4 فیصد ہوگیا۔ مزید برآ ں ملک میں سال کے 8 مقالے میں بڑھ کرنی ڈی پی کا 0.4 فیصد ہوگیا۔ مزید برآ ں ملک میں سال کا مدم استحکام کی وجہ سے مجموعی افور پر معیشت کومزید چیننجز کا سامنا کرنا پڑا۔ ان تمام چیلنجوں کے درمیان غیر کلی کرنے کم ہوئے کی وجہ سے محکام کو کے اور غیر ملکی خدمات کی خریداری سمیت مختلف خدشات کی مجہ سے کا مقالت کا سامنا ہے۔ خدشات کی وجہ سے کاروباری اواروں کو 1.2 کھولئے اور غیر ملکی خدمات کی خریداری سمیت مختلف خدشات کی وجہ سے کاروبار کی اوبار کرنے میں مشکلات کا سامنا ہے۔

پیرونی شعبادر مالیاتی ماریمٹوں میں امجرنے والے تمایاں افراط زرے ویا کا ورمدم توازن کے جواب میں انٹیٹ بینک آف یا کتان (SBP) نے ووران سال 625 پیسس پوئٹش (9,75 فیصدے 16 فیصد) کی مائیٹری پالیسی خت کی۔اس کے علاوہ عکومت نے گزشتہ سال کی آمدتی کے ساتھ ساتھ اس سال کی آمدتی پر بھی 4 فیصد کا سرتیکس اور 2021 کی آمدتی پر نتخب شعبوں پر 6 فیصد کا اضافی وَن ٹائم کیکس مائد کیا ہے۔ بیا تد امات آئی ایم الیف کے تات کیات کو طامل کرنے کی کوشش میں کیے گئے تھے۔

دوسری جانب حکومت نے سعودی عرب، عالمی بینک، بورپی بوئین (U) وغیرہ جیسے بین الاقوامی عطیدہ ہندگان سے سیلاب کے بعد بھائی کے لئے 19رب ڈالرے زیادہ کی مالی امدادے کا میاب حصول کے لیے اُمید ظاہر کی ہے۔ اس سے پاکستان پر دہاؤ کم ہوگا اور معاشی بھائی کی راہ ہموار ہوگی۔

موجودہ صور تعال کے چین نظر حکومت کومعیشت کی بھائی اور منتظم میکروا کتا مک ماحول پیدا کرے کاروباری اعتاد کوفروغ دینے کے لیے مالیاتی اور مانیٹری پالیسیوں کودرست انداز جی اپنانے کی ضرورت ہے جس سے کمپنیوں کو وقت کے ساتھ ساتھ معاشی ترتی جی اضافہ کرنے جی عدد لمے گی۔

سال آیک تظری

ا بھروک کے سال 2022 معاشی کے دوبار وسطام ہوئے کا سال تھا۔ معاشی سیائل کے باوجود پر تیل کے اثرات برواشت کرنے اوراس کے متورع پورٹ فرای ویہ ہے۔ ایکروکار پوریشن کی کارکردگی بیزی مدتک شبت رہی کہ کروپ نے تیزی ہے مارکیٹ کے حالات میں ہوئے والی تبدیلیوں کو ایٹا یا بڑتی پر مجمود تیمین کیااور تمام کاروبا دکی کارکردگی کے معیاد کو برقر اور کھا۔

پورے گروپ میں افراط زرکا دیا و واضح تھا، جس سے مار جن مثاثر ہوا۔ جس کے دول میں، گروپ نے اپنے آپریشنزی طویل مدتی یا تیداری کولیتنی بنانے کے لیا گت کو بہتر بنانے کے اقد امات کو تعینات کیااور کامیا لیا کے ساتھ اپنی لاگت کو 20 فیصد کی اوسط افراط زرے نیچ تعد و دکر دیا۔ مزید برآس بہتو ٹرسر مائے کی تقسیم اور معیشت کے اہم شعبوں میں اینگر دو کی سوجود گی نے ہمارے بورٹ فولوکواس مشکل وقت میں دوبار و معلم ہونے کے قابل بنایا ہے، چوفیر کلی زرمباد لیا ورشرح سود میں آتار چڑھاؤے کے طلاف رکاوٹ ہے۔

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