

+92-21-111-211-211

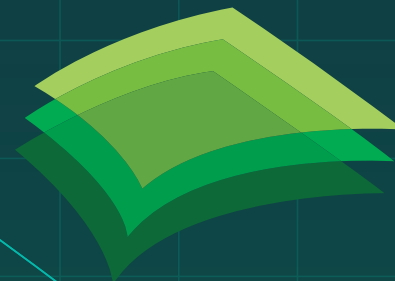
- engro.com
- EngroCorp
- Engro.Corporation
- engrocorporation
- EngroCorp
- engro-corp



# enabling growth for Pakistan



first quarter  
accounts  
2023



engro corp

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

### About Us

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

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

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

### Our History

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

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

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

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

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

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

### Engro Corporation Limited

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

### Engro Fertilizers Limited

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

### Engro Polymer & Chemicals Limited

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

### Engro Energy Limited

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

### Elengy Terminal Pakistan Limited

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

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

### Engro Vopak Terminal Limited

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

### FrieslandCampina Engro Pakistan Limited

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

### Engro Enfrashare (Private) Limited

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

### Engro Eximp Agri Products (Private) Limited

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

# directors' report

The Directors of Engro Corporation Limited are pleased to submit their report along with the condensed interim financial statements of the Company for the first quarter ended March 31, 2023.

Global growth remained low in the first quarter of 2023 in the face of elevated inflation, escalated geopolitical tensions and rising concerns on global financial stability. Major economies in the world moved towards monetary tightening to combat inflationary pressures, however, risk of a global recession still remain heightened. Resultantly, global commodity prices eased from the 2022 peak amid widespread efforts to curtail demand.

Pakistan's economy continues to struggle in the wake of ballooning inflation on the back of higher energy prices, massive depreciation of the Rupee and the ongoing foreign exchange crisis. Moreover, political instability in the Country posed further challenges to the economy overall. Given the precarious state of foreign exchange reserves, businesses across Pakistan are facing difficulties on account of varying concerns, including import restrictions 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) tightened monetary policy by 500 bps (16% to 21%). The GoP is taking measures in an effort to successfully secure the IMF bailout package which is critical to avert a default on its foreign debt.

Engro's presence in the essential sectors of the economy has enabled our portfolio to be resilient in these challenging times. However, it is important to acknowledge that the external environment is likely to remain uncertain and may pose challenges in the future.

## Business Review

On a standalone basis, the Company posted a PAT of PKR 6,040 million against PKR 6,877 million for the comparative period, translating into an EPS of PKR 10.63 per share. The 12% decrease in profitability is primarily on account of lower dividend from Engro Polymer & Chemicals due to reversal of commodity cycle and increase in gas prices.

On a consolidated basis, the Company's revenue grew by 10%, to PKR 97,332 million in the first quarter compared to PKR 88,333 million in Q1 2022. The consolidated Profit-After-Tax (PAT) for the quarter was PKR 8,797 million, while PAT attributable to the shareholders is PKR 4,647 million against PKR 7,972 million in the comparative period, resulting in an

Earnings per Share (EPS) of PKR 8.18 compared to PKR 13.84 in same period last year. Major variance was attributable to the macroeconomic headwinds resulting in commodity cycle reversal, lower DAP demand and increasing cost pressures.

A brief review of our business segments is as follows:

### Fertilizers

Fertilizer business showed strong performance and recorded a revenue of PKR 43,991 million compared to PKR 36,813 million in Q1 2022, primarily driven by increase in urea price. The Company's PAT stood at PKR 4,404 million versus PKR 5,511 million in the same period last year, mainly affected by higher gas prices and lower margins on phosphate.

Urea sales during the period stood at 551 KT vs 549 KT, translating to a market share of 34% for the period. Phosphate sales stood at 65 KT vs 79 KT during the same period in 2022.

International Urea price witnessed a massive decrease, falling to USD 253/ton (landed equivalent PKR 4,715/bag) amidst lower energy prices by the end of March 2023 compared to USD 456/T (landed cost equivalent to PKR 6,705/bag) at the end of December 2022. International phosphate prices decreased to USD 603/T on the back of decline in global crop prices. In the midst of global commodity price volatility, the local fertilizer industry ensured availability of locally produced urea to farmers at a significant discount of ~37% over international prices. This enabled import substitution to the tune of USD 410 million in this quarter, wherein Engro Fertilizers' contribution stood at USD 139 million.

### Petrochemicals

The Polymer business recorded a revenue of PKR 17,978 million compared to revenue of PKR 23,127 million in the same period last year. The Company's PAT stood at PKR 1,183 million against PKR 4,714 million in the same period last year, mainly attributable to commodity cycle reversal.

The business recorded domestic sales of 46 KT, translating to a market share of 87% versus 62 KT and a market share of 96% in the same period last year. As a result, the business has enabled import substitution of USD 23 million. Post serving the local PVC demand, the business export sales stood at 8 KT, including caustic soda exports of 3 KT, generating foreign exchange of USD 6 million for the quarter.

### Telecommunication Infrastructure

Enfrashare continued to expand its national footprint and achieved a scale of 3,488 tower sites by end of Q1 with a 1.18x tenancy ratio, catering to all four Mobile Network Operators (MNOs) in Pakistan. The business captured a market share of 52% in Built-to-Suit (B2S) towers rollout during the period.

The growth potential in the business is further demonstrated by the colocation opportunities witnessed during the quarter, with total colocation tenants of 619 in March 2023 versus 325 in similar period last year, representing an increase of 90%. Resultantly, leading to 81% increase in revenue in comparison to Q1 2022.

### Energy

**Coal Mine:** Mining operations continued smoothly, supplying coal to Engro Powergen Thar, Thar Energy and ThalNova Power. To meet the potential increase in demand for energy, the management has committed to initiate Phase III of the expansion to enhance capacity to 11.4 million tons per year, approval for which has been sought from the Government of Sindh.

**Thar Power Plant:** Engro Powergen Thar Limited dispatched 514 GWH to the national grid, compared to 610 GWH in the same period last year. Plant availability remained low primarily due to a major planned maintenance and inspection activity which typically occurs once every three years and is necessary to ensure the plant safety, reliability, and efficiency.

**Qadirpur Power Plant:** During the period, the plant dispatched a Net Electrical Output of 262 GWH to the national grid with a load factor of 56% compared to 27% in the same period last year. The business posted a PAT of PKR 438 million for the current period as compared to PKR 151 million in same period last year due to higher capacity payments on the back of higher period weighing factor.

### Foods & Rice

FrieslandCampina Engro Pakistan demonstrated a topline growth of 62%, reporting a revenue of PKR 22,651 million against PKR 13,971 million in the same period last year, due to volumetric growth driven by the expansion of its distribution network.

The business recorded a PAT growth of 49% to PKR 990 million in Q1 2023 versus PKR 664 million for the comparative period. The Company took multiple business initiatives across its portfolio

including cost optimization and strategic price increases resulting in high profitability.

Engro Eximp Agriproducts recorded 1.3 KT basmati rice exports during the quarter versus 12.7 KT SPLY due to reduced procurement during the previous paddy season on account of floods in the country. Resultantly, rice business generated revenue of USD 1.6 million through export versus USD 10.2 million in Q1 2022.

### Terminal Operations

The LNG terminal handled 19 cargoes, in line with Q1 2022, delivering 55 bcf re-gasified LNG in to the SSGC network, accounting for ~15% of the total gas supply of the Country. The chemical terminal handled 134 KT against 381 KT during the same period last year. The decrease is mainly attributable to chemical volumes due to slowdown in economic activity pertaining to LC opening issues.

### Shares Buyback

The Company announced a share buyback of up to 70 million ordinary shares in December 2022, which was subsequently approved by the shareholders in the EOGM dated January 26, 2023. The said purchase of shares commenced from Feb 3, 2023, and will continue till July 25, 2023, in accordance with the regulatory guidelines of the SECP.

As of March 31, 2023, the Company has purchased 36.75 million shares under this buyback scheme.

### Distribution to Shareholders

During the first quarter Board meeting, the directors conducted a comprehensive analysis of the investment opportunities available, prevailing economic situation including but not limited to the prohibitive cost of capital and challenges on import of plant, machinery and raw materials, and the capital structure of the Company. After extensive deliberation, the Board concluded that keeping in view the current circumstances, the most optimum utilization of cash was to pay dividends to shareholders, as a result the Board decided to declare a PKR 40.0 per share dividend.

It is worth noting that this decision will not have a significant impact on long-term investment program of the Company which will continue to be funded by retaining future dividends and/or capital reallocation. Within its long-term investment program, Engro will continue to strive for global competitiveness within the businesses it operates and continue to explore opportunities for increasing exports and international footprint.

### Near-Term Outlook

In 2023, we are committed to expanding our business operations across our four key verticals and explore 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. 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. The business 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.

### Telecommunication Infrastructure

The business outlook for Enfrashare remains strong owing to growing demand for mobile data usage and high-quality services, driving MNOs to enhance availability and quality through aggressive Built-to-Suit roll outs. 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.

### Energy

Energy security remains one of the most pressing issues in Pakistan. Engro is using indigenous resources to help alleviate the energy crisis and uplift economic growth of Pakistan. To reduce the Country's reliance on imported fuels, our mining business has successfully expanded capacity to 7.6 million TPA and will continue to expand up to 11.4 million TPA by early 2024. The management is also collaborating with cement manufacturers and power producers using imported coal to optimize indigenous Thar coal.

The business is also making progress on development of Pakistan's first hybrid 1 GW renewable energy (RE) park in Jhimpir. Phase I of the project, with a capacity of 400 MW, is planned to be operational by early 2024, with confirmed 6,700 acres of land availability. It also has ~670 MW of commitments in place from potential customers.

### Terminal Operations

The LNG terminal is 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 Taftan Border area.

### Foods

The challenging macroeconomic circumstances may result in 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.

### Acknowledgment

The Directors would like to express their deep appreciation to our shareholders who have consistently demonstrated their

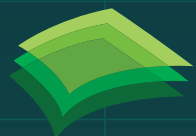
confidence in the Company. We would also like to place on record our sincere appreciation for the commitment, dedication and innovative thinking put in by each member of the Engro family and are confident that they will continue to do so in the future.



Hussain Dawood  
Chairman

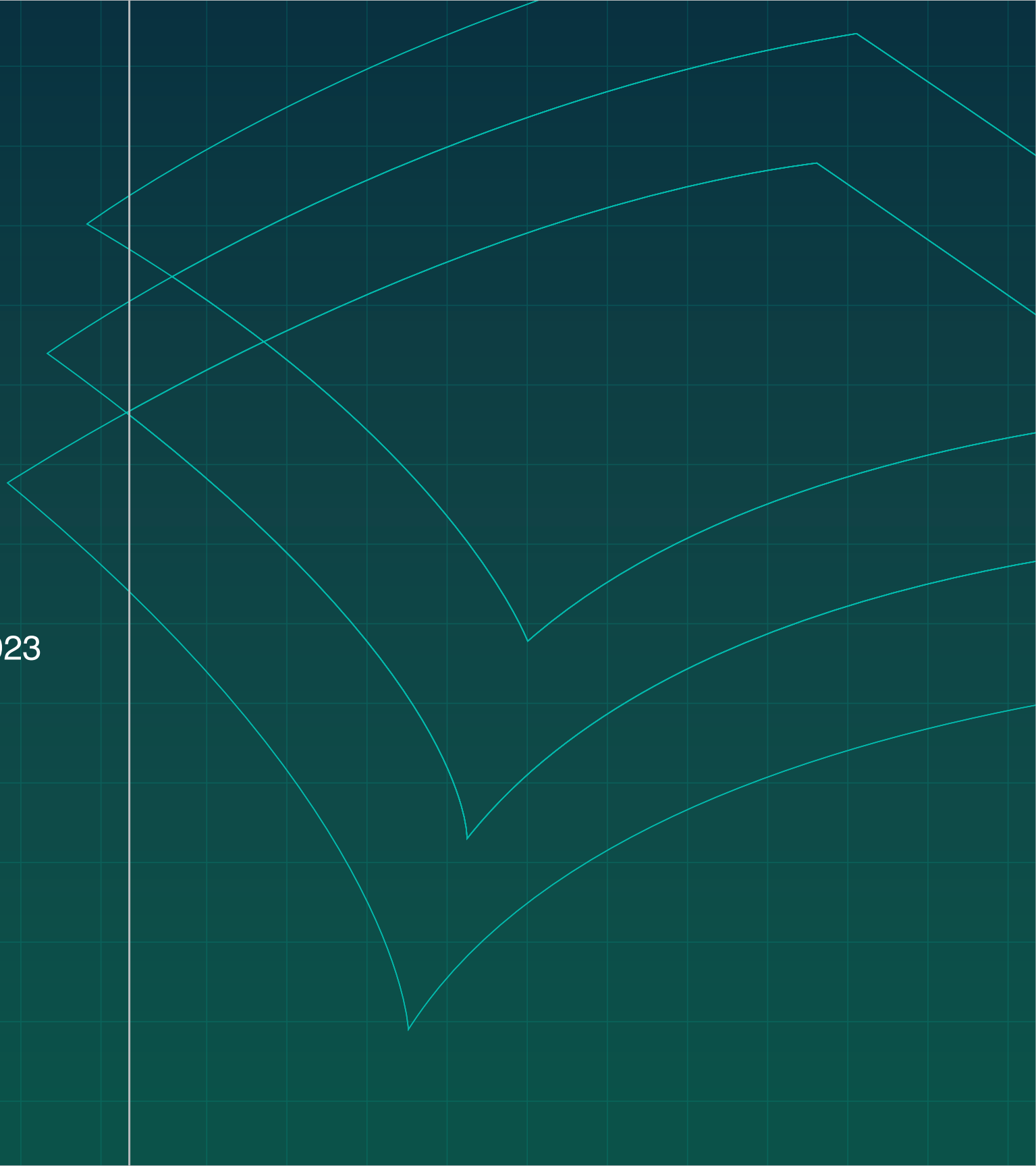


Ghias Khan  
President and Chief Executive



engro corp

unconsolidated condensed  
interim financial statements (unaudited)  
for the three months ended march 31, 2023



unconsolidated condensed interim statement of financial position  
as at march 31, 2023

(Amounts in thousand)	Note	(Unaudited) March 31, 2023	(Audited) December 31, 2022
------(Rupees)-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,318,610	983,764
Right-of-use assets		891,476	970,153
Intangible assets		124,439	123,807
Long term investments		46,835,094	46,835,094
Long term loans and advances		5,369,989	5,372,573
Deferred taxation		84,840	475,159
		<u>54,624,448</u>	<u>54,760,550</u>
<b>Current assets</b>			
Loans, advances, deposits and prepayments	5	2,164,027	2,817,736
Receivables	6	5,737,940	1,316,708
Short term investments	7	35,121,423	47,604,776
Cash and bank balances		3,923,706	165,977
		<u>46,947,096</u>	<u>51,905,197</u>
		<u>101,571,544</u>	<u>106,665,747</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital		5,761,633	5,761,633
Share premium		13,068,232	13,068,232
Treasury shares	8	(10,838,106)	-
General reserve		4,429,240	4,429,240
Remeasurement of post employment benefits - Actuarial loss		(39,773)	(39,773)
Remeasurement of investments		(1,527,391)	(854,981)
Unappropriated profit		74,393,634	68,900,878
		<u>85,247,469</u>	<u>91,265,229</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Retirement and other service benefit obligations		63,144	43,345
Lease liabilities		875,216	937,359
		<u>938,360</u>	<u>980,704</u>
<b>Current liabilities</b>			
Trade and other payables		6,452,892	5,398,425
Current portion of lease liabilities		236,207	214,074
Taxes payable		7,915,765	8,571,977
Dividend payable		780,851	235,338
		<u>15,385,715</u>	<u>14,419,814</u>
		<u>16,324,075</u>	<u>15,400,518</u>
<b>Total liabilities</b>			
<b>Contingencies and commitments</b>			
	9		
		<u>101,571,544</u>	<u>106,665,747</u>

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

  
Muhammad Abdul Aleem  
Director


  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President and Chief Executive

unconsolidated condensed interim statement of profit or loss (unaudited)  
for the three months ended march 31, 2023

(Amounts in thousand except for earnings per share)	Note	Three months ended	
		March 31, 2023	March 31, 2022
------(Rupees)-----			
Dividend income		5,906,560	7,702,898
Royalty income		460,962	336,452
		<u>6,367,522</u>	<u>8,039,350</u>
Administrative expenses		(1,046,434)	(394,035)
		<u>5,321,088</u>	<u>7,645,315</u>
Other income	10	1,966,177	1,329,866
Other operating expenses		(152,844)	(837,517)
<b>Operating profit</b>		<u>7,134,421</u>	<u>8,137,664</u>
Finance cost		(87,095)	(17,401)
<b>Profit before taxation</b>		<u>7,047,326</u>	<u>8,120,263</u>
Taxation	11	(1,008,326)	(1,243,080)
<b>Profit for the period</b>		<u>6,039,000</u>	<u>6,877,183</u>
<b>Earnings per share - basic and diluted</b>	12	<u>10.63</u>	<u>11.94</u>

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

  
Muhammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer


  
Ghias Khan  
President and Chief Executive

unconsolidated condensed interim statement of  
comprehensive income (unaudited)  
for the three months ended march 31, 2023

(Amounts in thousand)

	Three months ended	
	March 31, 2023	March 31, 2022
	(Rupees)	
Profit for the period	6,039,000	6,877,183
Other comprehensive loss for the period		
Items that will be reclassified to profit or loss		
- Remeasurement of investments	(672,410)	-
<b>Total comprehensive income for the period</b>	<b>5,366,590</b>	<b>6,877,183</b>

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

  
Muhammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer


  
Ghias Khan  
President and Chief Executive

unconsolidated condensed interim statement of  
changes in equity  
for the three months ended march 31, 2023

(Amounts in thousand)

	Share capital	Capital Reserve		Revenue Reserves			Unappropriated profit	Total
		Share premium	Treasury Shares	General reserve	Remeasurement of post employment benefits-Actuarial loss	Remeasurement of investments		
	(Rupees)							
Balance as at January 01, 2022 (Audited)	5,761,633	13,068,232	-	4,429,240	(18,484)	-	67,294,008	90,534,629
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	-	6,877,183	6,877,183
Transactions with owners								
Final cash dividend for the year ended December 31, 2021 @ Rs. 1.00 per share	-	-	-	-	-	-	(576,163)	(576,163)
	-	-	-	-	-	-	(576,163)	(576,163)
<b>Balance as at March 31, 2022 (Unaudited)</b>	<b>5,761,633</b>	<b>13,068,232</b>	<b>-</b>	<b>4,429,240</b>	<b>(18,484)</b>	<b>-</b>	<b>73,595,028</b>	<b>96,835,649</b>
Profit for the nine months ended December 31, 2022	-	-	-	-	-	-	14,319,237	14,319,237
Other comprehensive loss for the nine months ended December 31, 2022	-	-	-	-	(21,289)	(854,981)	-	(876,270)
	-	-	-	-	(21,289)	(854,981)	14,319,237	13,442,967
Transactions with owners								
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. 5.00 per share	-	-	-	-	-	-	(5,761,632)	(5,761,632)
	-	-	-	-	-	-	(19,013,387)	(19,013,387)
<b>Balance as at December 31, 2022 (Audited)</b>	<b>5,761,633</b>	<b>13,068,232</b>	<b>-</b>	<b>4,429,240</b>	<b>(39,773)</b>	<b>(854,981)</b>	<b>68,900,878</b>	<b>91,265,229</b>
Profit for the three months ended March 31, 2023	-	-	-	-	-	-	6,039,000	6,039,000
Other comprehensive loss for the three months ended March 31, 2023	-	-	-	-	-	(672,410)	-	(672,410)
	-	-	-	-	-	(672,410)	6,039,000	5,366,590
Acquisition of treasury shares	-	-	(10,838,106)	-	-	-	-	(10,838,106)
Transactions with owners								
Final cash dividend for the year ending December 31, 2022 @ Rs. 1.00 per share	-	-	-	-	-	-	(546,244)	(546,244)
	-	-	-	-	-	-	(546,244)	(546,244)
<b>Balance as at March 31, 2023 (Unaudited)</b>	<b>5,761,633</b>	<b>13,068,232</b>	<b>(10,838,106)</b>	<b>4,429,240</b>	<b>(39,773)</b>	<b>(1,527,391)</b>	<b>74,393,634</b>	<b>85,247,469</b>

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

  
Muhammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President and Chief Executive



unconsolidated condensed interim statement of cash flows (unaudited)  
for the three months ended march 31, 2023

(Amounts in thousand)

Note	Three months ended		
	March 31, 2023	March 31, 2022	
------(Rupees)-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash utilized in operations	13	(768,395)	(1,412,812)
Royalty received		514,678	317,693
Taxes paid - net		(1,274,219)	(169,889)
Retirement and other service benefits paid		(39,715)	(27,960)
Long term loans and advances - net		2,584	(48,252)
<b>Net cash utilized in operating activities</b>		<b>(1,565,067)</b>	<b>(1,341,219)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for acquisition of treasury shares		(9,012,055)	-
Dividends received		2,150,000	297,450
Income on deposits and other financial assets including income earned on subordinated loan to subsidiaries		270,760	1,135,892
Loan disbursed to subsidiary companies		(250,000)	(4,300,000)
Repayment of loan by subsidiary companies		1,250,000	8,537,000
Purchase of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds		(5,062,124)	(187,015,755)
Proceeds from sale of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds		13,808,041	187,309,135
Purchases of property, plant and equipment		(399,135)	(43,361)
Sale proceeds on disposal of property, plant and equipment		19,985	3,198
Purchases of intangibles		(9,195)	-
<b>Net cash generated from investing activities</b>		<b>2,766,277</b>	<b>5,923,558</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of financial charges		(48,151)	(857)
Lease rentals paid		(78,954)	(76,988)
Dividends paid		(731)	(579,847)
<b>Net cash utilized in financing activities</b>		<b>(127,836)</b>	<b>(657,692)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,073,374</b>	<b>3,924,647</b>
Cash and cash equivalents at beginning of the period		2,850,332	41,101,610
<b>Cash and cash equivalents at end of the period</b>	14	<b>3,923,706</b>	<b>45,026,257</b>

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

  
Muhammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President and Chief Executive

notes to the unconsolidated  
condensed interim financial statements (unaudited)  
for the three months ended march 31, 2023

(Amounts in thousand)

**1. LEGAL STATUS AND OPERATIONS**

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

**2. BASIS OF PREPARATION**

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

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

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

2.2 These unconsolidated condensed interim financial statements represent the condensed interim financial statements of the Company on a standalone basis. The consolidated condensed interim financial statements of the Company and its subsidiary companies are presented separately. These unconsolidated condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2022.

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

During the preparation of these unconsolidated condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to annual audited financial statements of the Company for the year ended December 31, 2022.

(Amounts in thousand)

### 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2022.
- 3.2 There are certain amendments to published International Financial Reporting Standards that are mandatory for the financial year beginning on January 1, 2023. These are considered not to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these unconsolidated condensed interim financial statements.
- 3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss of the Company.

### 4. PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees)-----	
Operating assets (note 4.1)	549,656	604,260
Capital work-in-progress (note 4.3)	768,954	379,504
	<u>1,318,610</u>	<u>983,764</u>
4.1 Following additions including transfers from CWIP were made to operating assets during the period / year:		
Furniture, fixtures and equipment	9,685	197,659
Vehicles	-	213,196
	<u>9,685</u>	<u>410,855</u>
4.2 Operating assets costing Rs. 27,109 (December 31, 2022: Rs. 94,297) having a net book value of Rs.17,665 (December 31, 2022: Rs. 50,906), were disposed off during the period / year for Rs. 19,985 (December 31, 2022: Rs. 76,526).		
	(Unaudited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees)-----	
4.3 Capital work in progress		
Balance at beginning of the period / year	379,504	67,053
Additions during the period / year	408,330	449,594
Reclassification	-	28,791
Transferred to:		
- operating assets	(9,685)	(162,430)
- intangible assets	(9,195)	(3,504)
Balance at end of the period / year	<u>768,954</u>	<u>379,504</u>

(Amounts in thousand)

### 5. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS

These primarily includes loan and accrued interest thereon due from subsidiary companies aggregating to Rs. 1,502,849 (December 31, 2022: Rs. 1,242,238). Significant movement in these loans during the period are as follows:

- outstanding loan amounting to Rs. 1,000,000 from Engro Fertilizers Limited, a subsidiary Company, pursuant to agreement entered into on September 02, 2022, which carried mark-up at the rate of 3-month KIBOR plus 0.1%, was repaid during the period.
- loan amounting to Rs. 250,000 was disbursed to Engro Powergen Qadirpur Limited, an indirect subsidiary Company, pursuant to agreement entered into on April 01, 2022. The loan carried mark-up at the rate of 3-month KIBOR plus 0.2% and the same was repaid during the period;
- loan to Engro Inifiniti (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. 13,000 has been written off during the period against the provision already held. The balance outstanding as at March 31, 2023 aggregated to Rs. 80,000 (December 31, 2022: Rs. 93,000).

### 6. RECEIVABLES

- 6.1 These include an amount of Rs. 3,756,560 on account of dividend receivable from Engro Fertilizers Limited, a subsidiary company.
- 6.2 These include an amount of Rs. 141,014 (December 31, 2022: Rs. 194,731) on account of royalty receivable from Engro Fertilizers Limited, a subsidiary company.

### 7. SHORT TERM INVESTMENTS

#### Fair value through other comprehensive income

- Pakistan Investment Bonds (notes 7.1 and 7.2)

(Unaudited) March 31, 2023	(Audited) December 31, 2022
------(Rupees)-----	
25,148,994	29,380,322

#### Fair value through profit or loss

- Mutual fund units (note 7.3)

177,733	3,078,051
---------	-----------

#### Amortized cost

- Treasury Bills (note 7.4)
- Fixed income placements (note 7.5)

9,702,383	14,799,413
92,313	346,990
9,794,696	15,146,403
<u>35,121,423</u>	<u>47,604,776</u>

(Amounts in thousand)

- 7.1 These Bonds carries yield of 12.75% to 17.56% (December 31, 2022: 12.75% to 17.56%) per annum and have maturity terms ranging between two to ten years.
- 7.2 This amount is net of loss on remeasurement of Pakistan Investment Bonds amounting to Rs. 672,410 (December 31, 2022: Rs. 854,981).
- 7.3 This represents investment in 1,532,109 units (December 31, 2022: 30,467,266 units) of Mutual Funds having cost amounting to Rs. 152,016 (December 31, 2022: Rs. 3,050,220).
- 7.4 These bills carries yield of 14.75% to 16.87% per annum and will mature by September 21, 2023.
- 7.5 This represent placement with bank and carries interest at 15% (December 31, 2022 : 14.07% to 16.00%) per annum and will mature by October 2023.

## 8. TREASURY SHARES

The Company, with the approval of the Company's shareholders in extraordinary general meeting held on January 26, 2023, accorded to buy back upto to an aggregate number of 70,000,000 issued and paid-up ordinary shares of the Company at the spot/current price prevailing during purchase period that is February 3, 2023 to July 25, 2023 or till such date that the Buy-back of shares is completed, whichever is earlier. The amount represents the purchase of 36,750,000 own shares for cancellation purpose during the period.

## 9. CONTINGENCIES AND COMMITMENTS

### Contingencies

- 9.1 As at March 31, 2023, there is no material change in the status of matters reported as contingencies in note 19 of the audited annual financial statements of the Company for the year ended December 31, 2022, except as follows:
- 9.1.1 Standby Letter of Credit (Put Option SBLC) has been providedt December 31, by Engro Energy Limited (EEL), a wholly owned subsidiary company, through Allied Bank Limited amounting to US Dollars 21,070 (December 31, 2022: 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 105,000,000 and 40,000,000 respectively.
- 9.1.2 Engro Elengy Terminal Pakistan Limited has issued SBLCs amounting to US Dollars 22,500 (December 31, 2022: US Dollars 22,500). This has been secured by pledging Company's shares of Engro Fertilizer Limited (EFERT) and Engro Polymer and Chemicals Limited (EPCL) of quantities 66,000,000 and 117,000,000 respectively.
- 9.1.3 On March 28, 2022, and as supplemented from time-to-time Allied Bank Limited and Faysal Bank Limited have committed to provide Payment Service Reserve Account (PSRA) SBLCs amounting to US Dollars 23,316 and Rs. 1,029,044 respectively on behalf of EEL, a wholly owned subsidiary, for its PSRA commitments related to Engro Powergen Thar (Private) Limited in favour of their project lenders. These SBLCs are partially secured by pledging 62,500,000, 78,800,000, 50,300,000 and 40,000,000 shares of Engro Fertilizer Limited, Engro Polymer and Chemicals Limited, FrieslandCampina Engro Pakistan Limited and Engro Powergen Qadirpur Limited respectively.
- 9.1.4 Updates in respect of tax related matters are disclosed in note 11.

### 9.2 Commitments

Commitments in respect of capital expenditure

	(Unaudited) March 31, 2023	(Audited) December 31, 2022
	365,122	251,063

(Amounts in thousand)

## 10. OTHER INCOME

### Financial assets

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

(Unaudited)	
Three months ended	
March 31, 2023	March 31, 2022

### Non-financial assets

Gain / (loss) on disposal of property, plant and equipment  
Others

1,963,749	1,326,507
2,320	(85)
108	3,444
2,428	3,359
1,966,177	1,329,866

- 10.1 Includes Rs. 272,300 (March 31, 2022: Rs. 273,025) in respect of profit earned on subordinated loans to subsidiary companies.

## 11. TAXATION

Current (note 11.1)  
Deferred

(Unaudited)	
Three months ended	
March 31, 2023	March 31, 2022

991,497	1,258,495
16,829	(15,415)
1,008,326	1,243,080

- 11.1 This includes an amount of Rs. 184,322 on account of provision made by the Company in accordance with section 4C 'Super tax on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through Finance Act, 2022 (the Act), whereby a super tax at four percent has been levied on income exceeding Rs. 300,000 for the year ended December 31, 2022 (tax year 2023) and onwards.
- 11.2 As at March 31, 2023, there is no material change in the status of the taxation matters reported in note 26 to the audited annual financial statements of the Company for the year ended December 31, 2022, except as follows:
- 11.2.1 During the period, in respect of the matter disclosed in note 26.4 of the audited annual financial statements of the Company for the year ended December 31, 2022, the High Court of Sindh (HCS) has dismissed the stay applications filed by the Company challenging the imposition of tax on inter-corporate dividend (ICD) under the Income Tax Ordinance, 2001. Consequent to the HCS decision, the Company received show cause notices from the tax department for recovery of ICD pertaining to tax years 2016 to 2020. Assessment orders have also been issued for an aggregate demand of Rs. 3,088,232. The Company has settled this through adjustment of prior refunds and made payment for the remainder of demand.
- 11.2.2 During the period, in respect of the matter disclosed in note 26.1 of the audited annual financial statements of the Company for the year ended December 31, 2022, the Supreme Court of Pakistan (SCP) issued an interim order in respect of the petitions filed by the tax department against the HCS judgement by directing the Nazir of High Court of Sindh to encash the bank guarantees submitted by all petitioner including the Company to the extent of 4% of super tax.

(Amounts in thousand)

## 12. EARNINGS PER SHARE

As at March 31, 2023, there is no dilutive effect on the basic earnings per share of the Company, which is based on the following:

	(Unaudited)	
	Three months ended	
	March 31, 2023	March 31, 2022
	(Rupees)	
Profit for the period	6,039,000	6,877,183
	Number of shares (in thousand)	
Outstanding number of shares before treasury shares	576,163	576,163
Less: Impact of acquisition of treasury shares	(8,040)	-
Weighted average number of ordinary shares	568,123	576,163

## 13. CASH UTILIZED IN OPERATIONS

	(Unaudited)	
	Three months ended	
	March 31, 2023	March 31, 2022
	(Rupees)	
Profit before taxation	7,047,326	8,120,263
Adjustment for non-cash charges and other items:		
Depreciation	46,624	46,971
Amortization	8,563	12,942
Depreciation on right-of-use assets	78,676	58,961
Rent concession on lease liability	-	(12,729)
Provision for retirement and other service benefits	18,900	10,580
Dividend income	(5,906,560)	(7,702,898)
Royalty income	(460,962)	(336,452)
Income on bank deposits and other financial assets	(1,963,749)	(1,326,507)
(Gain) / loss on disposal of property, plant and equipment	(2,320)	85
Financial charges	87,095	17,401
Working capital changes (note 13.1)	278,012	(301,429)
	(768,395)	(1,412,812)

### 13.1 Working capital changes

Increase in current assets		
- Loans, advances, deposits and prepayments	(98,681)	(30,589)
- Receivables (net)	(718,388)	(119,039)
	(817,069)	(149,627)
Increase / (decrease) in current liabilities		
- Trade and other payables including other service benefits (net)	1,095,081	(151,801)
	278,012	(301,429)

(Amounts in thousand)

## 14. CASH AND CASH EQUIVALENTS

	(Unaudited)	
	Three months ended	
	March 31, 2023	March 31, 2022
	(Rupees)	
Short term investments	-	43,338,301
Cash and bank balances	3,923,706	1,687,956
	3,923,706	45,026,257

## 15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 15.1 Financial risk factors

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

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

### 15.2 Fair value estimation

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

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

	Level 1	Level 2	Level 3	Total
	Rupees			
<b>As at March 31, 2023 (Unaudited)</b>				
Financial assets at fair value through other comprehensive income				
- Pakistan Investment Bonds	-	25,148,994	-	25,148,994
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	177,733	-	177,733
<b>As at December 31, 2022 (Audited)</b>				
Financial assets at fair value through other comprehensive income				
- Pakistan Investment Bonds	-	29,380,322	-	29,380,322
Financial assets at fair value through profit or loss				
- Units of mutual funds	-	3,078,051	-	3,078,051

(Amounts in thousand)

### 15.3 Valuation techniques used to determine fair values

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

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

### 15.4 Fair value of financial assets and liabilities

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

## 16. TRANSACTIONS WITH RELATED PARTIES

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

	(Unaudited)	
	Three months ended	
	March 31, 2023	March 31, 2022
	------(Rupees)-----	
<b>Parent Company</b>		
Dividend paid	214,470	214,470
Reimbursement of expenses	61,037	3,370
<b>Subsidiary companies</b>		
Mark-up from subsidiaries	272,300	273,025
Disbursement of loan to subsidiaries	250,000	4,300,000
Repayment of loan by subsidiaries	1,250,000	8,537,000
Dividend income	5,906,560	7,405,448
Royalty income	460,962	336,452
Reimbursements made by the subsidiaries	1,095,703	620,807
Reimbursements to the subsidiaries	402,086	45,310
Tax loss surrendered to EPCL	373,489	-
<b>Associated companies</b>		
Purchases and services	28,022	8,101
Dividend paid	15,414	15,431
Reimbursements made by the associates	9,362	50,905
Reimbursements to the associates	50,443	27

(Amounts in thousand)

### Joint venture

Dividend income  
Reimbursements from joint venture  
Reimbursements to joint venture

### Others

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

(Unaudited)	
Three months ended	
March 31, 2023	March 31, 2022
------(Rupees)-----	

-	297,450
48,388	31,331
4,161	-
157,578	122,146
66,378	51,421
21,000	21,000
525	-
37,466	36,176
28,062	31,890

## 17. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

- 17.1 The Board of Directors of Engro Polymer and Chemicals Limited, a subsidiary company, in its meeting held on April 14, 2023 has proposed an interim cash dividend of Rs. 1.00 per share for the period ending December 31, 2023, amounting to Rs. 908,923 of which the proportionate share of the Company amounts to Rs. 510,733.
- 17.2 The Board of Directors of Engro Fertilizers Limited, a subsidiary company, in its meeting held on April 14, 2023 has proposed an interim cash dividend of Rs. 3.50 per share for the period ending December 31, 2023, amounting to Rs. 4,673,548 of which the proportionate share of the Company amounts to Rs. 2,629,592.
- 17.3 The Board of Directors of Elengy Terminal Pakistan Limited, a subsidiary company, in its meeting held on April 13, 2023 has proposed an interim cash dividend of Rs. 193.54 per share for the period ending December 31, 2023, amounting to Rs. 39,225,304 of which the proportionate share of the Company amounts to Rs. 21,965,577.
- 17.4 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on April 17, 2023 has proposed an interim cash dividend of Rs. 13.50 per share for the period ending December 31, 2023, amounting to Rs. 1,215,000 of which the proportionate share of the Company amounts to Rs. 607,500.

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

- 17.5 The Board of Directors of the Company in its meeting held on April 19, 2023 has proposed an interim cash dividend of Rs. 40.00 per share for the period ending December 31, 2023. The Entitlement will be paid to the shareholders appearing in the Register of Members on May 03, 2023, the exact amount of which is not ascertainable before issuance of these condensed interim financial statements. These unconsolidated condensed interim financial statements do not reflect the effect of dividend payable.


(Amounts in thousand)

## 18. CORRESPONDING FIGURES

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

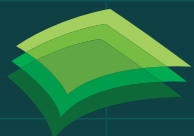
## 19. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 19, 2023 by the Board of Directors of the Company.

  
Muhammad Abdul Aleem  
Director

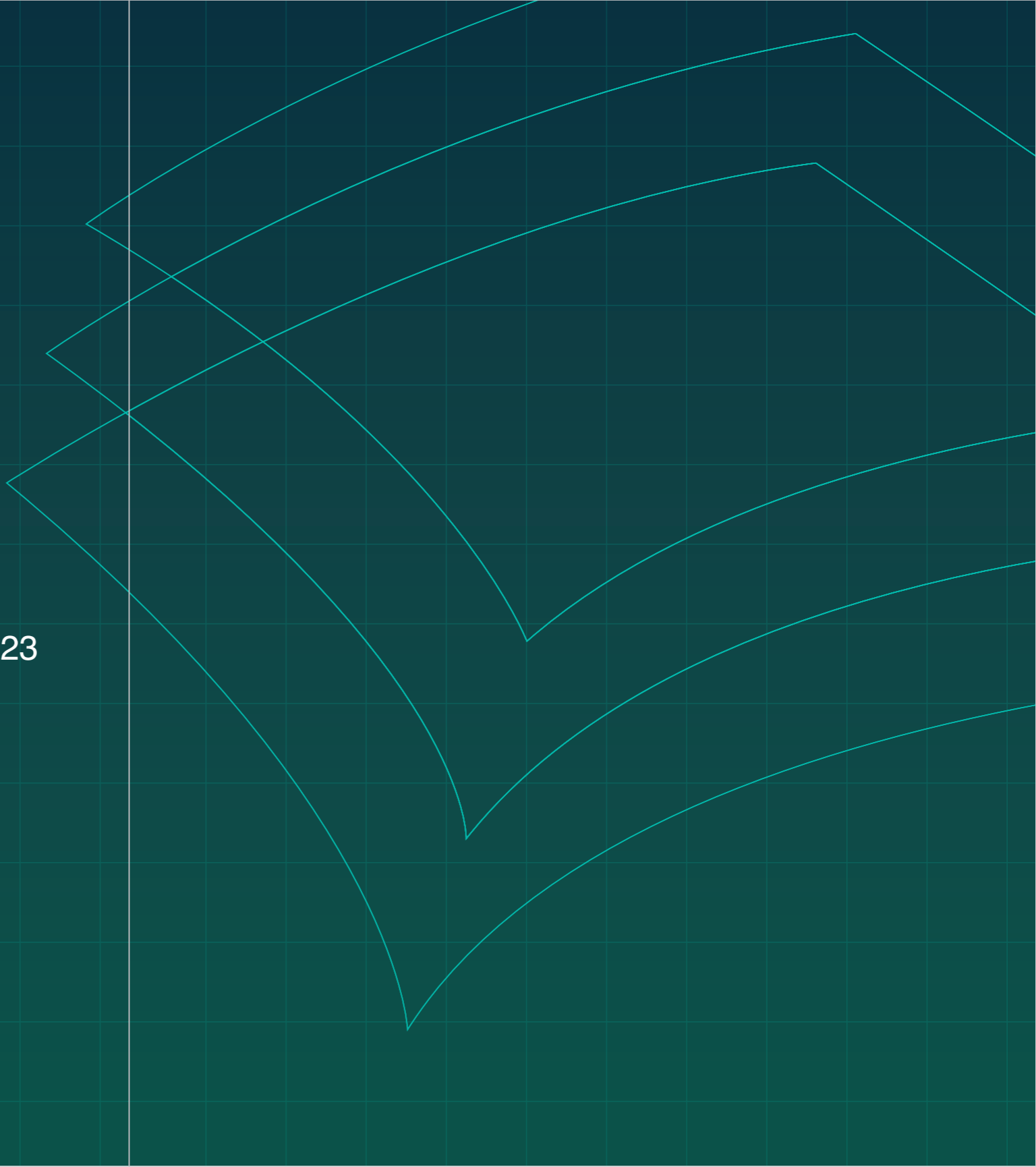
  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President and Chief Executive



engro corp

consolidated condensed  
interim financial statements (unaudited)  
for the three months ended march 31, 2023



consolidated condensed interim  
statement of financial position  
as at march 31, 2023

(Amounts in thousand)


	Note	(Unaudited) March 31, 2023	(Audited) December 31, 2022
------(Rupees)-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	357,482,193	329,877,228
Right-of-use assets		13,176,126	13,328,823
Intangible assets		2,193,341	2,274,561
Long term investments	7	35,721,137	36,081,246
Deferred taxation		91,973	101,660
Financial assets at amortized cost		2,722,111	3,783,265
Derivative financial instruments		953,847	737,319
Net investment in leases		57,900,031	52,160,406
Long term loans, advances, deposits and other receivables		4,084,453	3,816,788
		<u>474,325,212</u>	<u>442,161,296</u>
<b>Current assets</b>			
Stores, spares and loose tools	8	10,363,102	9,834,814
Stock-in-trade	9	24,334,759	30,242,789
Trade debts		85,237,874	71,195,463
Loans, advances, deposits and prepayments		7,762,330	6,849,714
Other receivables		40,156,808	35,962,591
Accrued income		1,434,574	2,269,306
Contract assets		14,123,316	14,124,293
Current portion of net investment in leases		12,791,334	5,683,292
Short term investments		66,997,933	86,105,467
Cash and bank balances		61,751,077	44,986,627
		<u>324,953,107</u>	<u>307,254,356</u>
<b>TOTAL ASSETS</b>		<u><b>799,278,319</b></u>	<u><b>749,415,652</b></u>

consolidated condensed interim  
statement of financial position  
as at march 31, 2023

(Amounts in thousand)

	Note	(Unaudited) March 31, 2023	(Audited) December 31, 2022
------(Rupees)-----			
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital		5,761,632	5,761,632
Share premium		13,068,232	13,068,232
Treasury shares	10	(10,838,106)	-
Revaluation reserve on business combination		2,678	2,678
Maintenance reserve		156,301	156,301
Exchange revaluation reserve		2,201,337	1,615,497
Hedging reserve		919,098	702,570
General reserve		4,429,240	4,429,240
Remeasurement of investments		(1,552,473)	(866,814)
Remeasurement of post-employment benefits		(176,248)	(176,248)
Unappropriated profit		146,229,592	142,128,483
		<u>154,439,651</u>	<u>161,059,939</u>
		160,201,283	166,821,571
<b>Non-controlling interest</b>		<b>74,992,173</b>	<b>73,762,386</b>
<b>Total Equity</b>		<b>235,193,456</b>	<b>240,583,957</b>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Borrowings	11	181,253,818	156,173,794
Government grant		1,457,609	1,472,279
Deferred taxation		13,018,151	13,395,214
Lease liabilities		72,816,273	62,369,918
Deferred liabilities		4,278,656	3,633,893
Long term provisions		1,842,003	2,952,970
		<u>274,666,510</u>	<u>239,998,068</u>
<b>Current Liabilities</b>			
Trade and other payables		143,714,772	125,775,973
Contract Liabilities		13,381,308	12,980,370
Accrued interest / mark-up		7,352,987	2,764,706
Current portion of:			
- borrowings		27,443,190	27,699,919
- Government grant		351,570	353,201
- lease liabilities		11,383,555	9,046,896
- deferred liabilities		472,269	577,116
- long term provisions		26,905,332	25,503,815
Taxes payable		16,437,131	18,188,222
Short term borrowings		25,533,562	32,984,960
Dividend payable		16,442,677	12,958,449
		<u>289,418,353</u>	<u>268,833,627</u>
		564,084,863	508,831,695
<b>Total Liabilities</b>		<b>564,084,863</b>	<b>508,831,695</b>
<b>Contingencies and Commitments</b>	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>799,278,319</b>	<b>749,415,652</b>

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

  
Muhammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President and Chief Executive




consolidated condensed interim statement of  
profit or loss (unaudited)  
for the three months ended march 31, 2023


(Amounts in thousand except for earnings per share)

	Note	Three months ended	
		March 31, 2023	March 31, 2022
------(Rupees)-----			
<b>CONTINUING OPERATIONS</b>			
Net revenue	13	97,332,430	88,333,240
Cost of revenue		(71,769,506)	(61,115,604)
<b>Gross profit</b>		<b>25,562,924</b>	<b>27,217,636</b>
Selling and distribution expenses		(2,087,042)	(1,888,654)
Administrative expenses		(3,060,610)	(1,670,585)
Other income		6,855,586	3,986,005
Other operating expenses		(1,787,654)	(2,388,034)
Other Losses:			
- Remeasurement loss on provision for GIDC		(200,508)	(226,128)
- Loss allowance on subsidy receivable from GoP		(432,449)	(85,578)
<b>Operating profit</b>		<b>24,850,247</b>	<b>24,944,662</b>
Finance cost		(11,104,824)	(5,127,664)
Share of (loss) / income from joint venture and associates		(123,810)	988,329
<b>Profit before taxation</b>		<b>13,621,613</b>	<b>20,805,327</b>
Taxation	14	(4,824,841)	(5,907,862)
<b>Profit from continuing operations</b>		<b>8,796,772</b>	<b>14,897,465</b>
<b>DISCONTINUED OPERATIONS</b>			
Profit from discontinued operations (attributable to Owners of the Holding Company)	15	-	238
<b>Profit for the period</b>		<b>8,796,772</b>	<b>14,897,703</b>
<b>Profit attributable to:</b>			
- Owners of the Holding Company		4,647,353	7,971,688
- Non-controlling interest		4,149,419	6,926,015
		<b>8,796,772</b>	<b>14,897,703</b>
<b>Earnings per share - basic and diluted</b>			
- continuing operations		8.18	13.84
- discontinued operations		-	-
	16	<b>8.18</b>	<b>13.84</b>

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

  
Muhammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer


  
Ghias Khan  
President and Chief Executive

consolidated condensed interim statement of  
comprehensive income (unaudited)  
for the three months ended march 31, 2023

(Amounts in thousand)

	Three months ended	
	March 31, 2023	March 31, 2022
------(Rupees)-----		
<b>Profit for the period</b>	<b>8,796,772</b>	<b>14,897,703</b>
<b>Other comprehensive income:</b>		
<b>Items that will be reclassified subsequently to profit or loss</b>		
Continuing operations' loss on remeasurement of long-term investment classified at fair value through other comprehensive income	(685,659)	(16,304)
<b>Hedging reserve - cash flow hedges</b>		
Profit arising during the period	216,528	73,166
Reclassification adjustments for loss included in statement of profit or loss	-	(215)
Exchange differences on translation of foreign operations	216,528	72,951
Other comprehensive income for the period, net of tax	585,840	14,162
<b>Total comprehensive income for the period</b>	<b>116,709</b>	<b>70,809</b>
<b>Total comprehensive income attributable to:</b>		
- Owners of the Holding Company	4,764,062	8,042,430
- Non-controlling interest	4,149,419	6,926,082
	<b>8,913,481</b>	<b>14,968,512</b>
<b>Total comprehensive income attributable to:</b>		
- Continuing operations	8,913,481	14,968,274
- Discontinued operations	-	238
	<b>8,913,481</b>	<b>14,968,512</b>

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

  
Muhammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer


  
Ghias Khan  
President and Chief Executive

# consolidated condensed interim statement of changes in equity for the three months ended march 31, 2023

(Amounts in thousand)

	Attributable to Owners of the Holding Company												Sub total	Non-controlling interest	Total
	Capital reserves						Revenue reserves								
	Share capital	Share premium	Treasury shares	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Remeasurement of investment	Unappropriated profit	Remeasurement of post employment benefits	Rupees			
Balance as at January 1, 2022 (Audited)	5,761,632	13,068,232	-	2,678	156,301	937,769	66,031	4,429,240	39,248	137,385,981	(108,064)	161,739,048	81,060,639	242,799,687	
<b>Total comprehensive income for the three months ended March 31, 2022</b>															
Profit for the period	-	-	-	-	-	-	-	-	-	7,971,688	-	7,971,688	6,826,015	14,897,703	
Other comprehensive income / (loss)	-	-	-	-	-	14,095	72,951	-	(16,304)	-	-	70,742	67	70,809	
<b>Transactions with owners</b>															
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(5,749,714)	(5,749,714)	
Final cash dividend for the year ended December 31, 2021 @ Rs. 1.00 per share	-	-	-	-	-	-	-	-	-	-	-	(576,163)	-	(576,163)	
Balance as at March 31, 2022 (Unaudited)	5,761,632	13,068,232	-	2,678	156,301	951,864	138,982	4,429,240	22,944	144,781,506	(108,064)	169,205,315	82,237,007	251,442,322	
<b>Total comprehensive income for the nine months ended December 31, 2022</b>															
Profit for the period	-	-	-	-	-	-	-	-	-	16,360,364	-	16,360,364	14,853,210	31,213,574	
Other comprehensive income / (loss)	-	-	-	-	-	663,633	563,588	-	(889,758)	-	(68,184)	269,279	(8,098)	261,181	
<b>Transactions with owners</b>															
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(23,319,733)	(23,319,733)	
Interim cash dividends for the year ended December 31, 2022:															
- 1st interim @ Rs. 12.00 per share	-	-	-	-	-	-	-	-	-	(6,913,959)	-	(6,913,959)	-	(6,913,959)	
- 2nd interim @ Rs. 11.00 per share	-	-	-	-	-	-	-	-	-	(6,337,796)	-	(6,337,796)	-	(6,337,796)	
- 3rd interim @ Rs. 10.00 per share	-	-	-	-	-	-	-	-	-	(5,761,632)	-	(5,761,632)	-	(5,761,632)	
Balance as at December 31, 2022 (Audited)	5,761,632	13,068,232	-	2,678	156,301	1,615,497	702,570	4,429,240	(866,814)	142,128,483	(176,248)	166,821,571	73,762,386	240,583,957	
Balance as at January 1, 2023	5,761,632	13,068,232	-	2,678	156,301	1,615,497	702,570	4,429,240	(866,814)	142,128,483	(176,248)	166,821,571	73,762,386	240,583,957	
<b>Total comprehensive income for the three months ended March 31, 2023</b>															
Profit for the period	-	-	-	-	-	-	-	-	-	4,647,353	-	4,647,353	4,149,419	8,796,772	
Other comprehensive income / (loss)	-	-	-	-	-	585,840	216,528	-	(685,659)	-	-	116,709	-	116,709	
Acquisition of treasury shares	-	-	(10,838,106)	-	-	585,840	216,528	-	(685,659)	4,647,353	-	4,764,062	4,149,419	8,913,481	
<b>Transactions with owners</b>															
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(2,919,632)	(2,919,632)	
Final cash dividend for the year ended December 31, 2022 @ Rs. 1.00 per share	-	-	-	-	-	-	-	-	-	(546,244)	-	(546,244)	-	(546,244)	
Balance as at March 31, 2023 (Unaudited)	5,761,632	13,068,232	(10,838,106)	2,678	156,301	2,201,337	919,098	4,429,240	(1,552,473)	146,229,592	(176,248)	160,201,283	74,992,173	235,193,456	

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

  
Muhammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer


  
Ghias Khan  
President and Chief Executive

# consolidated condensed interim statement of cash flows (unaudited) for the three months ended march 31, 2023

(Amounts in thousand)

Note	Three months ended	
	March 31, 2023	March 31, 2022
	------(Rupees)-----	
<b>Cash flows from operating activities</b>		
Cash generated from operations	28,188,886	29,848,051
Retirement and other service benefits paid	(263,539)	(187,565)
Finance cost paid on lease liability	(1,317,767)	(948,384)
Taxes paid	(6,943,308)	(1,198,070)
Proceeds from net investment in leases	1,504,909	896,834
Repayment of lease liability	(561,288)	(1,009,292)
Finance income received on net investment in leases	1,778,914	1,340,045
Other finance cost paid	(2,731,472)	(1,803,380)
Deferred income	370,158	-
Long term loans and advances - net	(267,665)	(123,294)
Discontinued operations	-	204
<b>Net cash generated from operating activities</b>	<b>19,757,828</b>	<b>26,815,149</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	(10,520,674)	(7,180,684)
Sale proceeds on disposal of property, plant and equipment	53,857	14,562
Payments for acquisition of treasury shares	(9,012,055)	-
Proceeds from sale of investments - net	17,600,371	5,897,143
Income on deposits / other financial assets	5,402,854	2,471,604
Dividends received	-	297,450
<b>Net cash generated from investing activities</b>	<b>3,524,353</b>	<b>1,500,075</b>
<b>Cash flows from financing activities</b>		
Proceeds / repayments from borrowings - net	(3,729,346)	(1,714,234)
Lease rentals paid	(644,259)	(681,735)
Dividends paid	18,351	(10,485,968)
<b>Net cash utilized in financing activities</b>	<b>(4,355,254)</b>	<b>(12,881,937)</b>
<b>Net increase in cash and cash equivalents</b>	<b>18,926,927</b>	<b>15,433,287</b>
Effect of exchange rate changes on cash and cash equivalents	2,584,124	-
Cash and cash equivalents at beginning of the period	26,596,049	91,662,651
Cash and cash equivalents at end of the period	48,107,100	107,095,938

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

  
Muhammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President and Chief Executive

# notes to the consolidated condensed interim financial statements (unaudited) for the three months ended march 31, 2023

(Amounts in thousand)

## 1. LEGAL STATUS AND OPERATIONS

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

1.2 The "Group" consists of:

**Holding Company** - Engro Corporation Limited

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

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

	Percentage of direct share holding	
	March 31, 2023	December 31, 2022
- Engro Energy Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Connect (Private) Limited	100	100
- Engro Infiniti (Private) Limited	100	100
- Engro Eximp FZE	100	100
- Engro Fertilizers Limited	56.27	56.27
- Engro Polymer and Chemicals Limited	56.19	56.19
- Elengy Terminal Pakistan Limited	56	56
<b>Joint Venture Company:</b>		
- Engro Vopak Terminal Limited	50	50
<b>Associated Company:</b>		
- FrieslandCampina Engro Pakistan Limited	39.9	39.9

## 2. BASIS FOR PREPARATION

### 2.1 Statement of compliance

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

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

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

(Amounts in thousand)

2.2 The cumulative figures for the three months ended March 31, 2023 presented in these consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022.

## 3. BASIS OF CONSOLIDATION

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

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

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

## 4. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

4.1 The significant accounting policies and the methods of computation applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022.

There are certain amendments to published International Financial Reporting Standards (IFRSs) that are mandatory for the financial year beginning on January 1, 2023. These are considered not to have any significant effect on the Group's financial reporting and operations and have, therefore, not been disclosed in these consolidated condensed interim financial statements.

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

## 5. ACCOUNTING ESTIMATES

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

During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022.

(Amounts in thousand)

	(Unaudited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees)-----	
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets, at net book value (note 6.1 and 6.2)	324,605,493	300,654,940
Capital work in progress (CWIP) - Expansion and other projects (note 6.3)	28,400,242	24,839,815
Capital spares and standby equipment	4,476,458	4,382,473
	<u>357,482,193</u>	<u>329,877,228</u>
<b>6.1</b> Following additions including transfers from CWIP were made to operating assets during the period / year:		
Building	889,594	4,995,781
Pipelines	-	967
Plant and machinery	26,281,161	14,423,713
Furniture, fixtures and equipment	1,256,185	9,735,236
Vehicles	84,171	683,386
Catalyst	-	402,520
Aircraft	-	2,634,870
Jetty	-	9,724
Dredging	-	369,996
	<u>28,511,111</u>	<u>33,256,193</u>
<b>6.2</b> During the period, operating assets costing Rs. 96,116 (December 31, 2022: Rs. 2,570,359), having net book value of Rs. 59,462 (December 31, 2022: Rs. 719,577) were disposed / written off for Rs. 53,857 (December 31, 2022: Rs. 614,122).		
	(Unaudited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees)-----	
<b>6.3</b> Capital work in progress - Expansion and other projects		
Balance at beginning of the period / year	24,839,815	20,265,122
Additions during the period / year	7,897,263	37,588,841
Borrowing cost capitalized during the period / year	-	42,669
Reclassification	-	28,791
Transferred to:		
- operating assets	(4,309,273)	(32,813,372)
- intangible assets	(27,563)	(261,360)
- capital spares	-	(10,876)
Balance at end of the period / year	<u>28,400,242</u>	<u>24,839,815</u>
<b>7. LONG TERM INVESTMENTS</b>		
Balance at beginning of the period / year	36,081,246	34,217,070
Add:		
- Revaluation loss on investments & others	(13,252)	(51,924)
- Share of profit and other comprehensive income for the period / year (note 7.1)	(123,810)	3,174,081
Less:		
- Dividend received during the period / year	-	(932,500)
- Provision adjustment against tax contingency	(223,047)	(290,269)
- Reversal of profits	-	(35,212)
Balance at end of the period / year	<u>35,721,137</u>	<u>36,081,246</u>

(Amounts in thousand)

	(Unaudited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees)-----	
<b>7.1</b> Details of share of profit and other comprehensive income for the period / year are as follows:		
- Sindh Engro Coal Mining Company Limited (SECMC)	(742,012)	1,008,703
- FrieslandCampina Engro Pakistan Limited (FCEPL)	395,155	942,609
- Engro Vopak Terminal Limited (EVTL)	223,047	1,222,769
	<u>(123,810)</u>	<u>3,174,081</u>
<b>8. STORES, SPARES AND LOOSE TOOLS</b>		
<b>8.1</b> During the period, the group has directly written off stores and spares amounting to Nil (December 31, 2022: Rs. 25,975).		
<b>8.2</b> During the period, provision for slow moving stores and spares amounting to Nil (December 31, 2022: Rs. 28,458) has been written-off.		
	(Unaudited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees)-----	
<b>9. STOCK-IN-TRADE</b>		
<b>9.1</b> Details of stock-in-trade are as follows:		
Raw and packaging material	10,553,031	9,894,583
Unprocessed rice	564,882	1,202,364
Fuel stock	538,663	537,232
Work-in-process	587,492	133,161
Finished goods:		
- own manufactured product	6,652,966	9,469,340
- purchased and packaged product	5,712,534	9,313,718
	12,365,500	18,783,058
Less: Provision for impairment against stock-in-trade	(274,809)	(307,609)
	<u>24,334,759</u>	<u>30,242,789</u>
<b>9.2</b> During the period, stock-in-trade amounting to Rs. 13,055 (December 31, 2022: Rs. 237,549) has been directly written-off.		
<b>10. TREASURY SHARES</b>		
The Holding Company, with the approval of the Holding Company's shareholders in extraordinary general meeting held on January 26, 2023, accorded to buy back upto to an aggregate number of 70,000,000 issued and paid-up ordinary shares of the Holding Company at the spot/current price prevailing during purchase period that is February 3, 2023 to July 25, 2023 or till such date that the Buy-back of shares is completed, whichever is earlier. The amount represents the purchase of 36,750,000 own shares for cancellation purpose during the period.		

(Amounts in thousand)

## 11. BORROWINGS

As at March 31, 2023, there is no material change in the status of borrowings reported in note 23 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022, except as follows:

### Engro Fertilizers Limited (EFERT)

- 11.1 During the period, EFERT made principal repayments of long term finances to MCB Bank Limited, and Allied Bank Limited amounting to Rs. 1,166,667 and Rs. 22,065 respectively.
- 11.2 During the period, EFERT repaid long term borrowings from Habib Bank Limited and Allied Bank Limited amounting to Rs. 3,540 and Rs. 2,672 respectively under "Temporary Economic Refinance Facility" (TERF) introduced by the State Bank of Pakistan in 2020. These borrowings have the same charge as the borrowings from other Senior Lenders on operating assets. Mark-up on the newly acquired loans is chargeable at the rates ranging from 1.50% to 2.00% and is payable in quarterly or semi-annual installments starting from January 2023.

Further there were no additional loan under TERF introduced by the State Bank of Pakistan in 2020.

### Engro Powergen Thar (Private) Limited (EPTL)

- 11.3 During the period, EPTL has recorded exchange loss on revaluation of foreign currency borrowings amounting to Rs. 24,202,039 (December 31, 2022: Rs. 23,282,056).

### Engro Polymer and Chemicals Limited (EPCL)

- 11.4 During the period, EPCL has further received Rs. 217,685 on account of ITERF loan facility. The value of benefit of below-market interest rate on this additional loan has been accounted for as Government grant.

### Elengy Terminal Pakistan Limited (ETPL)

- 11.5 The principal amounts for repayment at March 31, 2023 for foreign currency denominated loan is USD 8,667 (December 31, 2022: USD 13,000).

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

As at March 31, 2023, there is no material change in the status of matters reported as contingencies in note 33 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022, except as follows:

#### The Holding Company

- 12.1.1 Standby Letter of Credit (Put Option SBLC) has been provided by Engro Energy Limited (EEL), a wholly owned subsidiary company, through Allied Bank Limited amounting to US Dollars 21,070 (December 31, 2022: 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

(Amounts in thousand)

Option SSA. This guarantee was secured by pledging Holding Company's shares of Engro Fertilizer Limited (EFERT) and Friesland Campina Engro Pakistan Limited (FCEPL) of quantities 105,000,000 and 40,000,000 respectively.

- 12.1.2 Engro Elengy Terminal Pakistan Limited has issued SBLCs amounting to US Dollars 22,500 (December 31, 2022: US Dollars 22,500). This has been secured by pledging Holding Company's shares of EFERT and Engro Polymer and Chemicals Limited (EPCL) of quantities 66,000,000 and 117,000,000 respectively.
- 12.1.3 On March 28, 2022, and as supplemented from time-to-time Allied Bank Limited and Faysal Bank Limited have committed to provide Payment Service Reserve Account (PSRA) SBLCs amounting to US Dollars 23,316 and Rs. 1,029,044 respectively on behalf of EEL, a wholly owned subsidiary, for its PSRA commitments related to Engro Powergen Thar (Private) Limited in favour of their project lenders. These SBLCs are partially secured by pledging 62,500,000, 78,800,000, 50,300,000 and 40,000,000 shares of EFERT, EPCL, FCEPL and Engro Powergen Qadirpur Limited respectively.

### 12.2 Commitments

- 12.2.1 Commitments in respect of open purchase orders and capital and revenue expenditure including contracted but not incurred amount to Rs. 27,796,618 (December 31, 2022: Rs 43,204,163).
- 12.2.2 Engro Eximp Agriproducts (Private) Limited (EEAP) has entered into export selling contracts of 3,278 tons (December 31, 2022: 2,100 tons) of Super Basmati Rice to various parties on agreed terms for delivery on various dates subsequent to the period end. The sales value of these open commitments at period end exchange rate amounts to Rs.1,392,000 (December 31, 2022: Rs. 619,103).
- 12.2.3 The facility for opening letters of credit of EPCL and its subsidiary companies as at March 31, 2023 aggregates to Rs. 26,374,874 (December 31, 2022: Rs. 27,750,000). The amount utilized thereagainst as at March 31, 2023 was Rs. 16,524,874 (December 31, 2022: Rs. 8,631,302).
- 12.2.4 EFert has issued bank guarantees amounting to Rs. 5,912,015 (December 31, 2022: Rs. 9,117,070) in favour of third parties.
- 12.2.5 Engro Elengy Terminal Pakistan Limited (EETPL) has provided bank guarantee amounting to Rs. 1,353,695 (December 31, 2022: Rs. 1,952,145) from MCB Bank Limited and Rs. 1,929,290 (December 31, 2022: 1,322,483) from Bank Alfalah Limited, in favor of Nazir of the Court to comply with the interim orders of the Court as explained in note 33.8.16. During the last year, tax department filed application to the Court to adjust payment of advance tax against the bank guarantee provided above which was duly allowed by the Court.

(Amounts in thousand)

	.....(Unaudited).....	
	Three months ended	
	March 31, 2023	March 31, 2022
	..... (Rupees) .....	
<b>13. REVENUE</b>		
Own manufactured products	68,699,999	77,740,230
Less:		
- Sales tax	(5,457,640)	(6,548,091)
- Discounts	(174,493)	(529,108)
	<u>63,067,866</u>	<u>70,663,031</u>
Purchased and packaged product	25,659,006	13,005,381
Services rendered	10,333,077	6,359,600
	<u>35,992,083</u>	<u>19,364,981</u>
Less: Sales tax	(1,494,539)	(936,589)
Less: Discounts	(232,980)	(758,183)
	<u>(1,727,519)</u>	<u>(1,694,772)</u>
	<u>97,332,430</u>	<u>88,333,240</u>

#### 14. TAXATION

As at March 31, 2023, there is no material change in the status of matters reported in note 42 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022, except as follows:

- 14.1 This includes an amount of Rs. 568,322 (March 31, 2022: Nil) on account of provision made by the Group in accordance with section 4C 'Super tax on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through Finance Act, 2022 (the Act), whereby a super tax at four percent has been levied on income exceeding Rs. 300,000 for the year ended December 31, 2022 (tax year 2023) and onwards.
- 14.2 During the period, in respect of the matter disclosed in note 42.1 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022, the Supreme Court of Pakistan (SCP) issued an interim order in respect of the petitions filed by the tax department against the HCS judgement by directing the Nazir of High Court of Sindh to encash the bank guarantees submitted by all petitioner including the Group to the extent of 4% of super tax.

##### The Holding Company

- 14.3 During the period, in respect of the matter disclosed in note 42.4.1 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022, the High Court of Sindh (HCS) has dismissed the stay applications filed by the Holding Company challenging the imposition of tax on inter-corporate dividend (ICD) under the Income Tax Ordinance, 2001. Consequent to the HCS decision, the Holding Company received show cause notices from the tax department for recovery of ICD pertaining to tax years 2016 to 2020. Assessment orders have also been issued for an aggregate demand of Rs. 3,088,232. The Holding Company has settled this through adjustment of prior refunds and made payment for the remainder of demand.

##### Engro Fertilizers Limited (EFERT)

- 14.4 During the period, EFERT received an order from Assistant Commissioner Inland Revenue (ACIR) disallowing amortization on intangibles amounting to Rs. 293,480 for the tax year 2017 having a tax impact of Rs. 90,978. Further, the order incorporated other amended assessments, thereby creating a demand of Rs. 494,107. EFERT has filed an appeal with CIRA and hearing is yet to be held.

(Amounts in thousand except for earnings per share)

	.....(Unaudited).....	
	Three months ended	
	March 31, 2023	March 31, 2022
	..... (Rupees) .....	
<b>15. LOSS FROM DISCONTINUED OPERATIONS</b>		
Other operating expenses	-	(197)
Other income	-	435
	<u>-</u>	<u>238</u>
Operating profit	-	238
Taxation	-	-
	<u>-</u>	<u>238</u>
Profit for the period	-	238
Net cash inflow from operating activities	-	204
Net increase in cash generated by the subsidiary	-	204

#### 16. EARNINGS PER SHARE - BASIC AND DILUTED

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

	.....(Unaudited).....	
	Three months ended	
	March 31, 2023	March 31, 2022
	..... (Rupees) .....	
Profit for the period attributable to Owners of the Holding Company from:		
- continuing operations	4,647,353	7,971,450
- discontinued operations	-	238
	<u>4,647,353</u>	<u>7,971,688</u>
<b>Number of shares (in thousand)</b>		
Outstanding number of shares before treasury shares	576,163	576,163
Less: Impact of acquisition of treasury shares	(8,040)	-
	<u>568,123</u>	<u>576,163</u>
Earnings per share - basic and diluted (in Rupees)		
- continuing operations	8.18	13.84
- discontinued operations	-	-
	<u>8.18</u>	<u>13.84</u>

(Amounts in thousand)

## 17. CASH GENERATED FROM OPERATIONS

	(Unaudited) Three months ended	
	March 31, 2023	March 31, 2022
	------(Rupees)-----	
Profit before taxation from:		
- continuing operations	13,621,613	20,805,327
- discontinued operations	-	238
	<u>13,621,613</u>	<u>20,805,565</u>
Adjustment for non-cash charges and other items:		
Depreciation and amortization	4,817,219	3,716,284
Loss on disposal / write-off of property, plant and equipment	5,605	6,868
Rent concession on lease liability	-	(12,729)
Provision for retirement and other service benefits	120,431	134,000
Provisions - net	587,115	292,865
Stock-in-trade / stores and spares written-off	13,055	-
Income on deposits / other financial assets	(4,568,122)	(2,656,657)
Finance income on net investment in leases	(1,778,914)	(1,330,364)
Finance cost on lease liability	1,378,285	1,010,209
Exchange loss on lease liability	13,818,903	1,888,194
Exchange gain on net investment in lease	(14,352,576)	(1,894,673)
Share of loss / (income) from joint venture and associate	123,810	(988,329)
Finance cost	9,726,539	3,980,209
Foreign currency translations	1,943,816	464,674
Working capital changes (note 17.1)	2,732,107	4,431,935
	<u>28,188,886</u>	<u>29,848,051</u>
<b>17.1 Working capital changes</b>		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(528,288)	(426,896)
- Stock-in-trade	5,894,975	3,056,177
- Trade debts	(14,041,434)	(2,376,632)
- Loans, advances, deposits and prepayments	(912,616)	(114,553)
- Other receivables - net	(4,194,217)	(2,776,159)
	<u>(13,781,580)</u>	<u>(2,638,063)</u>
Increase in current liabilities		
- Trade and other payables	16,513,687	7,069,998
	<u>2,732,107</u>	<u>4,431,935</u>
<b>18. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	61,751,077	47,073,458
Short term investments	11,889,585	78,824,746
Short term borrowings	(25,533,562)	(18,802,266)
	<u>48,107,100</u>	<u>107,095,938</u>

(Amounts in thousand)

## 19. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 19.1 Financial risk factors

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

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

### 19.2 Fair value estimation

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

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

	Level 1	Level 2	Level 3	Total
	------(Rupees)-----			
<b>As at March 31, 2023 (Unaudited)</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Units of mutual funds	-	7,291,777	-	7,291,777
	<u>-</u>	<u>7,291,777</u>	<u>-</u>	<u>7,291,777</u>
<b>Financial assets at fair value through other comprehensive income</b>				
- Derivative financial instruments	-	953,847	-	953,847
- Pakistan Investment Bonds	-	25,148,994	-	25,148,994
- Other investments	-	40,853	-	40,853
	<u>-</u>	<u>26,143,694</u>	<u>-</u>	<u>26,143,694</u>
<b>As at December 31, 2022 (Audited)</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Units of mutual funds	-	17,166,688	-	17,166,688
- Pakistan Investment Bonds	-	1,799,903	-	1,799,903
	<u>-</u>	<u>18,966,591</u>	<u>-</u>	<u>18,966,591</u>
<b>Financial assets at fair value through other comprehensive income</b>				
- Derivative financial instruments	-	737,319	-	737,319
- Pakistan Investment Bonds	-	29,380,322	-	29,380,322
- Other investments	-	92,320	-	92,320
	<u>-</u>	<u>30,209,961</u>	<u>-</u>	<u>30,209,961</u>

(Amounts in thousand)

### 19.3 Valuation techniques used to determine fair values

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

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

### 19.4 Fair value of financial assets and liabilities

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

## 20. TRANSACTIONS WITH RELATED PARTIES

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

	(Unaudited)	
	Three months ended	
	March 31, 2023	March 31, 2022
	----- (Rupees) -----	
<b>Parent Company</b>		
Dividend paid	214,470	214,470
Reimbursements	61,037	3,370
<b>Associated companies and joint venture</b>		
Purchases and services	12,895,209	24,487,256
Dividend received	-	297,450
Dividend paid	20,719	17,832
Contribution for Corporate Social Responsibility	45,600	45,207
Reimbursements from associates	109,780	205,716
Reimbursements to the Group	155,235	30,128
Mark-up on borrowings	1,454,834	760,459
<b>Directors</b>		
Dividend paid	37,466	36,176
Directors' fees	28,062	31,890
Advisory agreement	21,000	21,000
<b>Others</b>		
Remuneration paid to key management personnel	383,708	371,488
Dividends paid to key management personnel	525	-
Reimbursement of expenses	158	-
<b>Contribution to retirement benefits</b>	303,680	237,505

(Amounts in thousand)

## 21. SEGMENT REPORTING

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

Type of segments	Nature of business
Fertilizer	This part of the business manufactures, purchases and markets fertilizers. The operations of this segment include a wide range of fertilizer brands, besides urea, which primarily comprises of Engro Zarkhez, Zingro, Engro DAP optimized for local cultivation needs and demand. Further, the segment is a leading importer and seller of phosphate products which are marketed extensively across Pakistan as phosphatic fertilizers. The Company carrying on the fertilizer business is listed on Islamic Index.
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 ancillary products and services.
Other operations	It includes management of investments in associates and joint venture by the Holding Company. It also includes investments made in the 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 for assessing performance. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from profit or loss in the consolidated financial statements. Segment results and assets include items directly attributable to a segment.



(Amounts in thousand)

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

### Revenue

- At a point in time
- Over time

Segment wise break-up is as follows:

	(Unaudited)	
	Three months ended	
	March 31, 2023	March 31, 2022
	----- (Rupees) -----	
Fertilizer	63,491,818	62,128,772
Polymer	33,840,612	26,204,468
Terminal	97,332,430	88,333,240
Power and mining		
Connectivity and telecom		
Other operations		
Elimination - net		
Consolidated	<u>97,332,430</u>	<u>88,333,240</u>

### Profit before tax for the period

	(Unaudited)	
	Three months ended	
	March 31, 2023	March 31, 2022
	----- (Rupees) -----	
Fertilizer	6,790,131	7,672,859
Polymer	1,671,884	6,255,798
Terminal	1,231,899	1,181,098
Power and mining	2,412,979	4,558,326
Connectivity and telecom	(257,431)	43,280
Other operations	7,067,786	8,199,283
Elimination - net	(5,295,635)	(7,105,317)
Consolidated	<u>13,621,613</u>	<u>20,805,327</u>

### Assets

	(Unaudited)	(Audited)
	March 31, 2023	December 31, 2022
	----- (Rupees) -----	
Fertilizer	140,090,742	145,413,332
Polymer	84,662,157	85,400,579
Terminal	89,258,178	74,971,634
Power and mining	339,287,231	300,492,673
Connectivity and telecom	60,648,965	60,974,587
Other operations	125,671,367	120,862,566
Elimination - net	(40,340,321)	(38,699,719)
Consolidated	<u>799,278,319</u>	<u>749,415,652</u>

(Amounts in thousand)

### Liabilities

	(Unaudited)	(Audited)
	March 31, 2023	December 31, 2022
	----- (Rupees) -----	
Fertilizer	97,309,604	100,359,904
Polymer	56,357,105	58,278,863
Terminal	81,097,830	67,330,086
Power and mining	266,896,511	228,595,228
Connectivity and telecom	42,632,375	42,760,262
Other operations	36,437,030	26,155,440
Elimination - net	(16,645,592)	(14,648,088)
Consolidated	<u>564,084,863</u>	<u>508,831,695</u>

### 22. NON-ADJUSTING EVENT AFTER REPORTING DATE

- 22.1 The Board of Directors of the Company in its meeting held on April 19, 2023 has proposed a interim cash dividend of Rs. 40.00 per share for the period ending December 31, 2023. The Entitlement will be paid to the shareholders appearing in the Register of Members on May 03, 2023, the exact amount of which is not ascertainable before issuance of these condensed interim financial statements. These consolidated condensed interim financial statements do not reflect the effect of dividend payable.
- 22.2 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on April 13, 2023 has proposed an interim cash dividend of Rs. 13.50 per share for the period ended March 31, 2023, amounting to Rs. 1,215,000 of which the proportionate share of the Company amounts to Rs. 607,500.

### 23. SEASONALITY

- 23.1 The Group's fertilizer business is subject to seasonal fluctuations as a result of two different farming seasons viz, Rabi (from October to March) and Kharif (from April to September). On an average, fertilizer sales are more tilted towards Rabi season. The Group manages seasonality in the business through appropriate inventory management.
- 23.2 The Group's agri business is subject to seasonal fluctuation as majority of paddy / unprocessed rice is procured during the last quarter of the year which is the harvesting period for all rice varieties grown in Pakistan. However, rice is sold evenly throughout the year. The Group manages seasonality in the business through appropriate inventory management.

### 24. CORRESPONDING FIGURES

- 24.1 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the consolidated condensed interim statement of financial position has been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas, the consolidated condensed interim statement of profit or loss, the consolidated condensed interim statement of comprehensive income, the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.
- 24.2 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material.

### 25. DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on April 19, 2023 by the Board of Directors of the Holding Company.

  
Muhammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President and Chief Executive

اپنے پورٹ فولیو میں متعدد کاروباری اقدامات کیے جن میں لاگت کو بہتر بنانا اور قیمتوں میں اسٹریٹجک کمی شامل ہے جس کے نتیجے میں زیادہ منافع حاصل ہوا۔

اینگرو ایگزیمپ ایگری پروڈکٹس نے سہ ماہی کے دوران 1.3KT باسٹی چاول کی برآمدات ریکارڈ کی۔ ملک میں سیلاب کی وجہ سے دھان کے پچھلے سیزن کے دوران خریداری میں کمی کی وجہ سے 12.7KT، SPLY تھا۔ نتیجتاً، چاول کے کاروبار نے 2022 کی پہلی سہ ماہی میں 10.2 ملین امریکی ڈالر کے مقابلے میں برآمد کے ذریعے 1.6 ملین امریکی ڈالر کی آمدنی حاصل کی۔

ٹریڈنگ آپریشنز

LNG ٹریڈنگ نے 19 کارگوز کو ہینڈل کیا، جو 2022 کی پہلی سہ ماہی کے مطابق ہے، SSGC میٹ ورک میں 55 bcf ری گیسیفائیڈ LNG فراہم کی، جو ملک کی کل گیس سپلائی کا 15%~ ہے۔ کیمیکلز ٹریڈنگ نے 134 KT ہینڈل کیا جو پچھلے سال اسی عرصے کے دوران 381 KT تھا۔ ایل سی کھولنے کے مسائل سے متعلق معاشی سرگرمیوں میں سست روی کی وجہ سے یہ کمی بنیادی طور پر کیمیکل والیوم کی وجہ سے ہے۔

شیرز کی واپس خرید

کمپنی نے دسمبر 2022 میں 70 ملین عام حصص تک کے حصص کی واپسی کا اعلان کیا، جسے بعد ازاں 26 جنوری 2023 کو ای او جی ایم میں شیرز ہولڈرز نے منظور کیا۔ ایس ای سی پی کی ریگولیٹری گائیڈ لائنز کے مطابق حصص کی مذکورہ خریداری 3 فروری 2023 سے شروع ہوئی اور 25 جولائی 2023 تک جاری رہے گی۔

31 مارچ 2023 تک، کمپنی نے اس بائی بیک اسکیم کے تحت 36.75 ملین شیرز خریدے ہیں۔

شیرز ہولڈرز میں تقسیم

پہلی سہ ماہی کے بورڈ میٹنگ کے دوران، ڈائریکٹرز نے سرمایہ کاری کے دستیاب مواقع کا ایک جامع تجزیہ کیا، موجودہ معاشی صورتحال بشمول سرمائے کی ممنوعہ لاگت اور پلانٹ، مشینری اور خام مال کی درآمد پر پیش چیلنجز، اور سرمایہ کاری کے ڈھانچے

بھی زیر غور آئے۔ وسیع غور و خوض کے بعد، بورڈ نے یہ نتیجہ اخذ کیا کہ موجودہ حالات کو مد نظر رکھتے ہوئے، نقد کا سب سے زیادہ استعمال شیرز ہولڈرز کو ڈیویڈنڈ ادا کرنا تھا، جس کے نتیجے میں بورڈ نے 40.0 روپے فی شیر ڈیویڈنڈ کا اعلان کرنے کا فیصلہ کیا۔

یہ بات قابل غور ہے کہ اس فیصلے کا کمپنی کے طویل مدتی سرمایہ کاری کے پروگرام پر کوئی خاص اثر نہیں پڑے گا جو مستقبل کے منافع اور یا سرمائے کی دوبارہ تقسیم کے ذریعے ممکن بنایا جاسکتا ہے۔ اپنے طویل مدتی سرمایہ کاری کے پروگرام کے اندر، اینگرو اپنے کاروباروں کے اندر عالمی مسابقت کے لیے کوششیں جاری رکھے گا اور برآمدات اور بین الاقوامی نقش کو بڑھانے کے مواقع تلاش کرتا رہے گا۔

قریبی مدت کا جائزہ

2023 میں، ہم اپنے کاروباری آپریشنز کو اپنے چار اہم عمودی حصوں میں پھیلانے اور ترقی کے نئے مواقع تلاش کرنے کے لیے پرعزم ہیں، جس میں سب کے لیے مستقل آمدنی پیدا کرنے اور ایک مستحکم کاروباری ماڈل کو برقرار رکھنے پر توجہ دی جائے گی۔

فریٹلائزر

پاکستان میں زراعت کو سیاسی اور معاشی غیر یقینی صورتحال اور حالیہ سیلاب کی وجہ سے اہم چیلنجز کا سامنا ہے۔ چونکہ معیشت زری پیداوار پر بہت زیادہ انحصار کرتی ہے، اس لیے آنے والے مہینوں میں متوقع رکاوٹیں اہم ہیں۔ ہمیں یقین ہے کہ حکومت کی صحیح مداخلتیں اور متعلقہ ایجنسیوں کی مدد سے بحالی ممکن ہو سکتی ہے۔ ہماری کمپنی بین الاقوامی منڈیوں سے ضروری کھادوں پر رعایتی قیمتیں فراہم کر کے اپنا کردار ادا کرنے کے لیے وقف ہے۔

پیٹرولیم

پولیمر کاروبار درآمدی متبادل کے ذریعے غیر ملکی کرنسی کے تحفظ کے ساتھ ساتھ برآمدات کے ذریعے غیر ملکی کرنسی جزیٹ کرنے میں اہم کردار ادا کرتا ہے۔ یہ کاروبار پاکستان کی بڑی صنعتوں جیسے تعمیرات اور ٹیکسٹائل کو ایک اہم فیڈ اسٹاک سپلائی کرنے کے لیے پرعزم ہے۔ گیس کی بڑھتی ہوئی قلت کی روشنی میں، یہ اپنے کاروبار کے لیے

توانائی کے متبادل ذرائع تلاش کر رہا ہے تاکہ بجلی کی لاگت کو کم کیا جاسکے اور گیس کی عدم دستیابی کے خطرے کو کم کیا جاسکے، جبکہ نئے منصوبوں اور مارکیٹوں کی نشاندہی بھی جاری رکھی جائے۔

ٹیلی کمیونیکیشن انفراسٹرکچر

موبائل ڈیٹا کے استعمال اور اعلیٰ معیار کی خدمات کی بڑھتی ہوئی مانگ کی وجہ سے Enfrashare کا کاروباری نقطہ نظر مضبوط ہے، جو MNOs کو جارحانہ built to suit roll out کے ذریعے دستیابی اور معیار کو بڑھانے کے لیے چلا رہا ہے۔ موجودہ کلاں معاشیات کی صورتحال کے نتیجے میں مہنگائی میں اضافہ ہوگا، جس سے کاروبار کے لیے مزید لاگت کی کمی کی ضرورت ہوگی۔

اینگرو اینڈ انفراسٹرکچر انڈرونی اور بیرونی ترقی کے مواقع کے ذریعے ایک آزاد ٹاور کمپنی کے طور پر اپنی مارکیٹ کی قیادت کو برقرار رکھے گا۔ یہ سال 2024 تک 5,000 سے زائد ٹاور کمپنی بننے کے پہلے سے طے شدہ ہدف تک پہنچنے کے راستے پر ہے۔

توانائی

توانائی کی حفاظت پاکستان میں سب سے اہم مسائل میں سے ایک ہے۔ اینگرو توانائی کے بحران کو ختم کرنے اور پاکستان کی اقتصادی ترقی میں مدد کے لیے مقامی وسائل استعمال کر رہا ہے۔ درآمدی ایندھن پر ملک کے انحصار کو کم کرنے کے لیے، ہمارے کان کنی کے کاروبار نے کامیابی کے ساتھ گنجائش کو 7.6 ملین TPA تک بڑھا دیا ہے اور 2024 کے اوائل تک 11.4 ملین TPA تک توسیع جاری رکھے گی۔ انتظامیہ سینٹ مینوفیکچررز اور امپورٹرز کو نئے پرچلنے والے پاور پروڈیوسروں کے ساتھ بھی تعاون کر رہی ہے، جس میں درآمد شدہ کونکے کا استعمال کیا گیا تاکہ تھر کے کوئیکٹا بہتر استعمال کیا جاسکے۔

یہ کاروبار جھمپور میں پاکستان کے پہلے ہائبرڈ GW1 قابل تجدید توانائی (RE) پارک کی ترقی پر بھی پیش رفت کر رہا ہے۔ منصوبے کا پہلا مرحلہ، 400 میگا واٹ کی صلاحیت کے ساتھ، 2024 کے اوائل تک فعال کرنے کا ارادہ ہے، جس میں 16,700 میگا واٹ کی دستیابی کی تصدیق کی گئی ہے۔ اس نے متوقع صارفین سے 670 ~ میگا واٹ کی فراہمی کا عہد بھی کیا ہے۔

ٹریڈنگ آپریشنز

ایل این جی ٹریڈنگ توانائی کی کمی کو دور کرنے کے لیے کام کر رہا ہے۔ جیسے جیسے مارکیٹ میں توانائی کی طلب بڑھتی ہے، ہم شیرز ہولڈرز کی قدر بڑھانے کے لیے نئے مواقع تلاش کرتے رہیں گے۔

اینگرو و واپاک کی مائع کیمیکل ہینڈلنگ انڈسٹری میں منفرد مقام اسے کیمیکل ہینڈلنگ اور اسٹوریج کے کاروبار میں مارکیٹ لیڈر بننے کی اجازت دیتا ہے، اس سے بھی بہتر کارکردگی کی توقعات ہیں۔ تاہم تقنات بارڈر کے ذریعے درآمدات کی وجہ سے سمندری ایل این جی کی درآمدات پر دباؤ رہنے کی توقع ہے۔

کھانے کی اشیاء

چیلنجنگ میکرو اکنامک حالات کا نتیجہ صارفین کے صوابدیدی اخراجات میں اعتدال کا باعث بن سکتا ہے اور ہماری ترقی کی رفتار کو روک سکتا ہے۔ تاہم، کمپنی غذائیت سے بھرپور اور محفوظ مصنوعات کی مسلسل فراہمی کو یقینی بنانے کو ترجیح دے گی۔ یہ ایک ہموار سپلائی چین کو یقینی بنانے اور منافع کو بہتر بنانے پر توجہ دینے کے لیے سپلائرز اور تقسیم کاروں کے ساتھ فعال طور پر مشغول ہو کر ترقی کو جاری رکھے گا۔

اعتراف

ڈائریکٹرز ہمارے شیرز ہولڈرز کے لیے اپنی تہہ دل سے تعریف کرنا چاہیں گے جنہوں نے مسلسل کمپنی پر اپنے اعتماد کا اظہار کیا ہے۔ ہم اینگرو فیملی کے ہر فرد کے عزم، لگن اور جدید سوچ کے لیے انہیں خراج تحسین پیش کرنا چاہیں گے اور یقین رکھتے ہیں کہ وہ مستقبل میں بھی یہی عزم جاری رکھیں گے۔



حمید داؤد  
چیئر مین



غیاث خان  
صدر اور چیف ایگزیکٹو

# اینگروکار پوریشن لمیٹڈ ڈائریکٹرز رپورٹ

اینگروکار پوریشن لمیٹڈ کے ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی پہلی سہ ماہی کے لیے کمپنی کے عبوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

2023 کی پہلی سہ ماہی میں بلند افراط زر، بڑھتے ہوئے جغرافیائی سیاسی تناؤ اور عالمی مالیاتی استحکام پر بڑھتے ہوئے خدشات کے پیش نظر عالمی نمومیں کم رہی۔ دنیا کی بڑی معیشتوں نے افراط زر کے دباؤ سے نمٹنے کے لیے مالیاتی سختی کی طرف قدم بڑھایا، تاہم عالمی کساد بازاری کا خطرہ اب بھی بلند ہے۔ نتیجتاً، طلب کو کم کرنے کی وسیع کوششوں کے درمیان 2022 کی چوٹی سے عالمی اجناس کی قیمتوں میں نرمی آئی۔

پاکستان کی معیشت توانائی کی بلند قیمتوں، روپے کی قدر میں بے تحاشہ کمی اور غیر ملکی زرمبادلہ کے جاری بحران کی وجہ سے مہنگائی کے تناظر میں جدوجہد جاری رکھے ہوئے ہے۔ مزید برآں، ملک میں سیاسی عدم استحکام نے مجموعی طور پر معیشت کے لیے مزید چیلنجز پیدا کر دیئے۔ غیر ملکی زرمبادلہ کے ذخائر کی نازک حالت کے پیش نظر، پاکستان بھر میں کاروباری اداروں کو درآمدی پابندیوں اور غیر ملکی خدمات کی خریداری سمیت مختلف خدشات کی وجہ سے مشکلات کا سامنا ہے۔

بیرونی شعبے اور مالیاتی منڈیوں میں ابھرنے والے شدید افراط زر کے دباؤ اور عدم توازن کے جواب میں، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کو 500 bps (16% سے 21%) تک سخت کر دیا۔ حکومت پاکستان آئی ایم ایف کے ہیل آؤٹ چیک کو کامیابی کے ساتھ محفوظ بنانے کی کوشش میں اقدامات کر رہی ہے جو اس کے غیر ملکی قرضوں پر ڈیفالٹ کو روکنے کے لیے اہم ہے۔

معیشت کے ضروری شعبوں میں اینگرو کی موجودگی نے ہمارے پورٹ فولیو کو ان مشکل وقتوں میں مستحکم بنایا ہے، تاہم، یہ تسلیم کرنا ضروری ہے کہ بیرونی ماحول کے غیر یقینی رہنے کا امکان ہے اور مستقبل میں چیلنجز پیدا ہو سکتے ہیں۔

## کاروباری جائزہ

خود مختار بنیاد پر، کمپنی نے تقابلی مدت کے لیے 6,877 ملین روپے کے مقابلے میں 6,040 ملین روپے کا PAT پوسٹ کیا۔ جو کہ 10.63 روپے فی شیئر EPS بنتا ہے۔ منافع میں 12 فیصد کمی بنیادی طور پر اینگرو پالیمر اینڈ کیمیکلز سے کموڈٹی سائیکل کے ریورس اور گیس کی قیمتوں میں اضافے کی وجہ سے کم ڈیویڈنڈ کی وجہ سے ہے۔

یکمشت بنیادوں پر، کمپنی کی آمدنی 2022 کی پہلی سہ ماہی میں 88,333 ملین روپے کے مقابلے میں 10 فیصد بڑھ کر 2023 کی پہلی سہ ماہی میں 97,332 ملین روپے ہوئی۔ اس سہ ماہی کے لیے (PAT) 8,797 ملین روپے تھا، جبکہ PAT حصص یافتگان کے لیے 4,647 ملین روپے ہے، تقابلی مدت میں 7,972 ملین روپے تھا، جس کے نتیجے میں آمدنی فی حصص (EPS) پچھلے سال کی اسی مدت میں 13.84 روپے کے مقابلے میں 8.18 روپے ہوئی۔ بڑے تغیرات کی وجہ سے میکرو اکنامک ہیڈ وینٹجی جس کے نتیجے میں اجناس کاروبار، ڈی اے پی کی کم طلب اور لاگتوں کا بڑھتا دباؤ سامنے آیا۔

ہمارے کاروباری حصوں کا ایک مختصر جائزہ حسب ذیل ہے:

## فریٹلائزر

فریٹلائزر کے کاروبار نے مستحکم کارکردگی دکھائی اور 2022 کی پہلی سہ ماہی کے 36,813 ملین روپے کے مقابلے میں 43,991 ملین روپے کی آمدنی ریکارڈ کی، جس کی بنیادی وجہ یوریا کی قیمت میں اضافہ ہے۔ کمپنی کا PAT پچھلے سال کی اسی مدت کے 5,511 ملین روپے کے مقابلے میں 4,404 ملین روپے رہا، جو بنیادی طور پر گیس کی بلند قیمتوں اور فاسفیٹ پر کم مارجن سے متاثر ہوا۔

اس مدت کے دوران یوریا کی فروخت 549 KT بمقابلہ 551KT رہی، جو تقابلی مدت کے لیے 34 فیصد کے مارکیٹ شیئر کی عکاسی کرتا ہے۔ 2022 میں اسی مدت کے دوران فاسفیٹ کی فروخت 79 KT بمقابلہ 65 KT رہی۔

یوریا کی بین الاقوامی قیمت میں زبردستی کمی دیکھی گئی، جو دسمبر 2022 کے آخر میں امریکی ڈالر 456/ٹن (6,705/بیگ) کے مقابلے میں مارچ 2023 کے آخر تک کم توانائی کی قیمتوں کی وجہ سے امریکی ڈالر 253/ٹن (4,715 روپے/بیگ

کے مساوی) تک گر گئی۔ عالمی سطح پر فصلوں کی قیمتوں میں کمی کی وجہ سے فاسفیٹ کی بین الاقوامی قیمتیں امریکی ڈالر 603/ٹن تک کم ہو گئیں۔ عالمی اجناس کی قیمتوں میں اتار چڑھاؤ کے درمیان، مقامی کھاد کی صنعت نے کسانوں کو مقامی طور پر تیار کردہ یوریا کی دستیابی کو یقینی بنایا جو بین الاقوامی قیمتوں کے مقابلے میں 37%~ کی نمایاں رعایت پر ہے۔ فریٹلائزر صنعتوں نے اس سہ ماہی میں 410 ملین امریکی ڈالر کے درآمدی متبادل کو قابل بنایا، جس میں اینگرو فریٹلائزرز کا حصہ 139 ملین امریکی ڈالر رہا۔

## پیتروکیمیکل

پولیمر کے کاروبار نے پچھلے سال کی اسی مدت میں 23,127 ملین روپے کی آمدنی کے مقابلے میں 17,978 ملین روپے کی آمدنی ریکارڈ کی ہے۔ کمپنی کا PAT 1,183 ملین روپے رہا جو پچھلے سال کی اسی مدت میں 4,714 ملین روپے تھا جس کی بنیادی وجہ کموڈٹی سائیکل ریورسل ہے۔

کاروبار نے 46 KT کی مقامی فروخت اور مارکیٹ شیئر 87% ریکارڈ کیا، جو کہ گزشتہ سال کی اسی مدت میں 46 KT اور مارکیٹ شیئر 96% ہے۔ نتیجے کے طور پر، کاروبار نے 23 ملین امریکی ڈالر کی درآمدی متبادل کو فعال کیا ہے۔ مقامی PVC کی طلب کو پورا کرنے کے بعد، کاروباری درآمدی فروخت 8KT رہی، جس میں 3KT کے کاسٹک سوڈا کی برآمدات بھی شامل ہیں، جس سے سہ ماہی کے لیے امریکی ڈالر 6 ملین کا زرمبادلہ کمایا گیا۔

## ٹیلی کمیونیکیشن انفراسٹرکچر

ایگزٹیشن نے ترقی جاری رکھی اور پہلی سہ ماہی کے اختتام تک 1.18x ٹیلیفونی کے تناسب کے ساتھ 3,488 ٹاور سائٹس کا پیمانہ حاصل کر لیا، جو پاکستان میں چاروں موبائل نیٹ ورک آپریٹرز کو خدمات فراہم کرتا ہے۔ کاروبار نے اس عرصے کے دوران بلٹ ٹوسٹ ٹاورز رول آؤٹ میں 52% کا مارکیٹ شیئر حاصل کیا۔

کاروبار میں ترقی کی صلاحیت کا مزید اظہار سہ ماہی کے دوران دیکھنے میں آنے والے کولوکیشن کے مواقع سے ہوتا ہے، مارچ 2023 میں کل کولوکیشن کی تعداد 619 رہی جبکہ پچھلے سال اسی مدت میں 325 تھی، جو 90% اضافے کی نمائندگی کرتی

ہے۔ نتیجتاً، سہ ماہی 2022 کے مقابلے میں آمدنی میں 81% اضافہ ہوا ہے۔

## توانائی

کوئلے کی کان: کان کنی کا کام روانی سے جاری رہا، اینگرو پاور جن تھر، تھرانر جی اور تھل نوو پاور کوئلے کی فراہمی جاری رہی۔ توانائی کی طلب میں ممکنہ اضافے کو پورا کرنے کے لیے، انتظامیہ نے 11.4 ملین ٹن سالانہ صلاحیت بڑھانے کے لیے توسیع کے فیز III کو شروع کرنے کا عہد کیا ہے، جس کے لیے حکومت سندھ سے منظوری طلب کی گئی ہے۔

تھر پاور پلانٹ: اینگرو پاور جن تھر لمیٹڈ نے نیشنل گرڈ کو 514 GWH فراہم کیا، پچھلے سال اسی عرصے میں 610 GWH کے مقابلے میں پلانٹ کی دستیابی بنیادی طور پر ایک بڑی منصوبہ بند دیکھ بھال اور معائنہ کی سرگرمی کی وجہ سے کم رہی جو عام طور پر ہر تین سال میں ایک بار ہوتی ہے اور پلانٹ کی حفاظت، Reliability اور کارکردگی کو یقینی بنانے کے لیے ضروری ہے۔

قادر پور پاور پلانٹ: اس مدت کے دوران، پلانٹ نے 262 GWH کا نیٹ ایکٹریٹل آؤٹ پٹ نیشنل گرڈ کو فراہم کیا جس کا لوڈ فیکٹر گزشتہ سال اسی عرصے میں 27% کے مقابلے میں 56% تھا۔ کاروبار نے موجودہ مدت کے لیے 438 ملین روپے کا PAT پوسٹ کیا جو پچھلے سال کی اسی مدت میں 151 ملین روپے تھا۔ جو کہ higher period weighing factor کے نتیجے میں زیادہ recovery کی وجہ سے تھا۔

## کھانا اور چاول

فرائز لینڈ کیمپنا اینگرو پاکستان نے 62% کی ٹاپ لائن نمونو کا مظاہرہ کیا، جس سے پچھلے سال کی اسی مدت میں 13,971 ملین روپے کے مقابلے میں 22,651 ملین روپے کی آمدنی حاصل ہوئی۔ جس کی وجہ اس کے ڈسٹری بیوشن نیٹ ورک کی توسیع ہے۔

کاروبار نے تقابلی مدت کے لیے 664 ملین کے مقابلے میں پہلی سہ ماہی 2023 میں 49% کے اضافے سے 990 ملین روپے تک PAT ریکارڈ کیا۔ کمپنی نے