



enabling Pakistan

third quarterly report 2024

منزل سے آگے بڑھ کر منزل تلاش کر

company information

as of September 30, 2024

chief executive officer

Mr. Ahsan Zafar Syed

chief financial officer

Mr. Farooq Barkat Ali

company secretary

Mr. Mohammad Yasir Khan

board of directors

Mr. Hussain Dawood | Mr. Abdul Samad Dawood | Ms. Sabrina Dawood
Mr. Rizwan Diwan | Mr. Parvez Ghias | Mr. Shabbir Hashmi | Ms. Samar Masood
Mr. Ahsan Zafar Syed

bankers

Allied Bank Ltd
Askari Bank Ltd
Bank Al-Falah Ltd
Bank Al-Habib Ltd
Citi Bank N.A
Faysal Bank Ltd
Habib Bank Ltd
Habib Metropolitan Bank Ltd
JS Bank Ltd
MCB Bank Ltd
Meezan Bank Ltd
National Bank of Pakistan Ltd
Soneri Bank Ltd
Standard Chartered Bank (Pakistan) Ltd
United Bank Ltd
The Bank of Punjab

auditors

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

shares registrar

FAMCO Share Registration Services (Pvt.) Ltd
8-F, Near Faran Hotel, Nursery, Block-6
PECHS, Shahrah-e-Faisal, Karachi
Info.shares@famcosrs.com

registered office

19th Floor, The Harbor Front Building,
HC#3, Marine Drive, Block 4, Clifton,
Karachi 75600, Pakistan
Tel: +92(21) 35297501 – 35297510
Fax: +92(21) 35810669
e-mail: info@engro.com



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

About Us

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

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

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

Our History

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

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

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

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

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

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

Engro Corporation Limited

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

Engro Fertilizers Limited

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

Engro Polymer & Chemicals Limited

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

Engro Energy Limited

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

Elengy Terminal Pakistan Limited

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

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

Engro Vopak Terminal Limited

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

FrieslandCampina Engro Pakistan

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

Engro Enfrashare (Private) Limited

Engro Enfrashare is a wholly-owned subsidiary of Engro Connect, 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 FZE

As the Company's UAE-based international trading arm, Engro Eximp FZE initiated commercial activity in 2022 with a vision to consolidate the Group's trading activities under one roof. As an international and dollar-denominated business, the Company will be a key player in our portfolio going forward.

directors' report

The Directors of Engro Corporation Limited (the "Company") are pleased to submit their report along with the condensed interim financial statements of the Company for the nine months ended September 30, 2024.

macroeconomic environment

The global economy has shown considerable resilience, as the decline in consumer price inflation has enhanced household spending. In most major advanced economies, interest rates have been reduced. However, significant risks remain, including ongoing geopolitical and trade tensions stemming from ongoing conflict in Ukraine and evolving dynamics in the Middle East, may undermine investment and elevate oil prices. Growth could also decelerate more sharply than anticipated as unemployment rises, and any sudden changes in expected disinflation could disrupt financial markets by shaking up both investor confidence and interest rates.

On the local front, Pakistan's economy is showing positive developments as most economic indicators have displayed improvement. Inflation has receded significantly, falling to single digits amid tight fiscal and monetary policies. A contained current account and calm foreign exchange market conditions have allowed the rebuilding of foreign reserve buffers. Reflecting disinflation and steadier domestic and external conditions, the State Bank of Pakistan has cut the policy rate by a total of 450 bps since June 2024.

In addition to this, the Government has been successful in negotiating a new IMF package for USD 7 billion which was green-lighted by the Executive Board of the lender. The program outlines key economic priorities as implementation of sound macro policies to broaden the tax base and reforms to boost competition and productivity, among others.

Despite this progress, Pakistan's vulnerabilities and structural challenges remain formidable. A difficult business environment, weak governance, and the state's considerable presence in the economy affect investment. At the same time, the tax base remains narrow to ensure equitable taxation and, consequently, fiscal sustainability. A concerted adjustment and reform effort in these key areas is important for Pakistan to overcome its financial and economic challenges.

business review

The Company posted a standalone Profit-After-Tax (PAT) of PKR 17,865 million, an increase from PKR 13,144 million in the same period last year, resulting in an EPS of PKR 33.29, up from PKR 24.02 in 2023. The increased profitability is principally attributable to higher dividend income from the fertilizer business and efficiencies achieved through cost optimization initiatives.

On a consolidated basis, the Group's revenue from continued operations increased by 12% to PKR 279,018 million in 2024, compared to PKR 249,856 million in the same period last year. Consolidated PAT from continued operations amounted to PKR 19,117 million (PAT attributable to shareholders: PKR 10,588 million), compared to PKR 20,251 million (PAT attributable to shareholders: PKR 9,922 million) in the same period last year, resulting in an EPS of PKR 19.73, up from PKR 18.13 in 2023. The higher profitability is primarily because of responsive pricing strategies and efficiencies gained through cost optimization.

PAT including discontinued operations stood at PKR 22,819 million (PAT attributable to shareholders: PKR 11,983 million) compared to PKR 44,323 million (PAT attributable to shareholders: PKR 23,002 million) in the same period last year, recording an EPS of PKR 22.33 compared to PKR 42.03 in 2023.

Relief from multiple taxation of Inter Corporate Dividend (ICD) was introduced in Pakistan as part of broader reforms to promote global best practices in the corporate sector via 'holding company' structures. The removal of this relief has adversely impacted shareholders' return as dividend income from underlying businesses is taxed multiple times until it reaches the Company's shareholders. Therefore, the Company is actively pursuing resolution of this matter through direct engagement with various stakeholders and different business forums, highlighting global precedence, significance of the matter, and its adverse impact on corporatization and new investments in Pakistan. In addition, the Company is also evaluating its legal structure to identify and assess various options to overcome such inefficiencies.

business segments

A brief review of our business segments is as follows:

fertilizers

The wheat crisis significantly impacted farmers' liquidity resulting in curtailed earnings for farmers. This reduction in earnings led to decreased fertilizer application for the kharif season. Additionally, effects of climate change were evident; intense heat during the sowing and germination phases inhibited crop growth while untimely Autumn rains not only delayed crop planting but also hindered the application of pesticides and fertilizers. Resultantly, urea demand during the quarter remained stagnant.

On the pricing front, global fertilizer prices increased during the period. Urea prices stood at USD 316/ton (landed equivalent PKR 5,943/bag) at the end of September 2024 compared to USD 293/ton (landed equivalent PKR 5,530/bag) at the end of June 2024. The domestic fertilizer industry continues to ensure that local farmers benefit from low prices of locally produced Urea. Domestic Urea prices stood at PKR 4,350/bag as of September 30, 2024 at a discount of 26% to international prices.

Despite a challenging environment, the fertilizer business remained resilient with YTD revenue increasing by 16% to PKR 171,845 million, up from PKR 148,531 million during the same period last year. The business reported a profit after tax (PAT) of PKR 17,980 million, compared to PKR 15,045 million in the same period last year, primarily by implementing responsive pricing strategies and achieving efficiencies through cost optimization.

Locally produced urea sales for the period totaled 1,321 KT compared to 1,726 KT in the same period last year; phosphate sales, however, increased to 247 KT from 215 KT.

petrochemicals

The polymer business reported revenue of PKR 54,554 million, down from PKR 62,038 million in the same period last year. The business experienced a loss after tax of PKR 2,288 million, compared to a profit after tax of PKR 5,387 million in the same period last year. The loss is primarily due to a substantial downturn in global commodity prices and a rise in energy costs. PVC domestic sales volumes remained consistent at 146 KT while the business's PVC and caustic export sales stood at 23 KT. The business is evaluating various options to enhance financial performance with the levers it has at its disposal.

telecommunication infrastructure

Tower deployment slowed down against the same period last year due to consolidation of MNOs backed by Ufone acquisition of Telenor. Despite the change in market dynamics,

Enfrashare continued to expand its presence, reaching a total of 4,143 tower sites with a tenancy ratio of 1.25x. This represents a 52% market share of towers owned by Independent Tower Companies (ITC). Additionally, 217 new colocation tenants were added, with Enfrashare capturing 36% of the market share.

The business's bottom line remains affected by elevated interest rates and its highly leveraged capital structure. To address this, the business is actively exploring various strategies, including hedging mechanisms and a reassessment of its capital structure.

energy

Engro Energy Limited has entered into an agreement with Liberty Power Holding (Pvt.) Limited and other parties acting in concert for the sale of its thermal assets. The process of obtaining stakeholders' approvals for transaction execution is underway.

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 11.2 million tons per year.

thar power plant: During the period, the plant delivered a net electrical output of 2,574 GWh to the national grid, compared to 2,617 GWh in the same period last year. Plant availability stood at 82%, on account of C-Type planned maintenance, which was conducted to ensure the plant's safety, reliability, and efficiency.

qadirpur power plant: During the period, the plant delivered a net electrical output of 649 GWh to the national grid, compared to 708 GWh in the same period last year, with a load factor of 46%. The business has successfully acquired a generation license to utilize gas from the Badar field as an alternative fuel source and has received NEPRA tariff determination for this additional fuel.

food

FrieslandCampina Engro Pakistan increased its topline by 11.8%, with revenue reaching PKR 82,512 million compared to PKR 73,819 million in the same period last year. The business reported a profit after tax (PAT) of PKR 2,019 million, compared to PKR 1,575 million in the same period last year. The increase in profitability is primarily due to rigorous cost-saving measures across the value chain and strategic consumer offerings.

terminal operations

The LNG terminal managed 55 cargoes, consistent with the same period last year, delivering 163.5 bcf of re-gasified LNG into the SSGC network, representing approximately 15% of the country's total gas supply. The chemical storage terminal processed 929 KT compared to 679 KT during the same period last year. This increase is primarily due to higher chemical volumes, driven by relative ease in LC opening as well as higher LPG marine imports resulting from proactive commercial efforts.

international trading

As the Company's UAE-based international trading arm, Engro Eximp FZE initiated commercial activity in 2022 with a vision to consolidate the Group's trading activities under one roof. During the period, the business achieved a turnover of USD 397 million against USD 245 million in the same period last year. As an international and dollar-denominated business, Engro Eximp FZE will be a key player in our portfolio going forward.

distribution to shareholders

The Board of Directors of Engro Corporation Limited aims to maximize total shareholder returns and is pleased to propose an interim cash dividend of PKR **5.00** per share for the third quarter ended on September 30, 2024. This is in addition to the interim cash dividend of PKR 11.00 per share and PKR 8.00 per share given during the first quarter and second quarter of 2024, respectively. The dividend for the third quarter 2024 will take the total interim cash dividend to PKR **24.00** per share for the year ending December 31, 2024.

near-term outlook

Economic reforms supported by the IMF's extended fund facility are anticipated to enhance growth and ease inflation in Pakistan. It is expected that growth will rise to 2.8% in FY2025, as compared to 2.4% in FY 2024, driven by the government's economic stabilization and reforms program.

This recovery is expected to be bolstered by a favorable external environment, a stable exchange rate, and declining inflationary pressures. Moreover, an accommodative monetary policy stance and improved investor confidence, will provide additional support to foster sustainable industrial growth. The Government's commitment to fiscal consolidation will contribute to an improved fiscal position. Nevertheless, considerable risks of trade tensions and rising oil prices continue to exist due to the persistent geopolitical challenges arising from the all-out conflict in the Middle East.

fertilizers

The fertilizer industry remains pivotal to sustainable agricultural growth for the nation. The ongoing deterioration of farmer economics, exacerbated by Autumn rains and floods, has significantly impacted organic demand for fertilizers. In this challenging environment, the business faces additional hurdles due to the non-uniformity of gas prices offered to industry players. As the economy relies on agricultural output heavily, the business stands resolute in its efforts to provide for the needs of the country, exemplified by the innovative introduction of our UgAi platform, which enables farmers across Pakistan to procure fertilizers effortlessly and receive AI-enabled real-time analysis for their crops.

petrochemicals

The business remains dedicated to being a crucial feedstock supplier to major Pakistani industries such as construction and textiles. Currently, the sector is facing challenges due to reduced demand from a slowdown in construction and economic activity, as well as lower commodity prices. We expect PVC prices to remain slightly bearish on the back of oversupply and weak global demand while further reductions in interest rates may play a role in driving domestic demand.

telecommunication infrastructure

The short-term business outlook for Engro Enfrashare remains challenging due to high interest rates and consolidation of the MNO market from four to three players. Despite this, the business fundamentals are robust, supported by a rising demand for mobile data and high-quality services. This demand is prompting MNOs to improve availability and quality of their services. Engro Enfrashare is committed to maintaining its position as a leading ITC by pursuing growth opportunities.

terminal operations

The LNG terminal is playing a crucial role in mitigating the country's energy shortage. The Elengy terminal is among the most utilized terminals globally, maintaining an availability factor of over 97%, which ensures a consistent supply of natural gas to Pakistan. As market demand for energy increases, we will continue to seek new opportunities to enhance shareholder value.

Engro Vopak's terminal and storage facility for bulk liquid chemicals and LPG in Pakistan enables efficient operations for the country's major chemical and petrochemical manufacturing plants. With the easing of import restrictions, the chemical handling segment is expected to perform better than the previous year, supporting businesses in maintaining uninterrupted operations.

energy

The divestment of thermal energy assets is in progress while regulatory and lenders approval are being obtained.

food

Despite the implementation of an 18% sales tax on the UHT milk category, the business has demonstrated remarkable resilience, achieving growth across business segments. Through rigorous cost-saving measures across the value chain and strategic consumer offerings, the business has successfully increased its profitability, showcasing its robust adaptability which will continue for the remainder of the year. At the same time, the business will continue to engage with stakeholders to promote equitable formalization of the dairy sector as the sales tax on formal players will create an even more unequal playing field. Leveraging its global expertise and 150-year heritage, the business remains dedicated to the highest standards of hygiene, food safety, and sustainability.

international trading

Our goal is to evolve Engro Eximp FZE from a centralized commodity sourcing entity into a global trading house over the next five years. This transformation aims to enhance internationalization and broaden Engro's global footprint. We intend to diversify geographically and bolster our brand's market presence on a global scale.

business sustainability

Engro's diverse businesses operate in a complex business environment which necessitates a continuous assessment of (1) each business strategy and (2) the quantum of risk each business is willing to accept. In order to carry out this assessment, responsibilities have been adequately assigned throughout the Company to ensure that business sustainability is maintained.

We view this kind of risk management as integral to the creation, protection, and enhancement of shareholder value by managing the externalities and risks that could influence sustainable operations, including factors linked to social and natural capital. A comprehensive risk-based HSE (Health Safety and Environment) management system that focuses on effective barrier-management has been customized for Engro to proactively identify, prevent, and mitigate threats that can adversely affect P-E-A-R (People, Environment, Assets, Reputation).

Engro Corporation's strategic vision for sustainable value creation incorporates environmental stewardship, societal impact, and responsible business operations, which are detailed in Engro's sustainability report.

DE&I

With the belief that a diverse workforce is an economic imperative, we prioritize Diversity & Inclusion as a key strategic dimension to complement our efforts in building a future-ready workforce. Our people strategy, initiatives, and employment practices actively address gender diversity, support individuals with disabilities, and embrace generational diversity. From recruitment to coaching and mentoring, we implement programs such as Break Ke Baad, Khudi training program, etc., that ensure equal opportunities, fair representation, and the freedom for talent to thrive professionally and reach their full potential.

acknowledgment

The Directors wish to convey their profound gratitude to our shareholders for their steadfast confidence in the Company. We also formally acknowledge the exceptional commitment, dedication, and innovative contributions of each member of the Engro family. We are confident that their ongoing efforts will continue to be instrumental in our future success.



Hussain Dawood
Chairman



Ahsan Zafar Syed
President and Chief Executive



standalone financial statements

**ENGRO CORPORATION LIMITED
UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

ENGRO CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

(Amounts in thousand)

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,832,184	1,790,237
Right-of-use assets		686,274	928,849
Intangible assets		186,834	132,583
Long term investments	5	53,835,194	50,835,194
Long term loans and advances		13,302	6,274
		<u>56,553,788</u>	<u>53,693,137</u>
Current assets			
Loans, advances, deposits and prepayments	6	7,711,330	9,088,160
Receivables	7	4,218,005	2,041,529
Short term investments	8	31,835,854	23,870,113
Cash and bank balances		26,264	122,905
		<u>43,791,453</u>	<u>35,122,707</u>
TOTAL ASSETS		<u><u>100,345,241</u></u>	<u><u>88,815,844</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	9	5,366,265	5,366,265
Reserves		74,050,265	66,071,526
Total equity		<u>79,416,530</u>	<u>71,437,791</u>
Liabilities			
Non-current liabilities			
Lease liabilities		571,607	880,901
Deferred taxation		237,722	167,431
Retirement and other service benefit obligations		99,686	24,566
		<u>909,015</u>	<u>1,072,898</u>
Current liabilities			
Trade and other payables		4,506,424	5,494,425
Current portion of lease liabilities		396,923	321,813
Taxation - provision less payments		14,887,870	10,255,244
Unclaimed dividends		228,479	233,673
		<u>20,019,696</u>	<u>16,305,155</u>
Total liabilities		<u>20,928,711</u>	<u>17,378,053</u>
Contingencies and commitments	10		
TOTAL EQUITY AND LIABILITIES		<u><u>100,345,241</u></u>	<u><u>88,815,844</u></u>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


Shabbl Hussain Hashmi
 Director


Farooq Barkat Ali
 Chief Financial Officer


Ansan Zafar Syed
 President and Chief Executive

ENGRO CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in thousand except for earnings per share)

Note	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
-----Rupees-----				
Dividend income	3,447,047	3,598,739	19,174,358	14,881,340
Royalty income	625,302	711,959	1,736,709	1,614,247
Total revenue	4,072,349	4,310,698	20,911,067	16,495,587
Administrative expenses	(666,170)	(958,056)	(1,948,766)	(2,727,915)
	3,406,179	3,352,642	18,962,301	13,767,672
Other income	11 1,696,390	1,310,309	4,674,017	4,800,488
Other operating expenses	(115,903)	(193,523)	(420,923)	(699,248)
Operating profit	4,986,666	4,469,428	23,215,395	17,868,912
Finance cost	(50,022)	(54,742)	(137,006)	(146,783)
Profit before tax	4,936,644	4,414,686	23,078,389	17,722,129
Taxation	12 (1,268,020)	(720,910)	(5,213,295)	(4,577,803)
Profit for the period	3,668,624	3,693,776	17,865,094	13,144,326
Earnings per share - basic and diluted	13 6.84	6.88	33.29	24.02

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


Shabbir Hussain Hashmi
 Director


Farooq Barkat Ali
 Chief Financial Officer


Ahsan Zafar Syed
 President and Chief Executive

ENGRO CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in thousand)

	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	-----Rupees-----			
Profit for the period	3,668,624	3,693,776	17,865,094	13,144,326
Other comprehensive income / (loss)				
<i>Items that will be reclassified to profit or loss</i>				
- Remeasurement of investments	1,151,003	(750,133)	1,382,801	(1,477,041)
Total comprehensive income for the period	<u>4,819,627</u>	<u>2,943,643</u>	<u>19,247,895</u>	<u>11,667,285</u>

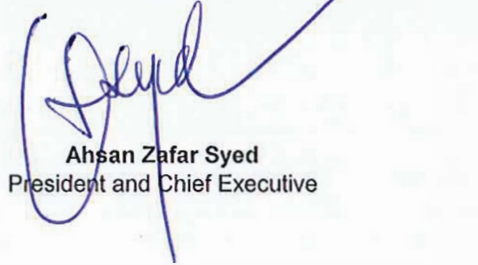
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Shabbir Hussain Hashmi
Director



Farooq Barkat Ali
Chief Financial Officer



Ahsan Zafar Syed
President and Chief Executive

ENGRO CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in thousand)

	Reserves							Total	
	Capital Reserve			Revenue Reserves					
	Share capital	Share premium	Capital re-purchase reserve account	General reserve	Remeasurement of post employment benefits	Remeasurement of Investments	Unappropriated profit		Sub-total
	Rupees								
Balance as at January 01, 2023 (Audited)	5,761,633	13,068,232	-	4,429,240	(39,773)	(854,981)	68,900,878	85,503,596	91,265,229
Profit for the period	-	-	-	-	-	-	13,144,326	13,144,326	13,144,326
Other comprehensive loss	-	-	-	-	-	(1,477,041)	-	(1,477,041)	(1,477,041)
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	(1,477,041)	13,144,326	11,667,285	11,667,285
Own shares purchased for cancellation	(395,368)	-	395,368	-	-	-	(11,629,302)	(11,233,934)	(11,629,302)
Transactions with owners:									
Final cash dividend for the year ended December 31, 2022 @ Rs. 1.00 per share	-	-	-	-	-	-	(546,244)	(546,244)	(546,244)
First interim cash dividend for the year ended December 31, 2023 @ Rs. 40.00 per share	-	-	-	-	-	-	(21,465,059)	(21,465,059)	(21,465,059)
Second interim cash dividend for the year ended December 31, 2023 @ Rs. 2.00 per share	-	-	-	-	-	-	(1,073,253)	(1,073,253)	(1,073,253)
	-	-	-	-	-	-	(23,084,556)	(23,084,556)	(23,084,556)
Balance as at September 30, 2023 (Unaudited)	5,366,265	13,068,232	395,368	4,429,240	(39,773)	(2,332,022)	47,331,346	62,852,391	68,218,656
Profit for the period	-	-	-	-	-	-	4,421,909	4,421,909	4,421,909
Other comprehensive income for the quarter ended December 31, 2023	-	-	-	-	334	943,398	-	943,732	943,732
	-	-	-	-	334	943,398	4,421,909	5,365,641	5,365,641
Transactions with owners:									
Interim cash dividends for the year ended December 31, 2023:									
- 3rd Interim @ Rs. 4.00 per share	-	-	-	-	-	-	(2,146,506)	(2,146,506)	(2,146,506)
	-	-	-	-	-	-	(2,146,506)	(2,146,506)	(2,146,506)
Balance as at December 31, 2023 (Audited)	5,366,265	13,068,232	395,368	4,429,240	(39,439)	(1,388,624)	49,606,749	66,071,526	71,437,791
Profit for the period	-	-	-	-	-	-	17,865,094	17,865,094	17,865,094
Other comprehensive income	-	-	-	-	-	1,382,801	-	1,382,801	1,382,801
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	1,382,801	17,865,094	19,247,895	19,247,895
Transactions with owners:									
Final cash dividend for the year ended December 31, 2023 @ Rs. 2.00 per share	-	-	-	-	-	-	(1,073,253)	(1,073,253)	(1,073,253)
First interim cash dividend for the year ending December 31, 2024 @ Rs. 11.00 per share	-	-	-	-	-	-	(5,902,891)	(5,902,891)	(5,902,891)
Second interim cash dividend for the year ending December 31, 2024 @ Rs. 8.00 per share	-	-	-	-	-	-	(4,293,012)	(4,293,012)	(4,293,012)
	-	-	-	-	-	-	(11,269,156)	(11,269,156)	(11,269,156)
Balance as at September 30, 2024 (Unaudited)	5,366,265	13,068,232	395,368	4,429,240	(39,439)	(5,823)	56,202,687	74,050,265	79,416,530

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Shabbir Hussain Hashmi
Director

Farooq Barkat Ali
Chief Financial Officer


Ahsan Zafar Syed
President and Chief Executive

ENGRO CORPORATION LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in thousand)

	Note	Nine months ended	
		September 30, 2024	September 30, 2023
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	14	(2,164,654)	(4,326,809)
Royalty received		1,695,775	1,573,093
Taxes paid		(510,378)	(4,189,750)
Retirement and other service benefits paid		(65,049)	(39,349)
Long term loans and advances - net		(7,028)	23,739
Net cash utilized in operating activities		(1,051,334)	(6,959,076)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		16,654,846	11,552,601
Income on deposits and other financial assets including income earned on loans to subsidiaries		2,488,221	4,830,043
Loan disbursed to subsidiary companies		(4,131,049)	(5,050,000)
Repayment of loan by subsidiary companies		6,131,049	3,050,000
Investment in shares of subsidiary company		(3,000,000)	-
Purchase of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds		(64,069,160)	(25,691,019)
Proceeds from sale of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds		60,114,897	52,620,807
Purchases of property, plant and equipment		(429,473)	(936,771)
Sale proceeds on disposal of property, plant and equipment		158,880	66,592
Purchases of intangibles		(120,195)	(22,637)
Net cash generated from investing activities		13,798,016	40,419,616
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance cost paid		(11,646)	(7,025)
Payments for own shares purchased for cancellation		-	(11,629,302)
Lease rentals paid		(359,543)	(303,269)
Dividends paid		(11,274,350)	(23,085,112)
Net cash utilized in financing activities		(11,645,539)	(35,024,708)
Net increase / (decrease) in cash and cash equivalents		1,101,143	(1,564,168)
Cash and cash equivalents at beginning of the period		8,344,497	2,850,332
Cash and cash equivalents at end of the period	15	9,445,640	1,286,164

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


Shabbir Hussain Hashmi
 Director


Farooq Barkat Ali
 Chief Financial Officer


Ansan Zafar Syed
 President and Chief Executive

ENGRO CORPORATION LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

- 1.1 Engro Corporation Limited (the Company) is a public listed company incorporated in Pakistan. Its shares are quoted on Pakistan Stock Exchange Limited (PSX). 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, PVC resin manufacturing and marketing, food, energy, LNG terminals, telecommunications infrastructure and chemical terminal and storage businesses. Further, the Company also earns royalty income as per its License Agreement with Engro Fertilizers Limited (a subsidiary company) to use the permitted trademarks. The Company's head / registered office is situated at 19th floor, The Harbour Front Building, Plot Number HC # 3, Marine Drive, Block 4, Clifton, Karachi.
- 1.2 During the period, as notified to PSX on April 4, 2024, Engro Energy Limited, a wholly owned subsidiary of the Company, has entered into definitive agreements with Liberty Power Holding (Pvt.) Limited and other parties acting in concert (Acquirers) for the sale of its entire shareholding in Engro Powergen Qadirpur Limited (EPQL), Engro Powergen Thar (Private) Limited (EPTL) and Sindh Engro Coal Mining Company Limited (SECMC) (the transaction) with a transaction value of Rs. 7,500,000, Rs. 21,040,000 and Rs. 6,210,000 respectively, subject to certain adjustments as agreed in the definitive agreements. Completion of the Transaction is subject to receipt of corporate / regulatory approvals and lender consents.
- 1.3 As already notified to PSX through notifications dated May 06, 2024, May 17, 2024, June 26, 2024 and July 24, 2024, the Parent Company and the Company have entered into a Scheme of Arrangement (the Scheme) through which the Company's shares held by existing shareholders (other than the Parent Company) shall be vested into the Parent Company and such existing shareholders will be issued shares of the Parent Company. Resultantly, the Company will become the wholly owned subsidiary of the Parent Company from January 01, 2025 (the effective date) and shall cease to be listed on the PSX. The Scheme has been approved by the shareholders and creditors of the Company in their meeting held on June 26, 2024. Subsequently, the Islamabad High Court (IHC) has also sanctioned the Scheme vide its order dated July 18, 2024. Under the Scheme, the name of the Parent Company shall be rebranded to Engro Holdings Limited.

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, 2023.

(Amounts in thousand)

2.3 The preparation of these unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards 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 judgement 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 judgement 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 the annual audited financial statements of the Company for the year ended December 31, 2023.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 The material 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 annual audited financial statements of the Company for the year ended December 31, 2023.

3.2 Initial application of a standard, amendment or an interpretation to an existing standard

a) Standards and amendments to published accounting and reporting standards and interpretations that are effective during the period

There were certain amendments to accounting and reporting standards which became effective during the current period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

b) Standards and amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company

There are certain standards and amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

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

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets (notes 4.1 and 4.2)	1,112,642	1,004,333
Capital work-in-progress (note 4.3)	719,542	785,904
	<u>1,832,184</u>	<u>1,790,237</u>

4.1 Following additions, being transfers from CWIP, were made to operating assets during the period / year:

Furniture, fixtures and equipment	248,370	85,918
Vehicles	247,465	662,192
	<u>495,835</u>	<u>748,110</u>

4.2 Operating assets costing Rs. 263,121 (December 31, 2023: Rs. 132,848) having a net book value of Rs. 114,448 (December 31, 2023: Rs. 87,491), were disposed off during the period / year for Rs. 158,880 (December 31, 2023: Rs. 99,116).

(Amounts in thousand)

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
4.3 Capital work-in-progress		
Balance at beginning of the period / year	785,904	379,504
Additions during the period / year	549,668	1,201,959
Transferred to:		
- operating assets (note 4.1)	(495,835)	(748,110)
- intangible assets	(120,195)	(47,449)
Balance at end of the period / year (note 4.3.1)	<u>719,542</u>	<u>785,904</u>

4.3.1 This includes advance paid to suppliers for purchase of operating assets. It also includes cost incurred in respect of renovation work-in-progress.

5. LONG TERM INVESTMENTS

During the period, the Company has made further investment in Engro Connect (Private) Limited, a wholly owned subsidiary, through subscription of 300,000,000 ordinary shares of Rs. 10 each at par, for the purpose of expansion activities of Engro Enfrashare (Private) Limited, a wholly owned subsidiary of Engro Connect (Private) Limited.

6. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS

These primarily include loan to subsidiary companies and accrued interest due thereon aggregating to Rs. 4,202,550 (December 31, 2023: Rs. 6,202,550) and Rs. 3,320,477 (December 31, 2023: Rs. 2,689,868) respectively. Movements in these loans during the period are as follows:

- loans to Engro Energy Limited (EEL) under revolving finance facility and another finance facility which are repayable on December 22, 2024 and December 27, 2024, respectively. The total facility under revolving finance amounts to Rs. 6,000,000 and carries mark-up at the rate of 1-month KIBOR plus 0.5% per annum payable on monthly basis. Loan amounting to Rs. 2,631,049 was further disbursed and Rs. 2,631,049 was repaid during the period. The outstanding balance under this facility as at September 30, 2024 amounts to Rs. 3,738,621 (December 31, 2023: Rs. 3,738,621). The limit under other finance facility aggregates to Rs. 500,000 and carries mark-up at the rate of 1-month KIBOR plus 0.5% per annum payable on monthly basis. This facility is sub-ordinated to finances provided to EEL by its creditors (other than trade creditors). The outstanding balance under this facility as at September 30, 2024 amounts to Rs. 383,929 (December 31, 2023: Rs. 383,929).
- loan to Engro Connect (Private) Limited, a wholly owned subsidiary company, pursuant to agreement entered into on June 26, 2019, carries mark-up at the rate of 1-month KIBOR plus 0.5%. The balance outstanding as at September 30, 2024 aggregated to Rs. 80,000 (December 31, 2023: Rs. 80,000).
- outstanding loan amounting to Rs. 2,000,000 to Engro Enfrashare (Private) Limited, an indirect subsidiary company, pursuant to agreement entered into on May 01, 2023. The loan carried mark-up at the rate of 1-month KIBOR plus 0.5% and the same was repaid during the period.
- loan amounting to Rs. 1,500,000 was disbursed to Engro Polymer and Chemicals Limited, a subsidiary company, pursuant to agreement entered into on September 01, 2023. The loan carried mark-up at the rate of 1-month KIBOR plus 0.6% and the same was repaid during the period.

(Amounts in thousand)

7. RECEIVABLES

This includes amount due from subsidiary companies, joint venture and associated companies aggregating to Rs. 4,161,581 (December 31, 2023: Rs. 1,974,957) on account of amounts charged by the Company in accordance with the expense sharing agreements and dividend receivable.

(Unaudited) (Audited)
September 30, December 31,
2024 2023
------(Rupees)-----

8. SHORT TERM INVESTMENTS

Fair value through other comprehensive income

- Pakistan Investment Bonds (notes 8.1 and note 8.2) 12,622,770 10,572,006

Fair value through profit or loss

- Mutual fund units (note 8.3) 9,438,352 4,503,419

Amortized cost

- Treasury bills (note 8.4)

4,003,276 3,970,085

- Fixed income placements (note 8.5)

5,771,456 4,824,603

9,774,732 8,794,688

31,835,854 23,870,113

8.1 These bonds carry yield of 12.75% to 13.40% (December 31, 2023: 12.75% to 13.40%) per annum and have maturity terms ranging between 5 to 10 years.

8.2 This amount is net of loss on remeasurement of Pakistan Investment Bonds amounting to Rs. 5,823 (December 31, 2023: Rs. 1,388,624).

8.3 This represents investment in units of various Mutual Funds having cost amounting to Rs. 9,328,430 (December 31, 2023: Rs. 4,490,917).

8.4 These bills carry yield of 18.90% to 20.14% (December 31, 2023: 21.60% to 22.50%) per annum and having maturity of one to four months.

8.5 These represent placements with banks and carry interest at rates ranging from 18.10% to 18.65% (December 31, 2023: 21.88% to 22.35%) per annum and having maturity in October 2024 (December 31, 2023: having maturity in January 2024).

9. SHARE CAPITAL

9.1 Authorized capital

(Unaudited) September 30, 2024	(Audited) December 31, 2023	(Unaudited) September 30, 2024	(Audited) December 31, 2023
------(Number of shares)-----		------(Rupees)-----	
<u>700,000,000</u>	<u>700,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>
Ordinary shares of Rs. 10 each			

(Amounts in thousand)

9.2 Issued, subscribed and paid-up capital

(Unaudited) September 30, 2024	(Audited) December 31, 2023		(Unaudited) September 30, 2024	(Audited) December 31, 2023
------(Number of shares)-----			------(Rupees)-----	
197,869,803	197,869,803	Ordinary shares of Rs. 10 each fully paid in cash	1,978,699	1,978,699
378,293,427	378,293,427	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	3,782,934	3,782,934
(39,536,762)	(39,536,762)	Ordinary shares of Rs. 10 each purchased and cancelled	(395,368)	(395,368)
<u>536,626,468</u>	<u>536,626,468</u>		<u>5,366,265</u>	<u>5,366,265</u>

10. CONTINGENCIES AND COMMITMENTS

Contingencies

10.1 As at September 30, 2024, there is no material change in the status of matters reported as contingencies in note 18 of the annual audited financial statements of the Company for the year ended December 31, 2023, except as follows:

10.1.1 Following are the details of securities pledged by the Company in favour of Engro Energy Limited (EEL):

- Standby Letters of Credit (Equity SBLC) have been provided by EEL, a wholly owned subsidiary, through National Bank of Pakistan amounting to US Dollars 2,606 (December 31, 2023: US Dollars 2,606) for its equity commitments related to Sindh Engro Coal Mining Company Limited (SECMC), its associated company in favour of the Intercreditor Agent (Habib Bank Limited) and the Project Company (i.e. SECMC). Equity SBLC will expire on earlier of (i) October 31, 2024; or (ii) fulfilment of sponsor obligations under Sponsor Support Agreements. This has been secured by the Company by pledging Treasury Bills.
- Standby Letter of Credit (Put Option SBLC) has been provided by EEL, a wholly owned subsidiary company, through Allied Bank Limited amounting to US Dollars 21,070 (December 31, 2023: 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 was secured by pledging Company's shares of Engro Fertilizers Limited (EFERT) and FrieslandCampina Engro Pakistan Limited (FCEPL) of quantities 50,925,728 and 58,941,176 respectively.

10.1.2 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 secured by pledging 42,466,536, 117,904,251, 56,000,000 and 51,686,592 shares of EFERT, EPCL, FCEPL and Engro Powergen Qadirpur Limited (EPQL), respectively.

10.2 Updates in respect of tax related matters are disclosed in note 12.

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
10.3 Commitments		
Commitments in respect of capital expenditure	<u>578,592</u>	<u>397,723</u>

(Amounts in thousand)

	Unaudited			
	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
-----Rupees-----				
11. OTHER INCOME				
Financial assets				
Income on bank deposits and other financial assets (note 11.1)	1,665,224	1,310,629	4,549,725	4,795,332
Non-financial assets				
Gain on disposal of property, plant and equipment	8,526	(220)	44,432	4,099
Others	22,640	(100)	79,860	1,057
	31,166	(320)	124,292	5,156
	<u>1,696,390</u>	<u>1,310,309</u>	<u>4,674,017</u>	<u>4,800,488</u>

11.1 Includes Rs. 831,467 (September 30, 2023: Rs. 1,149,558) in respect of profit earned on loans to subsidiary companies.

	Unaudited			
	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
-----Rupees-----				
12. TAXATION				
Current				
- for the period	1,066,360	877,499	5,143,004	3,821,713
- for prior period	-	(105,038)	-	785,972
	1,066,360	772,461	5,143,004	4,607,685
Deferred	201,660	(51,551)	70,291	(29,882)
	<u>1,268,020</u>	<u>720,910</u>	<u>5,213,295</u>	<u>4,577,803</u>

12.1 As at September 30, 2024, following are the updates to taxation matters from those reported in note 25 to the annual audited financial statements of the Company for the year ended December 31, 2023:

12.1.1 During the period, in respect of the matter disclosed in note 25.2 of the annual audited financial statements of the Company for the year ended December 31, 2023, the IHC in its judgement dated March 15, 2024, decided the matter in favor of the Company in respect of retrospective application of section 4C, as amended by Finance Act 2023, to tax year 2023. Additionally, the IHC also ruled that super tax under section 4C of the Income Tax Ordinance, 2001 (the Ordinance) is not applicable on incomes subject to final tax under other provisions of the Ordinance. The tax department has filled an intra court appeal against this matter, which is currently pending adjudication. Being prudent, the Company is carrying provision against the matter in these unconsolidated condensed interim financial statements.

(Amounts in thousand)

13. EARNINGS PER SHARE

As at September 30, 2024, there is no dilutive effect on the basic earnings per share of the Company, which is based on the following:

	Unaudited			
	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	-----Rupees-----			
Profit for the period	3,668,624	3,693,776	17,865,094	13,144,326
	-----Number of shares (in thousand)-----			
Weighted average number of ordinary shares	536,626	536,626	536,626	547,288

Unaudited	
Nine months ended	
September 30, 2024	September 30, 2023
-----Rupees-----	

14. CASH UTILIZED IN OPERATIONS

Profit before taxation	23,078,389	17,722,129
Adjustment for non-cash charges and other items:		
Depreciation	273,078	178,504
Amortization	65,945	27,089
Depreciation on right-of-use assets	242,575	240,393
Provision for retirement and other service benefits	57,787	53,177
Dividend income	(19,174,358)	(14,881,340)
Royalty income	(1,736,709)	(1,614,247)
Income on bank deposits and other financial assets	(4,549,725)	(4,795,332)
Gain on disposal of property, plant and equipment	(44,432)	(4,099)
Finance cost	137,005	146,783
Working capital changes (note 14.1)	(514,209)	(1,399,866)
	<u>(2,164,654)</u>	<u>(4,326,809)</u>

(Amounts in thousand)

	Unaudited	
	Nine months ended	
	September 30, 2024	September 30, 2023
	-----Rupees-----	
14.1 Working capital changes		
Increase / (decrease) in current assets		
- Loans, advances, deposits and prepayments	7,439	201,656
- Receivables (net)	383,970	(130,868)
	<u>391,409</u>	<u>70,788</u>
Decrease in current liabilities		
- Trade and other payables including other service benefits (net)	(905,618)	(1,470,654)
	<u>(514,209)</u>	<u>(1,399,866)</u>
15. CASH AND CASH EQUIVALENTS		
Short term investments	9,419,376	1,234,984
Cash and bank balances	26,264	51,180
	<u>9,445,640</u>	<u>1,286,164</u>

15.1 On May 29, 2024, the Company has obtained a Syndicated working capital facility amounting to Rs. 10,000,000 (December 31, 2023: Rs. 10,000,000) from a commercial bank. This has been secured by pledging the Company's shares of Engro Fertilizers Limited, Engro Polymer and Chemicals Limited and Friesland Campina Engro Pakistan Limited of quantities 33,068,783, 120,250,120 and 73,486,185, respectively. The facility carries mark-up at the rate of 1 month KIBOR plus 0.5% per annum and is unutilised as at September 30, 2024.

16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

16.1 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.

16.2 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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 (level1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

(Amounts in thousand)

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
As at September 30, 2024 (Unaudited)				
Financial assets at fair value through other comprehensive income				
- Pakistan Investment Bonds	<u>-</u>	<u>12,622,770</u>	<u>-</u>	<u>12,622,770</u>
Financial assets at fair value through profit or loss				
- Mutual funds units	<u>-</u>	<u>9,438,352</u>	<u>-</u>	<u>9,438,352</u>
As at December 31, 2023 (Audited)				
Financial assets at fair value through other comprehensive income				
- Pakistan Investment Bonds	<u>-</u>	<u>10,572,006</u>	<u>-</u>	<u>10,572,006</u>
Financial assets at fair value through profit or loss				
- Mutual funds units	<u>-</u>	<u>4,503,419</u>	<u>-</u>	<u>4,503,419</u>

16.3 **Valuation techniques used to determine fair values**

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

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

16.4 **Fair value of financial assets and liabilities**

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

(Amounts in thousand)

17. TRANSACTIONS WITH RELATED PARTIES

	Unaudited	
	Nine months ended	
	September 30, 2024	September 30, 2023
	------(Rupees)-----	
Parent Company		
Dividend paid	4,503,866	9,222,202
Purchase of goods and services	32,799	86,100
Reimbursements to	9,832	7,584
Reimbursements from	-	1,154
Subsidiary companies		
Mark-up from subsidiaries	831,467	1,149,558
Disbursement of loan	4,131,049	5,050,000
Repayment of loan	6,131,049	3,050,000
Dividend income	18,611,858	14,003,840
Royalty income	1,736,709	1,614,247
Reimbursements from	4,534,789	3,470,219
Reimbursements to	735,756	990,896
Investment made	3,000,000	-
Tax loss surrendered to EPCL	-	373,489
Associated companies		
Purchases and services	291,814	171,765
Contribution for Corporate Social Responsibility	165,000	275,000
Dividend paid	326,949	662,180
Reimbursements from	37,307	58,435
Reimbursements to	16,571	54,252
Joint venture company		
Dividend income	562,500	877,500
Reimbursements from	284,183	145,014
Reimbursements to	8,832	4,566
Others		
Remuneration of key management personnel	852,200	428,808
Contribution to staff retirement benefit funds	216,465	201,582
Advisory fee	-	55,224
Dividend paid to directors, KMP and others	697,103	1,648,335
Directors' fee	78,830	59,845

(Amounts in thousand)

18. NON-ADJUSTING EVENTS AFTER REPORTING DATE

- 18.1 The Board of Directors of Engro Fertilizers Limited, a subsidiary company, in its meeting held on October 14, 2024 has proposed an interim cash dividend of Rs. 2.50 per share for the year ending December 31, 2024, amounting to Rs. 3,338,248 of which the proportionate share of the Company amounts to Rs. 1,878,280.
- 18.2 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on October 21, 2024 has proposed an interim cash dividend of Rs. 7.25 per share for the year ending December 31, 2024, amounting to Rs. 652,500 of which the proportionate share of the Company amounts to Rs. 326,250.

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

- 18.3 The Board of Directors of the Company in its meeting held on October 28, 2024 has proposed an interim cash dividend of Rs. 5 per share for the year ending December 31, 2024 amounting to Rs. 2,683,132. These unconsolidated condensed interim financial statements do not reflect the effect of such dividend payable.

19. CORRESPONDING FIGURES

- 19.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.
- 19.2 In order to comply with the requirements of IAS 34, the balances of 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 / amounts of comparable period of immediately preceding financial year.

20. DATE OF AUTHORIZATION FOR ISSUE

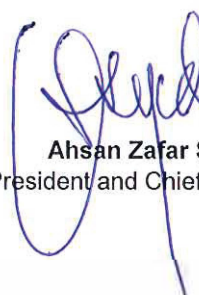
These unconsolidated condensed interim financial statements were authorized for issue on October 28, 2024 by the Board of Directors of the Company.



Shabbir Hussain Hashmi
Director



Farooq Barkat Ali
Chief Financial Officer



Ahsan Zafar Syed
President and Chief Executive



**consolidated
financial statements**

ENGRO CORPORATION LIMITED
CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

ENGRO CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT
OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

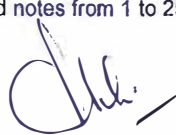
(Amounts in thousand)

	Note	(Unaudited) September 30, 2024	Restated (Audited) December 31, 2023
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	194,014,448	339,278,737
Right-of-use assets		12,503,185	13,119,197
Intangible assets		1,529,071	2,030,544
Long term investments	7	30,303,973	34,485,322
Financial assets at amortized cost		4,421,527	1,051,611
Derivative financial instruments		607,908	963,207
Net investment in leases		49,850,802	56,961,334
Long term loans, advances, deposits and other receivables		5,425,780	4,925,619
		298,656,694	452,815,571
Current assets			
Stores, spares and loose tools		13,426,811	12,939,358
Stock-in-trade	8	61,428,360	33,736,767
Trade debts		14,195,068	75,497,556
Loans, advances, deposits and prepayments		19,310,790	9,558,431
Other receivables		21,745,288	50,086,058
Accrued income		174,590	4,393,755
Contract assets		-	16,880,213
Current portion of net investment in leases		8,321,962	7,887,464
Short term investments		57,501,601	70,080,028
Cash and bank balances		19,395,571	67,095,680
		215,500,041	348,155,310
Assets classified as held for sale	9	276,555,682	1,525,396
TOTAL ASSETS		790,712,417	802,496,277

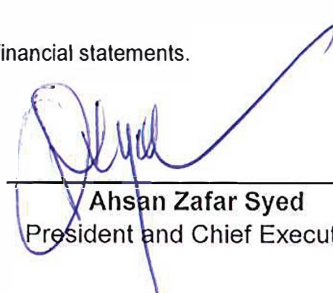
(Amounts in thousand)

	Note	(Unaudited) September 30, 2024	Restated (Audited) December 31, 2023
-----Rupees-----			
EQUITY AND LIABILITIES			
Equity			
Share capital	10	5,366,264	5,366,264
Share premium		13,068,232	13,068,232
Capital re-purchase reserve account		395,368	395,368
Revaluation reserve on business combination		2,678	2,678
Maintenance reserve		652,945	652,945
Exchange revaluation reserve		2,250,459	2,304,181
Hedging reserve		573,158	928,458
General reserve		4,429,240	4,429,240
Remeasurement of investments		(34,988)	(1,423,039)
Remeasurement of post-employment benefits		(170,256)	(170,256)
Unappropriated profit		116,012,908	120,802,757
		137,179,744	140,990,564
		142,546,008	146,356,828
Non-controlling interest		69,400,899	78,832,521
Total equity		211,946,907	225,189,349
Liabilities			
Non-current liabilities			
Borrowings	11	61,544,780	162,072,043
Government grant		1,613,068	2,020,187
Lease liabilities		62,515,804	66,777,290
Deferred taxation		3,383,377	16,596,262
Deferred liabilities		986,699	4,452,879
		130,043,728	251,918,661
Current liabilities			
Trade and other payables		111,148,964	182,855,508
Contract liabilities		-	14,427,927
Accrued interest / mark-up		2,909,069	2,807,643
Current portion of:			
- borrowings	11	11,364,197	28,580,236
- government grant		452,651	452,387
- lease liabilities		10,790,120	10,617,201
- deferred liabilities		575,190	626,493
Provisions		26,802,595	27,153,499
Short term borrowings		48,059,095	31,639,719
Taxation - provision less payments		12,142,207	13,390,978
Dividend payable		876,524	12,836,676
		225,120,612	325,388,267
Liabilities classified as held for sale	9	223,601,170	-
Total liabilities		578,765,510	577,306,928
TOTAL EQUITY AND LIABILITIES		790,712,417	802,496,277
Contingencies and commitments			
	12		

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


Shabbir Hussain Hashmi
Director


Farooq Barkat Ali
Chief Financial Officer



Ahsan Zafar Syed
President and Chief Executive


ENGRO CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT
OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in thousand except for earnings per share)

	Note	Quarter ended		Nine months ended	
		September 30, 2024	Restated September 30, 2023	September 30, 2024	Restated September 30, 2023
		-----Rupees-----		-----Rupees-----	
CONTINUING OPERATIONS					
Revenue	13	100,129,634	102,694,456	279,018,279	249,855,626
Cost of revenue		(75,660,701)	(71,566,138)	(219,267,350)	(179,636,339)
Gross profit		24,468,933	31,128,318	59,750,929	70,219,287
Selling and distribution expenses		(1,446,718)	(2,786,520)	(6,564,868)	(6,821,711)
Administrative expenses		(3,160,760)	(2,445,795)	(10,409,855)	(7,849,938)
Other income		3,016,030	2,274,870	10,220,927	8,413,798
Other operating expenses		(1,325,353)	(2,391,971)	(3,577,724)	(6,097,150)
Other gains / (losses):					
- Gain / (loss) allowance on subsidy receivable from GoP		464,412	1,264	699,703	(503,081)
Operating profit		22,016,544	25,780,166	50,119,112	57,361,205
Finance cost		(5,668,233)	(4,020,517)	(15,195,254)	(12,137,982)
Share of income from joint venture and associates		591,237	577,798	1,859,339	1,648,528
Profit before income tax, minimum tax and final tax		16,939,548	22,337,447	36,783,197	46,871,751
Minimum tax and final tax	14	(1,065,758)	(1,032,810)	(3,028,986)	(2,906,133)
Profit before income tax		15,873,790	21,304,637	33,754,211	43,965,618
Taxation	15	(6,341,336)	(8,636,677)	(14,637,373)	(23,714,613)
Profit from continuing operations		9,532,454	12,667,960	19,116,838	20,251,005
DISCONTINUED OPERATIONS					
Profit from discontinued operations	9	848,045	9,770,479	3,701,888	24,072,136
Profit for the period		10,380,499	22,438,439	22,818,726	44,323,141
Profit attributable to:					
- Owners of the Holding Company		5,722,172	12,198,494	11,983,042	23,002,367
- Non-controlling interest		4,658,327	10,239,945	10,835,684	21,320,774
		<u>10,380,499</u>	<u>22,438,439</u>	<u>22,818,726</u>	<u>44,323,141</u>
Earnings per share - basic and diluted					
- Continuing operations	16	10.64	16.82	19.73	18.13
- Discontinued operations	16	0.02	5.91	2.60	23.90
	16	<u>10.66</u>	<u>22.73</u>	<u>22.33</u>	<u>42.03</u>

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


Shabbir Hussain Hashmi
 Director


Farooq Barkat Ali
 Chief Financial Officer



Ahsan Zafar Syed
 President and Chief Executive

ENGRO CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT
OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in thousand)

	Quarter ended		Nine months ended	
	September 30, 2024	Restated September 30, 2023	September 30, 2024	Restated September 30, 2023
	-----Rupees-----		-----Rupees-----	
Profit for the period	10,380,499	22,438,439	22,818,726	44,323,141
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Hedging reserve - cash flow hedges				
Loss / (profit) arising during the period	(125,541)	188,259	(355,300)	517,561
Revaluation reserve on business combination				
Exchange differences on translation of foreign operations	(8,016)	(4,307)	(53,722)	798,132
Continuing operations' gain / (loss) on remeasurement of long-term investments classified at fair value through other comprehensive income	1,151,003	(750,133)	1,382,801	(1,477,041)
Items that will not be reclassified subsequently to profit or loss				
Gain / (loss) on remeasurement of long-term investments classified at fair value through other comprehensive income	19,166	(7,500)	5,250	(21,999)
Other comprehensive income / (loss) for the period, net of tax	1,036,612	(573,681)	979,029	(183,347)
Total comprehensive income for the period	11,417,111	21,864,758	23,797,755	44,139,794
Total comprehensive income attributable to:				
- Owners of the Holding Company	6,758,784	11,624,813	12,962,071	22,819,020
- Non-controlling interest	4,658,327	10,239,945	10,835,684	21,320,774
	11,417,111	21,864,758	23,797,755	44,139,794
Total comprehensive income attributable to:				
- Continuing operations	10,569,066	12,094,279	20,095,867	20,067,658
- Discontinued operations	848,045	9,770,479	3,701,888	24,072,136
	11,417,111	21,864,758	23,797,755	44,139,794

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


Shabbir Hussain Hashmi
 Director


Farooq Barkat Ali
 Chief Financial Officer


Ahsan Zafar Syed
 President and Chief Executive

ENGRO CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in thousand)

	Reserves											Non-controlling interest	Total	
	Capital reserves					Revenue reserves					Sub total			
	Share capital	Share premium	Capital re-purchase reserve account	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Remeasurement of investments	Unappropriated profit				Remeasurement of post employment benefits
Rupees														
Balance as at January 1, 2023 (Audited) - as previously stated	5,761,632	13,068,232	-	2,678	156,301	1,615,497	702,570	4,429,240	(866,814)	142,123,483	(176,248)	161,059,939	73,762,386	240,583,957
Effect of retrospective application of change in accounting policy - notes 4.2 and 4.3	-	-	-	-	-	-	-	-	-	866,664	-	866,664	680,950	1,547,614
Balance as at January 1, 2023 - Restated	<u>5,761,632</u>	<u>13,068,232</u>	-	2,678	156,301	1,615,497	702,570	4,429,240	(866,814)	142,995,147	(176,248)	161,926,603	74,443,336	242,131,571
Total comprehensive income for the nine months ended September 30, 2023														
Profit for the period - restated	-	-	-	-	-	-	-	-	-	23,002,367	-	23,002,367	21,320,774	44,323,141
Other comprehensive income / (loss)	-	-	-	-	-	798,132	517,561	-	(1,499,040)	-	-	(183,347)	-	(183,347)
Own shares purchased for cancellation	(395,368)	-	395,368	-	-	-	-	-	-	23,002,367	-	22,819,020	21,320,774	44,139,794
Transactions with owners:														
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(9,663,563)	(9,663,563)
Final cash dividend for the year ended December 31, 2022 @ Rs. 1.00 per share	-	-	-	-	-	-	-	-	-	(546,244)	-	(546,244)	-	(546,244)
1st interim cash dividend for the year ended December 31, 2023 @ Rs. 40.00 per share	-	-	-	-	-	-	-	-	-	(21,465,059)	-	(21,465,059)	-	(21,465,059)
2nd Interim cash dividend for the year ended December 31, 2023 @ Rs.2.00 per share	-	-	-	-	-	-	-	-	-	(1,073,253)	-	(1,073,253)	-	(1,073,253)
	-	-	-	-	-	-	-	-	-	(23,084,556)	-	(23,084,556)	(9,663,563)	(32,748,119)
Balance as at September 30, 2023 (Unaudited) - Restated	<u>5,366,264</u>	<u>13,068,232</u>	<u>395,368</u>	<u>2,678</u>	<u>156,301</u>	<u>2,413,629</u>	<u>1,220,131</u>	<u>4,429,240</u>	<u>(2,365,854)</u>	<u>131,283,656</u>	<u>(176,248)</u>	<u>150,427,133</u>	<u>85,100,547</u>	<u>241,893,944</u>
Total comprehensive income for the three months ended December 31, 2023														
Profit for the period - restated	-	-	-	-	-	-	-	-	-	(1,696,907)	-	(1,696,907)	(6,022,186)	(7,719,093)
Other comprehensive income / (loss)	-	-	-	-	-	(109,448)	(291,673)	-	942,815	-	5,992	547,686	11,354	559,040
	-	-	-	-	-	(109,448)	(291,673)	-	942,815	(1,696,907)	5,992	(1,149,221)	(6,010,832)	(7,160,053)
Adjustment for allocation of profit from Owners to NCI for preference dividend shares	-	-	-	-	-	-	-	-	-	(6,140,842)	-	(6,140,842)	6,140,842	-
Transactions with owners:														
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(7,398,036)	(7,398,036)
Interim cash dividends for the year ended December 31, 2023:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- 3rd interim @ Rs. 4.00 per share	-	-	-	-	-	-	-	-	-	(2,146,506)	-	(2,146,506)	-	(2,146,506)
Transfer from unappropriated profit to maintenance reserve	-	-	-	-	496,644	-	-	-	-	(496,644)	-	-	-	-
	-	-	-	-	496,644	-	-	-	-	(2,643,150)	-	(2,146,506)	(7,398,036)	(9,544,542)
Balance as at December 31, 2023 (Audited) - Restated	<u>5,366,264</u>	<u>13,068,232</u>	<u>395,368</u>	<u>2,678</u>	<u>652,945</u>	<u>2,304,181</u>	<u>928,458</u>	<u>4,429,240</u>	<u>(1,423,039)</u>	<u>120,802,757</u>	<u>(170,256)</u>	<u>140,990,564</u>	<u>78,832,521</u>	<u>225,189,349</u>


ENGRO CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in thousand)

	Reserves										Sub total	Non-controlling interest	Total	
	Capital reserves					Revenue reserves								
	Share capital	Share premium	Capital re-purchase reserve account	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Remeasurement of investments	Unappropriated profit	Remeasurement of post employment benefits			
Balance as at January 1, 2024 (Audited) - Restated	5,366,264	13,068,232	395,368	2,678	652,945	2,304,181	928,458	4,429,240	(1,423,039)	120,802,757	(170,256)	140,990,564	78,832,521	225,189,349
Total comprehensive income for the nine months ended September 30, 2024														
Profit for the period	-	-	-	-	-	-	-	-	-	11,983,042	-	11,983,042	10,835,684	22,818,726
Other comprehensive (loss) / income	-	-	-	-	-	(53,722)	(355,300)	-	1,388,051	-	-	979,029	-	979,029
	-	-	-	-	-	(53,722)	(355,300)	-	1,388,051	11,983,042	-	12,962,071	10,835,684	23,797,755
Adjustment for allocation of profit from Owners to NCI for preference dividend shares	-	-	-	-	-	-	-	-	-	(5,503,735)	-	(5,503,735)	5,503,735	-
Transactions with owners:														
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(25,771,041)	(25,771,041)
Final cash dividend for the year ended														
December 31, 2023 @ Rs. 2.00 per share	-	-	-	-	-	-	-	-	-	(1,073,253)	-	(1,073,253)	-	(1,073,253)
1st interim cash dividend for the year ending December 31, 2024 @ Rs. 11.00 per share	-	-	-	-	-	-	-	-	-	(5,902,891)	-	(5,902,891)	-	(5,902,891)
2nd interim cash dividend for the year ending December 31, 2024 @ Rs. 8.00 per share	-	-	-	-	-	-	-	-	-	(4,293,012)	-	(4,293,012)	-	(4,293,012)
	-	-	-	-	-	-	-	-	-	(11,269,156)	-	(11,269,156)	(25,771,041)	(37,040,197)
Balance as at September 30, 2024 (Unaudited)	5,366,264	13,068,232	395,368	2,678	652,945	2,250,459	573,158	4,429,240	(34,988)	116,012,908	(170,256)	137,179,744	69,400,899	211,946,907

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


Shabbir Hussain Hashmi
 Director


Farooq Barkat Ali
 Chief Financial Officer


Ahsan Zafar Syed
 President & Chief Executive

ENGRO CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT
OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in thousand)

	Note	Nine months ended	
		September 30, 2024	Restated September 30, 2023
-----Rupees-----			
Cash flows from operating activities			
Cash generated from operations	17	46,803,082	119,649,032
Retirement and other service benefits paid - net		(138,267)	(169,135)
Proceeds from net investment in lease		6,762,932	5,238,495
Finance income received on net investment in lease		5,328,903	5,756,625
Deferred incentive		(53,934)	439,058
Financial charges paid		(27,923,989)	(23,933,902)
Taxes paid		(32,397,626)	(25,084,853)
Bank balance held under lien		-	(1,053,243)
Long term loans and advances - net		308,470	90,763
Net cash (utilized in) / generated from operating activities		(1,310,429)	80,932,840
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		(18,514,722)	(25,685,609)
Sale proceeds on disposal of property, plant and equipment		3,185,626	293,158
Investments redeemed during the period - net		12,192,049	27,198,239
Income on deposits / other financial assets		16,479,127	13,155,968
Dividends received		908,782	1,554,786
Net cash generated from investing activities		14,250,862	16,516,542
Cash flows from financing activities			
Borrowings - net		(3,896,762)	(12,885,002)
Payment for own shares purchased and cancelled		-	(11,629,302)
Repayment of lease liability		(3,766,942)	(5,730,205)
Finance cost paid on lease liability		(3,456,824)	(4,189,504)
Dividends paid		(43,106,450)	(30,687,920)
Net cash utilized in financing activities		(54,226,978)	(65,121,933)
Net (decrease) / increase in cash and cash equivalents		(41,286,545)	32,327,449
Effect of exchange rate changes on cash and cash equivalents		(246,251)	3,074,282
Cash and cash equivalents at beginning of the period		46,709,851	25,366,691
Cash and cash equivalents at end of the period	18	5,177,055	60,768,422

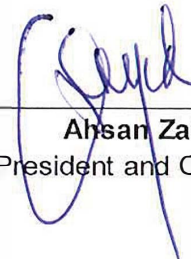
The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Shabbir Hussain Hashmi
Director



Farooq Barkat Ali
Chief Financial Officer



Ahsan Zafar Syed
President and Chief Executive

ENGRO CORPORATION LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

1.1 Engro Corporation Limited (the Holding Company) is a public listed company incorporated in Pakistan and its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Holding Company is a subsidiary of Dawood Hercules Corporation Limited (the Parent Company). The principal activity of the Holding Company is to manage investments in subsidiary companies, associated companies and joint venture, engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, LNG terminals, telecommunications infrastructure and chemical terminal and storage businesses. The Holding Company's head / registered office is situated at 19th floor, The Harbour Front Building, Plot Number HC # 3, Marine Drive, Block 4, Clifton, Karachi.

1.1.1 During the period, as notified to PSX on April 4, 2024, Engro Energy Limited (EEL), a wholly owned subsidiary of the Holding Company, has entered into definitive agreements with Liberty Power Holding (Pvt.) Limited and other parties acting in concert (Acquirers) for the sale of its entire shareholding in Engro Powergen Qadirpur Limited (EPQL), Engro Powergen Thar (Private) Limited (EPTL) and Sindh Engro Coal Mining Company Limited (SECMC) (thermal assets portfolio) with a transaction value of Rs. 7,500,000, Rs. 21,040,000 and Rs. 6,210,000, respectively, subject to certain adjustments as agreed in the definitive agreements. Completion of the Transaction is subject to receipt of corporate / regulatory approvals and lender consents.

Furthermore, as at the reporting date, the proposed divestment meets the classification criteria of International Financial Reporting Standard 5 – "Non-Current Assets Held for Sale and Discontinued Operations". Accordingly, assets and liabilities of the thermal assets portfolio have been classified as assets and liabilities attributable to discontinued operations in these consolidated condensed interim financial statements (refer note 9).

1.1.2 As already notified to PSX through notifications dated May 06, 2024, May 17, 2024, June 26, 2024 and July 24, 2024, the Parent Company and the Holding Company have entered into a Scheme of Arrangement (the Scheme) through which the Holding Company's shares held by existing shareholders (other than the Parent Company) shall be vested into the Parent Company and such existing shareholders will be issued shares of the Parent Company. Resultantly, the Holding Company will become the wholly owned subsidiary of the Parent Company from January 01, 2025 (the effective date) and shall cease to be listed on the PSX. The Scheme has been approved by the shareholders and creditors of the Holding Company in their meeting held on June 26, 2024. Subsequently, the Islamabad High Court (IHC) has also sanctioned the Scheme vide its order dated July 18, 2024. Under the Scheme, the name of the Parent Company shall be rebranded to Engro Holdings Limited.

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 directly controlled by the Holding Company.

(Amounts in thousand)

Percentage of direct shareholding
(%)

	September 30, 2024	December 31, 2023
- Engro Energy Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Connect (Private) Limited (note 1.3)	100	100
- Engro Infiniti (Private) Limited (note 1.3)	-	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
- Thermal Vision (Private) Limited	100	100
Joint Venture Company:		
- Engro Vopak Terminal Limited	50	50
Associated Company:		
- FrieslandCampina Engro Pakistan Limited	39.9	39.9

- 1.3 On December 29, 2023, the Board of Directors of Engro Infiniti (Private) Limited (EInfiniti) and Engro Connect (Private) Limited (EConnect) in their meeting decided to amalgamate EInfiniti with EConnect as a result of which EInfiniti shares were cancelled and dissolution came into effect without winding up, in accordance with the Scheme of Amalgamation with effect from the close of business on December 31, 2023. The scheme has been approved by the Securities and Exchange Commission of Pakistan (SECP) on March 13, 2024.

2. BASIS OF 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 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 consolidated condensed interim financial statements do not include all the information and disclosures required for 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, 2023.

- 2.3 The Group has elected to disclose a single amount of profit after tax from discontinued operations in the consolidated condensed interim statement of profit or loss and the consolidated condensed interim statement of comprehensive income, and has analyzed that single amount into revenue, operating profit and profit or loss in note 9. As a result of the aforementioned, the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income are not comparable.

(Amounts in thousand)

3. BASIS OF CONSOLIDATION

- 3.1 The condensed interim financial statements / information 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 (if any).
- 3.2 Non-controlling interest has been presented as a separate line item in these consolidated condensed interim financial statements. All intercompany balances and transactions have been eliminated.
- 3.3 The Group's interest in joint venture and associated company has been accounted for using the equity method of accounting.

4. MATERIAL ACCOUNTING POLICY INFORMATION AND CHANGES THEREIN

- 4.1 The material accounting policies and the methods of computation adopted 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, 2023, except for the change in accounting policy as explained in notes 4.2 and 4.3.
- 4.2 During the period, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance), vide its circular No. 07/2024 dated May 15, 2024, whereby unrecoupable minimum taxes in excess of normal tax liability and tax deducted at source under final tax regime are out of scope of IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. Accordingly, no deferred taxation is to be recognized on unrecoupable minimum tax.

Accordingly, effective from January 1, 2024, the Group has changed its accounting policy to recognise such taxes as 'levies' which were previously being recognized as 'income tax' and reversed the deferred tax liability on minimum tax recognized in ETPL. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures and balances have been restated in the consolidated condensed interim financial statements.

- 4.3 The effects of change in accounting policy are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----- Rupees -----		
<i>Effect on consolidated condensed interim statement of financial position</i>			
As at September 30, 2024			
Deferred tax liability	5,585,217	(2,201,840)	3,383,377
Unappropriated profit	114,779,878	1,233,030	116,012,908
Non-controlling interest	68,432,089	968,810	69,400,899
As at December 31, 2023			
Deferred tax liability	18,652,979	(2,056,717)	16,596,262
Unappropriated profit	119,650,995	1,151,762	120,802,757
Non-controlling interest	77,927,566	904,955	78,832,521
As at December 31, 2022			
Deferred tax liability	13,395,214	(1,547,614)	11,847,600
Unappropriated profit	142,128,483	866,664	142,995,147
Non-controlling interest	73,762,386	680,950	74,443,336

(Amounts in thousand)

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----- Rupees -----		
Effect on consolidated condensed interim statement statement of profit or loss			
For the quarter ended September 30, 2024			
Minimum tax and final tax	-	(1,065,758)	(1,065,758)
Profit before income tax	16,939,548	(1,065,758)	15,873,790
Income tax	(7,407,094)	1,065,758	(6,341,336)
For the quarter ended September 30, 2023			
Minimum tax and final tax	-	(1,032,810)	(1,032,810)
Profit before income tax	22,337,447	(1,032,810)	21,304,637
Income tax	(9,669,487)	1,032,810	(8,636,677)
For the nine months ended September 30, 2024			
Minimum tax and final tax	-	(3,028,986)	(3,028,986)
Profit before income tax	36,783,197	(3,028,986)	33,754,211
Income tax	(17,666,359)	3,028,986	(14,637,373)
For the nine months ended September 30, 2023			
Minimum tax and final tax	-	(2,906,133)	(2,906,133)
Profit before income tax	46,871,751	(2,906,133)	43,965,618
Income tax	(26,620,746)	2,906,133	(23,714,613)

The related changes to the consolidated condensed interim statement of cash flows with respect to the amount of profit before taxation have been made as well.

4.4 Initial application of a standard, amendment or an interpretation to an existing standard

a) Standards and amendments to published accounting and reporting standards and interpretations that are effective during the period

There were certain amendments to accounting and reporting standards which became effective during the current period. However, these do not have any significant impact on the Holding Company's financial reporting and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

b) Standards and amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Holding Company

(Amounts in thousand)

There are certain standards and amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Holding Company's financial reporting and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

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

- 5.2 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 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, 2023.

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value (notes 6.1, 6.2 and 6.4)	153,689,287	301,798,619
Capital work in progress (CWIP)		
- Expansion and other projects (notes 6.3 and 6.4)	38,170,596	33,110,396
Capital spares and standby equipment	2,154,565	4,369,722
	<u>194,014,448</u>	<u>339,278,737</u>

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

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
Land	-	23,000
Building	3,226,846	3,647,845
Plant and machinery	7,823,595	9,462,582
Furniture, fixtures and equipment	486,268	6,275,290
Vehicles	985,526	1,776,889
Catalyst	-	886,638
Aircraft	-	595,315
Dredging	-	245,630
	<u>12,522,235</u>	<u>22,913,189</u>

(Amounts in thousand)

6.2 Operating assets costing Rs. 785,857 (December 31, 2023: Rs. 929,729), having net book value of Rs. 350,572 (December 31, 2023: Rs. 391,158) were disposed off during the period / year for Rs. 486,232 (December 31, 2023: Rs. 483,936).

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
6.3 Capital work in progress - Expansion and other projects		
Balance at beginning of the period / year	33,110,396	24,839,815
Additions during the period / year	18,514,722	30,376,896
Transferred to:		
- operating assets	(12,432,786)	(21,911,821)
- intangible assets	(158,884)	(194,494)
- assets classified as held for sale (note 6.4)	(862,852)	-
Balance at end of the period / year (note 6.5)	<u>38,170,596</u>	<u>33,110,396</u>

6.4 Property plant and equipment having a net book value of Rs. 125,855,931 (December 31, 2023: Nil) have been classified as held for sale (refer note 9.1.2).

6.5 Includes Rs. 2,002,728 (December 31, 2023: Rs. 1,299,378) representing EFERT's share in respect of a joint operation arrangement related to Pressure Enhancement Facility (PEF) project being undertaken to ensure sustainable gas supplies and enhancement of delivery pressures at one of the gas supply sites. All amounts charged to EFERT in respect of PEF project have been paid as at September 30, 2024.

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	

7. LONG TERM INVESTMENTS

Balance at beginning of the period / year	34,485,322	36,081,246
Add / (less):		
- Share of profit / (loss) and other comprehensive income for the period / year (note 7.1)	2,690,905	547,624
- Provision adjustment against tax contingency	(491,439)	(79,422)
- Revaluation loss on investments and others	5,250	(21,740)
- Dividend received during the period / year	(908,782)	(2,042,286)
- Investment disposed during the year	-	(100)
- Investment classified as held for sale (note 9.1.2)	(5,477,283)	-
Balance at end of the period / year (note 7.2)	<u>30,303,973</u>	<u>34,485,322</u>

(Amounts in thousand)

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
7.1	Details of share of profit / (loss) and other comprehensive income for the period / year are as follows:	
- Sindh Engro Coal Mining Company Limited (SECMC)	831,565	(1,489,853)
- FrieslandCampina Engro Pakistan Limited (FCEPL)	805,401	593,055
- Engro Vopak Terminal Limited (EVTL)	1,053,939	1,444,422
	<u>2,690,905</u>	<u>547,624</u>
7.2	This mainly represents carrying value of the Holding Company's investment in joint venture and associate company.	
8.	STOCK-IN-TRADE	
Raw and packaging materials (note 8.1)	27,164,950	15,931,461
Fuel stock	-	703,111
Work-in-process	672,890	711,227
Finished goods:		
- own manufactured products	19,653,040	6,648,552
- purchased and packaged products (note 8.1)	14,064,975	9,885,568
	33,718,015	16,534,120
Less: Provision for impairment against stock-in-trade	(127,495)	(143,152)
	<u>61,428,360</u>	<u>33,736,767</u>
8.1	Includes stock-in-transit amounting to Rs. 17,700,400 (December 31, 2023: Rs. 11,713,186).	
9.	ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS	
9.1	As stated in note 1.1.1, EEL has entered into definitive agreements with Liberty Power Holding (Private) Limited and other parties for the sale of its entire shareholding in EPQL, EPTL and SECMC (thermal assets portfolio). As a result, assets and liabilities of these thermal assets portfolio have been classified as assets and liabilities attributable to discontinued operations, a summary of which is as follows:	

(Amounts in thousand)

		Unaudited			
		Quarter ended		Nine months ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
		------(Rupees)-----			
9.1.1	PROFIT FROM DISCONTINUED OPERATIONS				
	Revenue	<u>32,169,481</u>	<u>34,122,159</u>	<u>101,536,562</u>	<u>89,442,961</u>
	Operating profit before adjustment	<u>20,031,642</u>	<u>19,104,823</u>	<u>56,644,629</u>	<u>48,187,582</u>
	Profit after tax from discontinued operations before adjustment in respect of carrying value of thermal assets portfolio	<u>11,461,481</u>	<u>9,770,479</u>	<u>33,628,324</u>	<u>24,072,136</u>
	Profit after tax from discontinued operations after adjustment in respect of carrying value of thermal assets portfolio (note 9.1.4)	<u>848,045</u>	<u>9,770,479</u>	<u>3,701,888</u>	<u>24,072,136</u>

(Unaudited)
September 30,
2024
(Rupees)

9.1.2 **Assets and liabilities of thermal assets portfolio classified as held for sale**

ASSETS

Property, plant and equipment	125,854,931
Intangible assets	291,279
Long-term investments	5,477,283
Long-term loans, advances, deposits and other receivables	14,202
Stores, spares and loose tools	537,253
Stock-in-trade	1,323,528
Trade debts	56,841,666
Loans, advances, deposits and prepayments	2,302,011
Other receivables	36,470,393
Accrued income	1,419,471
Short term investments	49,997
Cash and bank balances	45,973,668
	<u>276,555,682</u>

LIABILITIES

Borrowings	118,653,108
Deferred taxation	994,037
Trade and other payables	65,434,003
Contract liabilities	6,714,980
Accrued interest / mark-up	5,181,164
Taxation - provision less payments	284,507
Dividend payable	5,893,899
Short term borrowings	20,445,472
	<u>223,601,170</u>

NET ASSETS - attributable to discontinued operations

52,954,512

(Amounts in thousand)

	Unaudited	
	September 30, 2024	September 30, 2023
	------(Rupees)-----	
9.1.3 Net cash flows for the period relating to discontinued operations:		
Net cash generated from operating activities	<u>37,520,545</u>	<u>40,493,364</u>
Net cash generated from investing activities	<u>6,284,148</u>	<u>2,228,023</u>
Net cash utilized in financing activities	<u>(52,142,996)</u>	<u>(19,673,077)</u>

9.1.4 As more fully explained in note 1.1.1 to these consolidated condensed interim financial statements, due to execution of definitive sale purchase agreements, profit from discontinued operations for the period has been adjusted by Rs. 29,926,436 from carrying value of thermal assets portfolio in these consolidated condensed interim financial statements. The recoverable amount of thermal assets portfolio was based on fair value less cost of disposal.

9.2 Certain assets of EFERT had been classified as held for sale as at December 31, 2023, due to the decision of the directors of EFERT to sell its E-Logistics business (previously classified under vehicles in operating assets) and EFERT being in the process of finalization of deal. During the period, EFERT entered into an agreement with Hamdard Laboratories (Waqf) Pakistan in respect of sale of its entire fleet of vehicles and office equipment. The transaction has been completed on May 20, 2024 at a sale price of Rs. 1,550,000.

10. SHARE CAPITAL

10.1 Authorized capital

(Unaudited) September 30, 2024	(Audited) December 31, 2023		(Unaudited) September 30, 2024	(Audited) December 31, 2023
------(Number of shares)-----			------(Rupees)-----	
<u>700,000,000</u>	<u>700,000,000</u>	Ordinary shares of Rs. 10 each	<u>7,000,000</u>	<u>7,000,000</u>

10.2 Issued, subscribed and paid-up capital

(Unaudited) September 30, 2024	(Audited) December 31, 2023		(Unaudited) September 30, 2024	(Audited) December 31, 2023
------(Number of shares)-----			------(Rupees)-----	
197,869,804	197,869,804	Ordinary shares of Rs. 10 each fully paid in cash	1,978,699	1,978,699
378,293,426	378,293,426	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	3,782,933	3,782,933
<u>(39,536,762)</u>	<u>(39,536,762)</u>	Ordinary shares of Rs. 10 each purchased and cancelled	<u>(395,368)</u>	<u>(395,368)</u>
<u>536,626,468</u>	<u>536,626,468</u>		<u>5,366,264</u>	<u>5,366,264</u>

(Amounts in thousand)

11. BORROWINGS

As at September 30, 2024, there is no material change in the status of borrowings reported in note 24 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2023, except as follows:

Engro Fertilizers Limited (EFERT)

- 11.1 During the period, EFERT made principal repayments of long term finances to Allied Bank Limited, MCB Bank Limited amounting to Rs. 635,340 and Rs. 416,667 respectively.
- 11.2 During the period, EFERT has entered into Diminishing Musharaka arrangement with Habib Bank Limited amounting to Rs.5,000,000 and 3,000,000 to finance its capital expenditure for a period of 5 years (including 2 year grace period) and 2 years (including 1 year grace period) respectively. These are secured by way of first pari-passu hypothecation charge over fixed assets of EFERT (including land and building) with 20% margin.
- 11.3 During the period, EFERT repaid "Temporary Economic Refinance Facility" (TERF) loans to Habib Bank Limited, Allied Bank Limited and MCB Bank Limited amounting to Rs. 50,017, Rs. 66,610 and Rs. 131,968, respectively. These borrowings have the same charge as the borrowings from other Senior Lenders on operating assets. Mark-up is chargeable at concessional rates ranging from 1.50% to 2.00% per annum and is payable in quarterly or semi-annual installment starting from January 2022.

Engro Polymer and Chemicals Limited (EPCL)

- 11.4 During the period, the outstanding amounts pertaining to International Finance Corporation and Bilateral Loan I amounting to Rs. 1,645,647 and Rs. 903,584, respectively, were repaid in entirety on the expiry of its contractual term and accordingly hypothecation charge on EPCL's assets were released.
- 11.5 During the period, EPCL entered into a Musharaka agreement with Dubai Islamic Bank Pakistan Limited (DIBPL) for a loan facility amounting to Rs. 2,000,000. The borrowing is secured by way of hypothecation charge of present and future fixed assets of EPCL (except land and building) to the extent of Rs. 2,500,000, ranking subordinate and subservient to the charges created in favour of the existing creditors of EPCL.

Elengy Terminal Pakistan Limited (ETPL)

- 11.6 During the period, Engro Elengy Terminal (Private) Limited (ETPL's subsidiary company) made principal repayment of long term finances to Allied Bank Limited amounting to Rs. 608,780.
- 11.7 During the period, ETPL has recognized exchange loss on revaluation of foreign currency borrowing amounting to Rs. 12,628 (December 31, 2023: Rs. 503,173).

Engro Enfrashare (Private) Limited (Enfrashare)

- 11.8 In April 2024, Enfrashare entered into a secured long term diminishing musharika agreement and secured facility extended by Faysal Bank Limited for an amount up to Rs. 1,500,000. Facility availed as at September 30, 2024 is Rs. 1,500,000. The facility carries interest at the rate of three - month KIBOR plus 0.50% per annum and payable on quarterly basis in arrears. The total tenor of loan is ten years from the date of disbursement of finance with 3 years grace period for principal portion.

(Amounts in thousand)

11.9 In May 2024, Enfrashare entered into a secured term finance agreement and secured facility extended by Habib Bank Limited for an amount up to Rs. 1,500,000. Facility availed as at September 30, 2024 is Rs.1,500,000. The facility carries interest at the rate of three - month KIBOR plus 0.50% per annum and payable on quarterly basis in arrears. The total tenor of loan is ten years from the date of disbursement of finance with 4 years grace period for principal portion.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

As at September 30, 2024, there is no material change in the status of matters reported as contingencies in note 34 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2023, except for the below:

The Holding Company

- 12.1.1 Standby Letters of Credit (Equity SBLC) have been provided by EEL, a wholly owned subsidiary, through National Bank of Pakistan amounting to US Dollars 2,606 (December 31, 2023: US Dollars 2,606) for its equity commitments related to Sindh Engro Coal Mining Company Limited (SECMC), its associated company in favour of the Intercreditor Agent (Habib Bank Limited) and the Project Company (i.e. SECMC). Equity SBLC will expire on earlier of (i) October 31, 2024; or (ii) fulfilment of sponsor obligations under Sponsor Support Agreements. This has been secured by the Company by pledging Treasury Bills.
- 12.1.2 Standby Letter of Credit (Put Option SBLC) has been provided by EEL, a wholly owned subsidiary company, through Allied Bank Limited amounting to US Dollars 21,070 (December 31, 2023: 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 was secured by pledging the Holding Company's shares of Engro Fertilizers Limited (EFERT) and Friesland Campina Engro Pakistan Limited (FCEPL) of quantities 50,925,728 and 58,941,176 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 secured by pledging 42,466,536, 117,904,251, 56,000,000 and 51,686,592 shares of EFERT, EPCL, FCEPL and Engro Powergen Qadirpur Limited (EPQL), respectively.

(Amounts in thousand)

12.1.4 EEL had sought adjournment from Assistant Commissioner SRB against the notice dated November 8, 2023 pursuant to which the department issued an order on May 10, 2024 raising a demand (inclusive of default surcharge and penalty) of Rs. 2,509,177. EEL appealed against the order and was granted a conditional stay order upon payment of 10% of the adjudged demand. The date of hearing was set for September 30, 2024. However, an appeal was filed for extension and a new date of hearing is yet to be set.

Based on the views of legal advisor of EEL, EEL's management believes that it has a good case on merits and expects a favorable outcome. Accordingly, no provision has been made in respect of the aforementioned demand in these consolidated condensed interim financial statements.

12.1.5 Updates in respect of tax related matters are disclosed in note 15.

12.2 Commitments

12.2.1 Commitments in respect of capital and operational expenditure contracted but not incurred amount to Rs. 56,526,197 (December 31, 2023: Rs. 77,623,023).

12.2.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of EPCL as at September 30, 2024 amount to Rs. 10,772,000 (December 31, 2023: Rs. 7,300,000). The amount utilized thereagainst as at September 30, 2024 is Rs. 8,088,942 (December 31, 2023: Rs. 6,391,001).

The performance guarantees of Rs. 102,180 and Rs. 286,682 have been given in respect of Sindh Development and Maintenance of Infrastructure Cess (SIDC) and greenfield application status of Engro Peroxide (Private) Limited (EPPL), respectively. With regard to greenfield status, EPCL is of the view that if payment on account of sales tax and income tax amounting to Rs. 149,620 is required to be made to the Government authorities, the same will be recoupable in its tax returns for future periods. Accordingly, no provision has been recognized in this respect.

12.2.3 The facility for opening letter of credits as at June 30, 2024 for EPCL and its subsidiary companies aggregates to Rs. 35,948,000 (December 31, 2023: Rs. 36,237,214) out of which Rs. 14,315,657 (December 31, 2023: Rs. 7,707,035) have been utilized.

12.2.4 Commitments of EPCL in respect of rentals of storage tanks at EVTL for the handling of (i) Ethylene aggregate to USD 4,413 valid till March 31, 2026 (December 31, 2023: USD 10,584), (ii) Ethylene Di Chloride (EDC) aggregate to USD 2,721 valid till December 31, 2028 (December 31, 2023: USD 4,770) and (iii) Vinyl Chloride Monomer (VCM) aggregate to USD 184 valid till December 31, 2024 (December 31, 2023: USD 667).

12.2.5 Commitments in respect of EFERT's gas supply arrangement amounting to Rs. 1,462,531 (December 31, 2023: Rs. 7,776,485).

12.2.6 EFERT has issued bank guarantees amounting to Rs. 9,940,538 (December 31, 2023: Rs. 8,444,554) in favour of third parties.

(Amounts in thousand)

- 12.2.7 EETPL has provided a Letter of Guarantee through National Bank of Pakistan amounting to USD 5,000 (December 31, 2023: USD 5,000) and USD 10,000 (December 31, 2023: USD 10,000) in favour of SSGCL to guarantee performance of its obligations under the LNG Operations and Services Agreement (LSA). The aforementioned guarantee is secured against project assets of EETPL and the Holding Company's corporate guarantee. Both of the guarantees in favour of SSGCL are valid till April 30, 2025 and are renewable annually.
- 12.2.8 EETPL under the Time Charter Party and LNG Storage and Re-gasification Agreement (Agreement) with Excelerate Energy Middle East, LLC (EE) has furnished Standby Letter of Credit (SBLC) through United Bank Limited amounting to USD 22,500 (2023: USD 22,500) to EE. This SBLC is valid till March 8, 2025 and is renewable annually. The aforementioned guarantee is secured against Holding Company's shares in EFERT and EPCL and a corporate guarantee and project assets of EETPL.
- 12.2.9 EETPL has provided bank guarantee amounting to Rs. 1,003,810 (December 31, 2023: Rs. 886,053) from MCB Bank Limited and Rs.1,536,743 (December 31, 2023: Rs.1,536,743) from Bank Alfalah Limited, in favour of Nazir of the Court to comply with the interim orders of the Court. During the year, EETPL filed application to the Court to adjust payment of advance tax against the bank guarantee provided above which was duly allowed by the Court. These guarantees have been secured against bank balances and short term investments of EETPL.
- 12.2.10 Enfrashare has obtained a letter of credit facility aggregating to Rs 2,000,000 (December 31, 2023: Rs. 2,000,000) from MCB Bank Limited. The amount availed on the facility as at September 30, 2024 is Rs. Nil (December 31, 2023: Rs 1,368,000).
- 12.2.11 In August 2024, Enfrashare entered into a Running Finance (RF) facility extended by Askari Bank Limited for an amount up to Rs 1,500,000. Facility availed as at September 30, 2024 is Rs 1,000,000 (December 31, 2023: Rs. nil). The facility carries interest at the rate of three - month KIBOR, which is reset on monthly basis one business day prior to the commencement of each quarter, plus 0.50% per annum and payable on quarterly basis in arrears. RF facility is secured against First Pari Passu charge over all present and future current and movable fixed assets (excluding land and building) in favour of the bank.
- 12.2.12 Commitments given by associated companies and joint venture in respect of capital and operational expenditure including bank guarantees amount to Rs. 3,101,561 (December 31, 2023: Rs. 3,706,665).

	Unaudited			
	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	------(Rupees)-----			
13. REVENUE				
Own manufactured products	25,719,654	61,096,269	105,412,110	139,877,172
Less:				
- Sales tax	(5,442,507)	(9,396,725)	(15,144,782)	(20,417,531)
- Discounts	(260,048)	(671,238)	(1,285,393)	(1,489,871)
	<u>20,017,099</u>	<u>51,028,306</u>	<u>88,981,935</u>	<u>117,969,770</u>
Purchased and packaged products	72,622,486	44,297,679	167,165,385	106,995,015
Services rendered	10,231,430	10,920,461	30,598,986	31,881,141
	<u>82,853,916</u>	<u>55,218,140</u>	<u>197,764,371</u>	<u>138,876,156</u>
Less: Sales tax	(2,622,517)	(3,360,629)	(7,603,897)	(6,487,014)
Less: Discounts	(118,864)	(191,361)	(124,130)	(503,286)
	<u>(2,741,381)</u>	<u>(3,551,990)</u>	<u>(7,728,027)</u>	<u>(6,990,300)</u>
	<u>100,129,634</u>	<u>102,694,456</u>	<u>279,018,279</u>	<u>249,855,626</u>

(Amounts in thousand)

14. MINIMUM TAX AND FINAL TAX

This represents final and minimum taxes charged under section 5, section 8, section 153 and section 113 (in respect of non recoupable minimum tax) of the Ordinance, representing levy in terms of requirements of IFRIC 21 / IAS 37 as detailed in note 4.2 to the consolidated interim financial statements

15. TAXATION

As at September 30, 2024, following are the updates to taxation matters from those reported in note 43 to the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2023:

15.1 During the period, in respect of the matter disclosed in note 43.2 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2023, the Islamabad High Court (IHC) in its judgement dated March 15, 2024, decided the matter in favor of the Holding Company and other group companies in respect of retrospective application of section 4C, as amended by the Finance Act 2023, to tax year 2023. Additionally, the IHC also ruled that super tax under section 4C of the Ordinance is not applicable on incomes subject to final tax under other provisions of the Ordinance. The tax department has filled an intera court appeal against this matter, which is currently pending adjudication. Being prudent, the Group is carrying provision against the matter in these consolidated condensed interim financial statements.

15.2 Engro Fertilizers Limited (EFERT)

15.2.1 In 2023, EFERT received an order from the Deputy Commissioner Inland Revenue (DCIR), in respect of tax year 2022, amending the Group return filed to make disallowances having a tax impact of Rs. 3,718,104. EFERT filed an appeal before the CIR(A) against this order. During the period, hearing was held and appellate order was passed by the CIR(A). Subsequently, the tax department passed an appeal effect order based on CIR(A)'s decision, reducing the aggregate demand to Rs. 3,173,104.

15.2.2 During the period, EFERT received an order from the ACIR, in respect of tax year 2023, amending the Group return filed to make disallowances having a tax impact of Rs. 4,603,257. These pertain to disallowance of provisions made for Sindh Infrastructure Development Cess (SIDC) accruals, provision for gas pricing under the Gas Supply and Purchase Agreement, provision for impairment against trade debts, loss on disposal of operating assets and WPPF. EFERT filed an appeal before the CIR(A) which was heard and an appellate order was passed. Subsequently, the tax department passed an appeal effect order based on CIR(A)'s decision, reducing the aggregate demand to Rs. 4,206,070.

15.2.3 In 2023, EFERT received an order from the ACIR creating a demand of Rs. 494,108 in respect of tax year 2017. EFERT filed an appeal before the CIR(A) against this order. During the period, hearing was held and appellate order was passed by the CIR(A) where certain issues were remanded back and certain issues were allowed. Subsequently, the tax department passed an appeal effect order based on CIR(A)'s favorable decision on the matter of amortisation on intangibles while appeal effect on remaining issues is yet to be issued. Remand back proceedings are also yet to be concluded.

15.2.4 In 2023, EFERT received an amendment order in respect of tax year 2021, creating disallowances having a tax impact of Rs. 916,584. EFERT had filed an appeal before the CIR(A) in respect of this order. During the period, hearing was held and appellate order was passed by the CIR(A), wherein certain issues have been remanded back for re-verification, certain issues have been allowed in the favour of EFERT whereas certain disallowances have been confirmed. EFERT intends to file a rectification application to address errors in the appellate order. Further, the tax department is yet to conclude remand back proceedings in respect of this tax year.

(Amounts in thousand)

15.2.5 In 2022, in respect of tax year 2018, EFERT received an order from the Additional Commissioner Inland Revenue (ACIR) restricting brought forward losses having a tax impact of Rs. 580,910. This disallowance had been made in the assessment orders relating to prior years which are pending in appeals. EFERT filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)] against this order. During the period, hearing was held and appellate order was passed by the CIR(A) confirming certain additions, certain issues were remanded back whereas certain issues were allowed. An appeal effect in this respect is yet to be issued. EFERT has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR(A). Accordingly, no provision has been made in respect of the aforementioned demand in these consolidated condensed interim financial statements.

15.2.6 Adequate provision is maintained in these consolidated condensed interim financial statements in respect of these tax years.

15.3 Engro Polymer and Chemicals (EPCL)

15.3.1 In respect of matter stated in note 43.6.4 of the audited annual consolidated financial statements, during the period, EPCL has further paid demand amounting to Rs. 200,000 to the FBR under protest. However, based on the advice of its legal advisor, EPCL is still confident of a favourable outcome, accordingly, no provision in this respect has been recognized in these consolidated condensed interim financial statements.

15.3.2 During the period, the income tax department has amended the assessment filed by EPCL for tax year 2022. EPCL has preferred an appeal thereagainst before the CIR(A) related to the disallowances mainly pertaining to adjustment in respect of exchange gain / loss that resulted in excess demand of Rs. 500,000, which has been paid by EPCL under protest. However, as EPCL based on the advice of its legal advisor is confident of a favourable outcome, accordingly, no provision in this respect has been recognized in these consolidated condensed interim financial statements.

Associated Company and Joint venture

15.4 FrieslandCampina Engro Pakistan Limited (FCEPL)

15.4.1 On May 29, 2024, the Additional Commissioner (ADC) raised tax demand of Rs. 348,855 for the tax year 2022 by restricting adjustment of minimum tax credit brought forward from prior years against the tax liability. FCEPL has filed an appeal before the ATIR against the order, which is pending adjudication. FCEPL has also obtained stay from the SHC against the demand. FCEPL, based on the opinion of its legal advisor, is confident for favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned amount.

15.4.2 On December 29, 2023, the ACIR issued refund order under section 170(4) of the Ordinance for Rs. 388,936 for tax year 2022. During the period, CIR (A) issued an order and remanded back proceedings to DCIR for further verification of Rs. 214,947 for the credits disallowed / short allowed against aforementioned refund order passed by the DCIR. The DCIR has not yet initiated the remand back proceedings. FCEPL, based on the opinion of its legal advisor, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

(Amounts in thousand)

15.4.3 The Customs Department issued various orders alleging that FCEPL has misdeclared Harmonized System (HS) code on certain raw materials imported and is therefore, required to pay additional duties and taxes creating total demands of Rs. 579,761. FCEPL being aggrieved with the said demands has filed appeals before Collector of Customs (Appeal) 'CCA'. During the period, CCA decided majority of the appeals appeals having total demand of Rs. 226,492 (included in the above). CCA in the decision has set aside the orders of the Customs Department with the direction to the Department to refer the cases to the Classification Committee and decide the case according to the findings of the Committee. Department has not yet referred the cases to the Committee.

During the period, the appellate tribunal decided appeals against FCEPL wherein the total demand of Rs. 314,771 (included in above) had been challenged. FCEPL has filed an appeal against the aforesaid decisions in the Sindh High Court.

FCEPL, based on the opinion of its legal consultant, is confident of a favorable outcome of the appeals and, therefore, has not recognised the provision in the condensed interim financial statements.

16. EARNINGS PER SHARE - BASIC AND DILUTED

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

	Unaudited			
	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	------(Rupees)-----			
Profit / (loss) for the period, attributable to Owners of the Holding Company from:				
- Continuing operations	5,711,569	9,028,238	10,587,618	9,922,972
- Discontinued operations	10,603	3,170,256	1,395,424	13,079,395
	<u>5,722,172</u>	<u>12,198,494</u>	<u>11,983,042</u>	<u>23,002,367</u>
	----- Number of shares (in thousand) -----			
Weighted average number of ordinary shares	<u>536,626</u>	<u>536,626</u>	<u>536,626</u>	<u>547,288</u>
	------(Rupees)-----			
Earnings per share basic and diluted				
- Continuing operations	10.64	16.82	19.73	18.13
- Discontinued operations	0.02	5.91	2.60	23.90
	<u>10.66</u>	<u>22.73</u>	<u>22.33</u>	<u>42.03</u>

(Amounts in thousand)

	(Unaudited)	
	Nine months ended	
	September 30, 2024	Restated September 30, 2023
	-----Rupees-----	
17. CASH GENERATED FROM OPERATIONS		
Profit before taxation from:		
- continuing operations	33,754,211	43,965,618
- discontinued operations	5,250,043	25,910,707
	<u>39,004,254</u>	<u>69,876,325</u>
Adjustment for non-cash charges and other items:		
Depreciation and amortization	7,530,121	15,101,780
Loss / (gain) on disposal / write-off of property, plant and equipment	185,789	(63,801)
Provisions - net	(4,654,506)	726,553
Provision for retirement and other service benefits	137,051	122,467
Finance cost	33,206,580	29,021,599
Stock-in-trade / stores and spares written-off	-	208,846
Adjustment in respect of carrying amount of thermal assets	29,926,436	-
Finance income on net investment in lease	(5,886,002)	(5,756,625)
Finance cost on lease liability	3,456,824	4,189,504
Income on deposits / other financial assets	(13,679,433)	(13,228,509)
Share of income from joint venture and associate	(2,690,905)	(3,085,277)
Exchange (gain) / loss on lease liability	(873,915)	14,815,181
Exchange loss / (gain) on net investment in lease	470,201	(15,479,997)
Foreign currency translations	18,435	2,109,143
Minimum tax and final tax levies	3,028,986	2,906,133
Working capital changes (note 17.1)	(42,376,834)	18,185,710
	<u>46,803,082</u>	<u>119,649,032</u>
	(Unaudited)	
	Nine months ended	
	September 30, 2024	September 30, 2023
	-----Rupees-----	
17.1 Working capital changes		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(1,024,706)	(2,263,483)
- Stock-in-trade	(29,015,121)	6,350,052
- Trade debts and contract assets	21,341,035	(4,816,851)
- Loans, advances, deposits and prepayments	(12,054,370)	(3,980,983)
- Other receivables - net	(8,129,623)	(6,211,011)
	<u>(28,882,785)</u>	<u>(10,922,276)</u>
(Decrease) / increase in current liabilities		
- Trade and other payables and provisions	(13,494,049)	29,107,986
	<u>(42,376,834)</u>	<u>18,185,710</u>

(Amounts in thousand)

	(Unaudited)	
	Nine months ended	
	September 30, 2024	September 30, 2023
	-----Rupees-----	
18. CASH AND CASH EQUIVALENTS		
Attributable to continuing operations:		
Cash and bank balances	20,456,320	77,881,399
Short term investments - with original maturity less than 3 months	12,504,410	8,928,987
Bank balances held under lien	(2,733,897)	(2,282,601)
Short term borrowings	(50,577,974)	(23,759,363)
	(20,351,141)	60,768,422
Attributable to discontinued operations:		
Cash and bank balances	45,973,668	-
Short term borrowings	(20,445,472)	-
	25,528,196	-
	<u>5,177,055</u>	<u>60,768,422</u>

- 18.1 On May 29, 2024, the Holding Company has obtained a Syndicated working capital facility amounting to Rs. 10,000,000 (December 31, 2023: Rs. 10,000,000) from a commercial bank. This has been secured by pledging the Holding Company's shares of EFERT, EPCL and FCEPL of quantities 33,068,783, 120,250,120 and 73,486,185, respectively. The facility carries mark-up at the rate of 1 month KIBOR plus 0.5% per annum and is unutilized as at September 30, 2024.

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 financial 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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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).

(Amounts in thousand)

	Level 1	Level 2	Level 3	Total
----- Rupees -----				
As at September 30, 2024 (Unaudited)				
Financial assets at fair value through profit or loss				
- Mutual fund units	-	12,132,756	-	12,132,756
Financial assets at fair value through other comprehensive income				
- Derivative financial instruments	-	607,908	-	607,908
- Pakistan Investment Bonds	-	13,593,903	-	13,593,903
- Other investments	70,831	5,000	-	75,831
	<u>70,831</u>	<u>14,206,811</u>	<u>-</u>	<u>14,277,642</u>
As at December 31, 2023 (Audited)				
Financial assets at fair value through profit or loss				
- Mutual fund units	-	31,047,655	-	31,047,655
- Special Sharikah Certificates	-	969,712	-	969,712
	<u>-</u>	<u>32,017,367</u>	<u>-</u>	<u>32,017,367</u>
Financial assets at fair value through other comprehensive income				
- Derivative financial instruments	-	963,207	-	963,207
- Pakistan Investment Bonds	-	10,572,006	-	10,572,006
- Other investments	65,580	5,000	-	70,580
	<u>65,580</u>	<u>11,540,213</u>	<u>-</u>	<u>11,605,793</u>

19.3 Valuation techniques used to determine fair values

Level 1 fair values have been determined using price quoted on PSX.

Level 2 fair values have been determined on the basis of PKRV rates and closing net asset values for government securities and mutual funds units, respectively.

There were no transfers amongst the levels of hierarchy 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 values.

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:

(Amounts in thousand)

	(Unaudited)	
	Nine months ended	
	September 30, 2024	September 30, 2023
	------(Rupees)-----	
Parent Company		
Dividend paid	4,503,866	9,222,202
Reimbursements to	9,832	7,584
Reimbursements from	-	1,154
Purchases and services	32,799	86,100
Associated companies and joint venture		
Purchases and services	48,195,822	46,665,395
Sale of goods and services	3,868,764	-
Dividend received / receivable	562,500	1,554,786
Dividend paid / payable	20,032,618	3,355,718
Donations	390,568	511,838
Reimbursements from	983,767	504,552
Reimbursements to	192,207	263,270
Utilization of overdraft facility	2,100,456	-
Loans repaid	3,172,887	62,840
Finance costs	4,634,964	4,215,692
Directors		
Dividend paid	696,334	1,616,310
Directors' fees	78,830	59,845
Advisory fee	-	55,224
Others		
Remuneration paid to key management personnel	2,477,512	1,778,857
Dividend paid to key management personnel	770	32,025
Reimbursement of expenses	126	243
Contribution to retirement benefit funds	944,326	933,287

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 Holding Company 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 comprise of Engro Zarkhez, Zingro, and Engro DAP optimized for local cultivation needs and demand. Further, the segment is a leading importer and seller of phosphate products which are marketed extensively across Pakistan as phosphatic fertilizers. The Company carrying on the fertilizer business is listed on Islamic Index.

(Amounts in thousand)

Polymer	This part of the business manufactures, markets and sells Poly Vinyl Chloride (PVC), PVC compounds, Caustic soda and related chemicals in Pakistan and internationally. 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. This also includes investment made in coal mining business.
Connectivity and telecom	This part of the business includes buying, building, maintaining and operating telecommunications infrastructure and ancillary products and services.
Other operations	It includes investments made in foods, dairy and commodities trading businesses.

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 condensed interim financial statements. Segment results and assets include items directly attributable to a segment.

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

	(Unaudited)			
	Quarter ended		Nine months ended	
	September 30, 2024	Restated September 30, 2023	September 30, 2024	Restated September 30, 2023
	------(Rupees)-----		------(Rupees)-----	
Revenue				
- At a point in time	90,814,927	93,604,252	251,323,927	223,292,147
- Over time	41,484,188	43,212,363	129,230,914	116,006,440
	<u>132,299,115</u>	<u>136,816,615</u>	<u>380,554,841</u>	<u>339,298,587</u>
Segment wise break-up is as follows:				
Fertilizer	58,640,620	66,164,543	171,844,834	148,530,719
Polymer	20,067,017	25,015,742	54,451,693	62,038,106
Terminal	5,049,019	5,422,403	15,174,194	16,292,632
Power and mining	32,166,079	34,332,473	101,905,574	90,051,054
Connectivity and telecom	4,216,228	3,418,078	11,986,921	9,558,308
Other operations	58,989,826	30,367,953	132,149,788	88,834,628
Elimination - net	(46,829,674)	(27,904,577)	(106,958,163)	(76,006,860)
Consolidated	<u>132,299,115</u>	<u>136,816,615</u>	<u>380,554,841</u>	<u>339,298,587</u>
Less: Discontinued operations	<u>(32,169,481)</u>	<u>(34,122,159)</u>	<u>(101,536,562)</u>	<u>(89,442,961)</u>
Continuing operations	<u>100,129,634</u>	<u>102,694,456</u>	<u>279,018,279</u>	<u>249,855,626</u>

(Amounts in thousand)

	Quarter ended		Nine months ended	
	September 30, 2024	Restated September 30, 2023	September 30, 2024	Restated September 30, 2023
	------(Rupees)-----		------(Rupees)-----	
Profit / (loss) before tax for the period				
Fertilizer	14,029,543	15,785,188	28,695,429	29,703,784
Polymer	(1,458,554)	4,372,672	(4,100,515)	9,226,276
Terminal	1,383,021	1,624,882	5,071,498	4,153,034
Power and mining	2,521,334	10,350,653	4,886,516	24,752,388
Connectivity and telecom	(435,567)	(972,061)	(1,660,800)	(1,812,294)
Other operations	5,568,786	4,854,510	24,479,220	18,119,045
Elimination - net	(3,124,570)	(4,039,141)	(18,367,094)	(14,265,908)
Consolidated	18,483,993	31,976,703	39,004,254	69,876,325
Less: Discontinued operations	(2,610,203)	(10,672,066)	(5,250,043)	(25,910,707)
Continuing operations	15,873,790	21,304,637	33,754,211	43,965,618
			(Unaudited)	(Audited)
			September 30,	December 31,
			2024	2023
			------(Rupees)-----	
Assets				
Fertilizer			188,496,307	160,842,670
Polymer			97,220,156	90,597,810
Terminal			78,261,689	83,026,306
Power and mining (note 21.2.1)			287,727,545	331,476,813
Connectivity and telecom			69,516,187	69,097,845
Other operations			143,802,289	123,470,747
Elimination - net			(74,311,756)	(56,015,914)
Consolidated			790,712,417	802,496,277
Liabilities				
Fertilizer			147,984,018	112,939,915
Polymer			72,026,114	62,005,725
Terminal			65,214,106	71,477,402
Power and mining (note 21.2.1)			237,148,904	263,093,522
Connectivity and telecom			49,961,339	50,989,467
Other operations			56,302,865	44,813,609
Elimination - net			(49,871,836)	(28,012,712)
Consolidated			578,765,510	577,306,928

21.2.1 This includes assets and liabilities of thermal assets portfolio classified as held for sale amounting to Rs. 276,555,682 (December 31, 2023: Nil) and Rs. 223,601,170 (December 31, 2023: Nil) respectively.

(Amounts in thousand)

22. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

- 22.1 The Board of Directors of the Holding Company in its meeting held on October 28, 2024 has approved an interim cash dividend of Rs. 5 per share for the year ending December 31, 2024 amounting to Rs. 2,683,132. 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 October 21, 2024 has proposed an interim cash dividend of Rs. 7.25 per share for the year ending December 31, 2024, amounting to Rs. 652,500 of which the proportionate share of the Holding Company amounts to Rs. 326,250.

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 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. EEAPL manages seasonality in the business through appropriate inventory management.

24. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the balances of consolidated condensed interim statement of financial position have been compared with the balances of annual audited consolidated financial statements of the preceding financial year, whereas the amounts in consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been compared with the balances / amounts comparable period of immediately preceding financial year.

25. DATE OF AUTHORIZATION FOR ISSUE

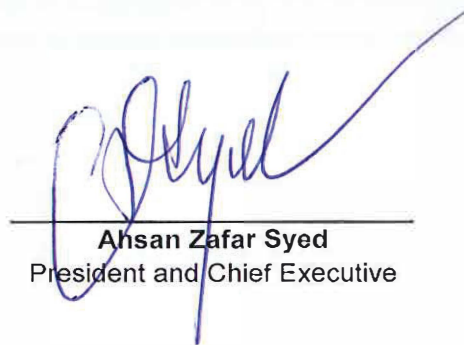
These consolidated condensed interim financial statements were authorized for issue on October 28, 2024 by the Board of Directors of the Holding Company.



Shabbir Hussain Hashmi
Director



Farooq Barkat Ali
Chief Financial Officer



Ahsan Zafar Syed
President and Chief Executive

ڈائریکٹرز کی رپورٹ

اینکر و کارپوریشن لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 ستمبر 2024 کو ختم ہونے والی 9 ماہ کی مدت کے لیے کمپنی کے منجملہ عبوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

میکرو اکنامک صورتحال

عالمی معیشت میں کافی بہتری دیکھی جا رہی ہے، جیسا کہ صارفین کی قیمتوں میں افراط زر میں کمی نے گھریلو اخراجات میں اضافہ کیا ہے۔ ترقی یافتہ معاشی طور پر مضبوط ممالک کی اکثریت میں شرح سود میں کمی کی گئی ہے۔ تاہم، اہم خطرات باقی ہیں، جس میں یوکرین کا جاری تنازعہ اور اسی طرح مشرق وسطیٰ میں بڑھتی ہوئی جنگ سے پیدا ہونے والی جغرافیائی، سیاسی اور تجارتی کشیدگی، سرمایہ کاری کو نقصان پہنچا سکتی ہے اور تیل کی قیمتوں کو بڑھا سکتی ہے۔ بے روزگاری میں اضافے کے ساتھ ہی ترقی کی شرح تیزی سے گر سکتی ہے اور متوقع شرح میں کوئی بھی اچانک تبدیلی سرمایہ کاروں کے اعتماد اور شرعی سود دونوں کو متزلزل کر کے اقتصادی مارکیٹس میں خلل ڈال سکتی ہے۔

ملکی سطح پر، پاکستان کی معیشت مثبت پیش رفت دکھا رہی ہے کیونکہ زیادہ تر اقتصادی عوامل میں بہتری آئی ہے۔ سخت مالیاتی اور مانیٹری پالیسیوں کے درمیان مہنگائی میں نمایاں کمی آئی ہے، جو سنگل ڈجٹ کے اندر ہے۔ کرنٹ اکاؤنٹ اور غیر ملکی زرمبادلہ کی مارکیٹ کے پرسکون حالات سے فارن ریزرو بفرز میں اضافہ ہوا ہے۔ مہنگائی میں کمی اور مستحکم ملکی اور بیرونی حالات کے نتیجے میں، اسٹیٹ بینک آف پاکستان نے جون 2024 سے پالیسی ریٹ میں کل 450 bps کی کمی کی ہے۔

اس کے علاوہ، حکومت 7 بلین امریکی ڈالر کے ایک نئے آئی ایم ایف پیکج پر بات چیت کرنے میں کامیاب رہی ہے اور آئی ایم ایف کے ایگزیکٹو بورڈ نے گرین سگنل بھی دیدیا ہے۔ اس پروگرام سے اہم اقتصادی ترجیحات کا خاکہ سامنے آیا ہے جس میں ٹیکس میں کو بڑھانے کے لیے ٹھوس میکرو پالیسیوں کے نفاذ اور پیداواری صلاحیت کو بڑھانے کے لیے اصلاحات شامل ہیں۔

اس پیش رفت کے باوجود پاکستان کے انتظامی اسٹرکچرل چیلنجز بدستور موجود ہیں۔ ایک مشکل کاروباری ماحول، کمزور گورننس اور معیشت میں ریاست کا زیادہ عمل دخل سرمایہ کاری کو متاثر کرتا ہے۔ اسی طرح مساوی ٹیکس لگانے اور اس کے نتیجے میں مالیاتی استحکام کو یقینی بنانے کے لیے ٹیکس میں کمی تک ہے۔ ان اہم شعبوں میں ایک مربوط ایڈجسٹمنٹ اور اصلاحات کی کوششیں پاکستان کے لیے اپنے مالی اور اقتصادی چیلنجز پر قابو پانے کے لیے اہم ہے۔

کاروباری جائزہ

انفرادی طور پر کمپنی نے گزشتہ سال کی اسی مدت میں 13,144 ملین روپے کے مقابلے میں 17,865 ملین روپے کا انفرادی بعد از ٹیکس منافع (PAT) حاصل کیا، نتیجے میں 33.29 روپے فی حصص آمدنی (EPS) بنتی ہے جو گزشتہ سال 24.02 روپے تھی۔ منافع میں اضافہ بنیادی طور پر فرٹیلائزر کے کاروبار سے زیادہ منافع کی آمدنی اور اخراجات کو بہتر بنانے کے اقدامات کے ذریعے حاصل ہونے والے فائدہ سے ہے۔

مشترکہ طور پر، 2024 میں کمپنی کے مسلسل آپریشنز سے آمدنی 12% فیصد بڑھ کر ملین 279,018 روپے ہو گئی جو گزشتہ سال کی اسی مدت میں 249,856 ملین روپے تھی۔ مسلسل آپریشنز سے مشترکہ بعد از ٹیکس منافع (PAT) 19,117 ملین روپے (شیر ہولڈرز سے منسوب بعد از ٹیکس منافع 10,588 ملین روپے) گزشتہ سال کی اسی مدت کے 20,251 ملین روپے کے مقابلے میں (شیر ہولڈرز سے منسوب بعد از ٹیکس منافع 9,922 ملین روپے) رہا نتیجتاً ہر ایک شیئر پر منافع 19.73 روپے بنتا ہے جو گزشتہ سال 2023 میں 18.13 روپے تھا۔ منافع میں بڑا فرق، قیمتوں کے تعین کی بہتر حکمت عملیوں اور اخراجات پر قابو پانے کی منصوب بندی کی بدولت ہے۔

بعد از ٹیکس منافع بشمول منقطع آپریشنز 22,819 ملین روپے (شیر ہولڈرز سے منسوب بعد از ٹیکس منافع 11,983 ملین روپے) گزشتہ سال کے 44,323 ملین روپے کے مقابلے میں (شیر ہولڈرز سے منسوب بعد از ٹیکس منافع 23,002 ملین روپے) رہا نتیجے میں 22.33 روپے کا EPS ریکارڈ کیا گیا جو 2023 میں 42.03 روپے تھا۔

پاکستان میں ”ہولڈنگ کمپنی“ کے طرز پر کارپوریٹ سیکٹر میں بہترین عالمی طریقوں کو فروغ دینے کے لیے بڑی اصلاحات کے حصے کے طور پر انٹر کارپوریٹ ڈیویڈنڈ (ICD) کے متعدد ٹیکسوں سے ریلیف کا نظام متعارف کرایا گیا تھا۔ حصص یافتگان کے منافع پر منفی اثر ڈالنے والے اس ریلیف کو ہٹانے کا اعادہ ہے کیونکہ بنیادی کاروبار سے ڈیویڈنڈ کی آمدنی پر شیر ہولڈرز پر متعدد بار ٹیکس لگایا جاتا ہے۔ اس لیے، کمپنی مختلف اسٹیک ہولڈرز اور مختلف کاروباری فورمز کے ساتھ براہ راست رابطے کے ذریعے اس معاملے کے حل کے لیے سرگرم عمل ہے، جس میں عالمی اہمیت، معاملے کی اہمیت، اور پاکستان میں کارپوریٹیشن اور نئی سرمایہ کاری پر اس کے منفی اثرات کو اجاگر کیا جا رہا ہے۔ اس کے علاوہ، کمپنی اپنے لیگل اسٹریٹجی کا بھی جائزہ لے رہی ہے تاکہ ڈیویڈنڈز پر ٹیکس کے متعدد بار نفاذ پر قابو پانے کے مختلف آپشنز کی شناخت اور ان کا جائزہ لیا جاسکے۔

کاروباری شعبہ جات

ہمارے کاروباری شعبہ جات کا ایک مختصر جائزہ حسب ذیل ہے:

فرٹیلائزرز

گندم کے بحران نے کسانوں کی لیکویڈیٹی کو نمایاں طور پر متاثر کیا، نتیجے میں کسانوں کی آمدنی میں کمی واقع ہوئی۔ آمدنی میں اس کمی کی وجہ سے خریف سیزن کے لیے کھاد کی طلب میں بھی کمی واقع ہوئی۔ مزید برآں، موسمیاتی تبدیلی کے اثرات واضح تھے۔ بیجائی اور جرمینیشن مراحل کے دوران شدید گرمی نے فصل کی نشوونما کو روک دیا جبکہ موسم خزاں کی بے وقت بارشوں سے نہ صرف فصل کی بوائی میں تاخیر ہوئی بلکہ کیڑے مار ادویات اور کھادوں کے استعمال میں بھی رکاوٹ پیدا کی۔ نتیجتاً، سہ ماہی کے دوران یوریا کی طلب جمود کا شکار رہی۔

قیمتوں کے اعتبار سے، اس مدت کے دوران کھاد کی عالمی قیمتوں میں اضافہ ہوا۔ ستمبر 2024 کے آخر میں یوریا کی قیمتیں 316 ڈالر فی ٹن (5,943 روپے فی بیگ کے مساوی) رہی جو جون 2024 کے آخر میں 293 ڈالر فی ٹن (5,530 روپے فی بیگ کے مساوی) تھی۔ کھاد کی مقامی صنعت اس بات کو یقینی بنا رہی ہے کہ مقامی کاشتکار کو ملک میں تیار ہونے والی یوریا کی کم قیمتوں میں فراہمی ہو۔ یوریا کی مقامی قیمتیں 30 ستمبر 2024 تک 4,350 روپے فی بیگ تھی جو بین الاقوامی قیمتوں کے مقابلے میں 26% کی رعایت کا واضح ثبوت ہے۔

ایک چیلنج ماحول کے باوجود، فرٹیلائزر بزنس مستحکم رہا اور YTD کی آمدنی 16% فیصد سے 171,845 ملین روپے تک بڑھ گئی، جو گزشتہ سال کی اسی مدت 148,531 ملین روپے تھی۔ کاروبار نے گزشتہ سال کی اسی مدت میں 15,045 ملین روپے کے مقابلے میں 17,980 ملین روپے کا بعد از ٹیکس منافع (PAT) حاصل کیا، جو بنیادی طور پر قیمتوں کے تعین کی حکمت عملیوں کو اپنانے اور لاگت کی اصلاح کے ذریعے حاصل ہوا۔

زیر جائزہ مدت کے دوران مقامی طور پر تیار کردہ یوریا کی فروخت گزشتہ سال کی اسی مدت میں 1,726 KT کے مقابلے میں 1321 KT رہی؛ تاہم فاسفیٹ کی فروخت 215 KT سے بڑھ کر 247 KT ہو گئی۔

پیٹر و کیمیکلز

پولیمیر بزنس نے 54,554 ملین روپے کی آمدنی حاصل کی جو پچھلے سال کی اسی مدت میں 62,038 ملین روپے تھی۔ بزنس کو گزشتہ سال کی اسی مدت میں 5,387 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں، 2,288 ملین روپے بعد از ٹیکس نقصان ہوا، جس کی بنیادی وجہ اجناس کی قیمتوں میں نمایاں کمی اور بجلی کی قیمتوں میں اضافہ ہے۔ PVC کی مقامی فروخت کا حجم 146KT رہا جبکہ بزنس کی پی وی سی اور کاسٹک ایکسپورٹ کا حجم 23KT رہا۔ بزنس اپنے اختیار میں موجود لیورز کے ساتھ مالی کارکردگی کو بہتر بنانے کے لیے مختلف آپشن کا جائزہ لے رہا ہے۔

ٹیلی کمیونیکیشن انفراسٹرکچر

یونان کی جانب سے ٹیلی نار کی خریداری سے موبائل نیٹ ورک آپریٹرز (MNOs) کے کم ہونے سے ٹاورز لگانے کا کام پچھلے سال کی اسی مدت کے مقابلے میں سست رہا۔ مارکیٹ میں سست روی کے باوجود، انفراسٹرکچر نے اپنے توسیعی عزائم پر کام جاری رکھا اور 1.25 گنا کرایہ داری تناسب (Tenancy Ratio) کے ساتھ 4,143 ٹاور سائٹس بڑھانے میں کامیاب رہی، جس سے انڈینڈ ٹاؤکنائز (ITC) کے زیر ملکیت ٹاورز کے 52 فیصد مارکیٹ شیئر کی نمائندگی ہوتی ہے۔ مزید برآں، مذکورہ مدت میں 217 مشترکہ سائٹس کے حامل کرایہ داروں (Colocation tenants) کو شامل کیا گیا، جس میں انفراسٹرکچر کا مارکیٹ شیئر 36 فیصد بنتا ہے۔

شرح سود میں ہوشربا اضافے اور کیپٹل اسٹریکچر کے امتزاج نے بزنس کی مالی کارکردگی کو متاثر کر رکھا ہے۔ کاروبار مستقبل میں اس خطرے کو کم کرنے کے لیے مختلف آپشنز پر موثر انداز میں کام کر رہا ہے، جس میں ہینجنگ (Hedging) میکانزم اور کیپٹل اسٹریکچر کا از سر نو جائزہ شامل ہے۔

توانائی

اینگر و انرجی لمیٹڈ نے لبرٹی پاور ہولڈنگ (پرائیویٹ) لمیٹڈ اور دیگر فریقین کے ساتھ تھرمل اثاثہ جات کی فروخت کے لیے معاہدہ کیا ہے۔ اسٹیک ہولڈرز کی جانب سے لین دین کی تکمیل کے لیے منظوری لینے کا عمل جاری ہے۔

کوئلے کی کان کنی: اینگرو پاور جن تھر، تھرانر جی، اور تھل نو واپور کوئلے کی سپلائی کرتے ہوئے، کان کنی کا کام جاری رہا۔ توانائی کی طلب میں ممکنہ اضافے کو پورا کرنے کے لیے انتظامیہ نے 11.2 ملین ٹن سالانہ صلاحیت کو بڑھانے کے لیے توسیع کا فیصلہ شروع کرنے کا عہد کیا ہے۔

تھر پاور پلانٹ: اس مدت کے دوران، پلانٹ نے گزشتہ سال اسی مدت میں 2,617 GWH کے مقابلے میں نیشنل گرڈ کو 2,574 GWH کا میٹریکل آؤٹ پٹ فراہم کیا۔ پلانٹ کی دستیابی 82% پر محدود رہی کیونکہ پلانٹ کی حفاظت، پائیداری اور کارکردگی کو یقینی بنانے کے لیے پہلے سے طے شدہ C ٹائپ مینٹنس کو یقینی بنایا گیا۔

قادر پور پاور پلانٹ: اس مدت کے دوران، پلانٹ نے 649GWH کا نیٹ الیکٹریکل آؤٹ پٹ پیش نظر گرڈ کو فراہم کیا جو پچھلے سال اسی مدت میں 708 GWH تھا۔ برنس نے بدر فیڈ سے گیس کو متبادل ایندھن کے طور پر شامل کرنے کے لیے جزییشن لائسنس حاصل کر لیا ہے اور اس اضافی ایندھن کے لیے نیچر کے ٹیرف کا تعین بھی حاصل کر لیا ہے۔

فوڈز

فریز لینڈ کیمپنا اینگرو پاکستان نے پچھلے سال کی اسی مدت کے 73,819 ملین روپے کے مقابلے میں 82,512 ملین روپے کی آمدنی حاصل کی جو 11.8 فیصد اضافے کا اظہار ہے۔ برنس نے گزشتہ سال کی اسی مدت کے 1,575 ملین روپے کے مقابلے میں 2,019 ملین روپے کا بعد از ٹیکس منافع حاصل کیا۔ منافع میں اضافے کی بنیادی وجہ ویلیو چین اور اسٹریٹجک کنزیومر آفرز میں لاگت کی بچت کے بہتر اقدامات ہیں۔

ٹریڈ اپریشنز

ایل این جی ٹریڈ نے 55 کارگو کو ہینڈل کرتے ہوئے SSGC نیٹ ورک میں 163.5bcf ری گیسفیکیشنڈ ایل این جی کی فراہمی کو یقینی بنایا جو ملک کی کل گیس سپلائی کا 15 فیصد ہے۔ کیمیکل اسٹوریج ٹریڈ نے گزشتہ سال اسی مدت کے دوران 679 KT کے مقابلے میں 929KT پروسیس کیا۔ یہ اضافہ بنیادی طور پر پچھلے سال کی اسی مدت کے مقابلے میں ایل سی کھولنے میں آسانی اور ایل پی جی میرین کی درآمدات بڑھانے کی تجارتی کوششوں کے سبب تھا۔

بین الاقوامی تجارت

متحدہ عرب امارات میں قائم Eximp FZE کمپنی کی بین الاقوامی تجارتی برانچ ہے جس نے 2022 میں تجارتی سرگرمیاں شروع کیں تاکہ گروپ کی تجارتی سرگرمیوں کو ایک عالمی مرکز سے منظم کیا جائے۔ مدت کے دوران، کاروبار نے 397 ملین امریکی ڈالر کا کاروبار حاصل کیا جو پچھلے سال کی اسی مدت میں 245 ملین امریکی ڈالر تھا۔ بین الاقوامی اور ڈالر سے متعین کاروبار کی صورت میں اینگرو ایکزامپ FZE ہمارے پورٹ فولیو میں ایک اہم کردار کے طور پر ابھرے گا۔

شیر ہولڈرز میں منافع کی تقسیم

بورڈ آف ڈائریکٹرز حصص یافتگان کے کل منافع کو زیادہ سے زیادہ کرنے کے لیے پرعزم ہے اور 30 ستمبر 2024 کو ختم ہونے والی تیسری سہ ماہی کے لیے ہر شیئر پر 5 روپے کا عبوری نقد منافع تجویز کرنے پر خوش ہے۔ یہ 19 روپے فی شیئر عبوری نقد منافع کے علاوہ ہے جو 2024 کی دوسری سہ ماہی کے دوران دیا گیا۔ اس طرح تیسری سہ ماہی کا منافع 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے عبوری نقد منافع کو 24 روپے تک لے جائے گا۔

مستقبل کا جائزہ

آئی ایم ایف کی توسیعی فنڈسہولت سے تقویت یافتہ اقتصادی اصلاحات سے پاکستان میں ترقی اور مہنگائی کم ہونے کی توقع ہے۔ توقع ہے کہ حکومت کے معاشی استحکام اور اصلاحاتی پروگرام کی وجہ سے مالی سال 2025 میں نمو بڑھ کر 2.8 فیصد ہو جائے گی جو موجودہ سال 2024 میں 2.4 فیصد ہے۔

اس معاشی بحالی کو سازگار بیرونی ماحول، مستحکم شرح مبادلہ اور مہنگائی میں کمی سے تقویت ملنے کی امید ہے۔ مزید برآں، ایک مناسب مانیٹری پالیسی کا موقف اور سرمایہ کاروں کا اعتماد، پائیدار صنعتی ترقی کو فروغ دینے کے لیے اضافی مدد فراہم کرے گا۔ مالیاتی استحکام کے لیے حکومتی کوششیں مالی حالت کو بہتر بنانے میں معاون ثابت ہوں گی۔ اس کے باوجود، مشرق وسطیٰ کے تنازعات سے پیدا ہونے والے مسلسل جغرافیائی سیاسی چیلنجز کی وجہ سے تجارتی خلل اور تیل کی قیمت بڑھنے کے کافی امکانات موجود ہیں۔

فرٹیلائزرز

فرٹیلائزرز انڈسٹری ملک کی پائیدار زرعی ترقی کے لیے کلیدی حیثیت رکھتی ہے۔ موسم خزاں کی بارشوں اور سیلاب کے سبب کسانوں کی معاشیات بگڑنے سے فرٹیلائزرز کی طلب متاثر ہوئی ہے۔ اس مشکل ماحول میں، انڈسٹری پلیسٹک کے لیے گیس کی قیمتوں میں یکسانیت نہ ہونے کی وجہ سے برنس کو اضافی رکاوٹوں کا سامنا کرنا پڑتا ہے۔ چونکہ معیشت زرعی پیداوار پر بہت زیادہ انحصار کرتی ہے، اس لیے برنس ملک کی ضروریات کو پورا کرنے کے لیے اپنی کوششوں میں پر عزم ہے، جس کی مثال ہمارے جدید UgAi پلیٹ فارم کا تعارف ہے جو پاکستان بھر کے کسانوں کو آسانی سے کھاد حاصل کرنے اور ان کی فصلوں کے لیے AI کے ساتھ ریئل ٹائم تجزیہ فراہم کرتا ہے۔

پیٹروکیمیکل

یہ برنس کنسٹرکشن اور نیگٹائل جیسی بڑی صنعتوں کے لیے ایک اہم فیڈ اسٹاک سپلائی کرتا ہے۔ اس وقت تعمیراتی اور اقتصادی سرگرمیوں میں سست روی کے ساتھ ساتھ اجناس کی کم قیمتوں سے مانگ میں کمی سے اس شعبے کو چیلنجز کا سامنا ہے۔ ہم توقع کرتے ہیں کہ زیادہ سپلائی اور کمزور عالمی طلب کی وجہ سے PVC کی قیمتیں قدرے مندی کا شکار رہیں گی جبکہ شرح سود میں مزید کمی ملنے کی طلب کو بڑھانے میں کردار ادا کر سکتی ہے۔

ٹیلی کمیونیکیشن انفراسٹرکچر

اینگرو انفراسٹرکچر (Enfrashare) کے لیے قلیل مدتی کاروباری نقطہ نظر بہت زیادہ شرح سود اور MNO مارکیٹ کے 4 سے 3 پلیسٹک کی وجہ سے مشکلات کا شکار ہے۔ تاہم، موبائل ڈیٹا کے استعمال اور اعلیٰ معیار کی خدمات کی بڑھتی ہوئی مانگ کے سبب کاروبار کی بنیاد مضبوط ہے، نتیجے میں دستیابی اور معیار کو بڑھانے کے لیے MNOs کی حوصلہ افزائی کی جا رہی ہے۔ اینگرو انفراسٹرکچر آئی ٹی سی (ITC) کے طور پر ترقی کے مواقع کی تلاش کے ذریعے اپنی قائدانہ پوزیشن کو برقرار رکھنے کے لیے پر عزم ہے۔

ٹریٹمنٹ آپریشنز

ایل این جی ٹریٹمنٹ ملک کو درپیش توانائی کی کمی کو ختم کرنے میں مثبت انداز میں اپنا کردار ادا کر رہا ہے۔ اینگرو پینلٹی ٹریٹمنٹ دنیا میں سب سے زیادہ استعمال ہونے والے ٹریٹمنٹز میں سے ایک ہے، جس میں 97 فیصد سے زیادہ دستیابی کا عنصر ہے، جو گیس کی مسلسل فراہمی کو یقینی بنانے میں اپنا کردار ادا کر رہا ہے۔ جیسے جیسے توانائی کی مارکیٹ کی طلب بڑھتی ہے، ہم شیئر ہولڈرز کی قدر بڑھانے کے لیے نئے مواقع تلاش کرنا جاری رکھیں گے۔

اینگرو و وپاک ٹریٹمنٹ کی پاکستان میں بڑی تعداد میں لیکو بیڈ کیمیکلز اور ایل پی جی کی اسٹوریج کی سہولت ملک کے بڑے کیمیکل اور پیٹروکیمیکل مینوفیکچرنگ پلانٹس کو موثر آپریشنز کے قابل بناتی ہے۔ درآمدی پائندوں میں نرمی کے ساتھ، توقع ہے کہ کیمیکل ہینڈلنگ طبقہ گزشتہ سال کے مقابلے بہتر کارکردگی کا مظاہرہ کرے گا، جس سے برنسز کو بلا تھقل آپریشنز کو جاری رکھنے میں مدد ملے گی۔

توانائی

تھرملائزنگ ایٹاٹوں کی فروخت کا عمل جاری ہے جبکہ ریگولیٹری اور قرض دہندگان کی منظوری حاصل کی جا رہی ہے۔

فوڈز

UHT دودھ کی نیگیٹیو پر 18% سیلز ٹیکس کے نفاذ کے باوجود، برنس نے تمام شعبوں میں ترقی حاصل کرتے ہوئے قابل ذکر کارکردگی دکھائی ہے۔ ویلیو چین اور اسٹریٹجک کنزیومر آفرز میں لاگت کی بچت کے سخت اقدامات کے ذریعے، برنس نے کامیابی کے ساتھ اپنے منافع میں اضافہ کیا ہے، جس سے اس کی شاندار صلاحیت واضح ہوتی ہے جو سال کے بقیہ حصے تک جاری رہے گی۔ اس کے ساتھ ہی برنس نے ڈیری سیکٹر کو فروغ دینے کے لیے اسٹیک ہولڈرز کے ساتھ کوششیں جاری رکھیں تاکہ سیلز ٹیکس کے نفاذ سے متعلق لائحہ عمل سے اس شعبے کی ترقی کی راہیں کھولیں جائیں۔ اپنی عالمی مہارت اور 150 سالہ تجربہ سے فائدہ اٹھاتے ہوئے، برنس حفظان صحت، خوراک کی حفاظت اور پائیداری کے اعلیٰ ترین معیار کے لیے پرعزم ہے۔

بین الاقوامی تجارت

ہمارا مقصد اگلے پانچ سالوں میں اینگرو Eximp FZE کو ایک مرکزی کمیونٹی (Commodity) سوسنگ ادارے سے گلوبل ٹریڈنگ ہاؤس میں بدلنا ہے۔ یہ سوچ انٹرنیشنلائزیشن پر زور دینے اور اینگرو کی عالمی رسائی کو بڑھانے کے لیے پروان چڑھائی جا رہی ہے۔ ہم عالمی رسائی کے خواہشمند ہیں اور پورے عالم میں اپنے برانڈ کی موجودگی کے لیے کوشاں ہیں۔

پائیداری

اینگرو کے مختلف برنسز ایک پیچیدہ کاروباری ماحول میں کام کرتے ہیں جس کے لیے کاروباری حکمت عملی اور خطرے کی سطح کا مسلسل جائزہ لینے کی ضرورت ہوتی ہے، ہر کاروبار اس حکمت عملی اور نگرانی کے لیے تیار ہے۔ تشخیص کے اس عمل کو انجام دینے کے لیے، پوری کمپنی میں ذمہ داریاں مناسب طور پر تقویض کی گئی ہیں تاکہ اس بات کو یقینی بنایا جاسکے کہ برنس کی پائیداری کو برقرار رکھا جائے اور اس میں بہتری لائی جائے۔

ہم اس قسم کے رسک مینجمنٹ کو مخصوص بیرونی عوامل اور خطرات کا انتظام کرتے ہوئے شیئر ہولڈرز کی قدر تخلیق کرنے، تحفظ دینے اور بڑھانے کے لیے لازمی سمجھتے ہیں جن سے سماجی اور قدرتی عوامل سمیت پائیدار آپریشنز متاثر ہو سکتے ہیں۔ رسک مینجمنٹ پر مبنی ایک جامع HSE (ہیلتھ سیفٹی اینڈ انوائرنمنٹ) سسٹم موثر نگرانی اور امور کے ذریعے بھرپور توجہ مرکوز رکھتا ہے۔ اس کے ذریعے اینگرو کے پی ای ای آر (پہیل، انوائرنمنٹ، ایسٹس، ریپوٹیشن) کو لاحق ممکنہ خطرات کی شناخت، روک تھام اور تخفیف کے لیے بھرپور امور انجام دیئے جاتے ہیں۔

مستحکم منافع کی تخلیق کے لیے اینگرو کا رپورٹیشن کے کاروباری وژن میں ماحولیاتی ذمہ داری، سماجی اثرات، اور ذمہ دار برنس آپریشنز شامل ہیں، جن کی تفصیل اینگرو کی سسٹین ایبلٹی رپورٹ میں ہے۔

ڈی ای اینڈ آئی (DE&I)

”متنوع افرادی قوت ایک اقتصادی ضرورت“ کے یقین کے ساتھ، ہم مستقبل کے لیے تیار و روک فورس کی تعمیر میں تنوع اور شمولیت کو ایک اہم کاروباری اقدام کے طور پر ترجیح دیتے ہیں۔ افراد سے متعلق ہماری حکمت عملی، اقدامات، اور روزگار کے طریقے بھرپور انداز میں صنفی تنوع کو حل کرتے ہیں، معذور افراد کی مدد کرتے ہیں، اور نسلی تنوع کو اپناتے ہیں۔ بھرتی سے لے کر کوچنگ اور رہنمائی تک، ”بریک کے بعد“، خودی ٹریننگ“ وغیرہ جیسے پروگرام مساوی مواقع، منصفانہ نمائندگی اور ٹیلنٹ کو پیشہ ورانہ طور پر پروان چڑھنے اور اپنی پوری صلاحیت تک پہنچنے کی آزادی کو یقینی بناتے ہیں۔

اظہار تشکر

ڈائریکٹر اپنے شیئر ہولڈرز کا شکریہ ادا کرتے ہیں کہ جنہوں نے ہمیشہ کمپنی پر اپنا اعتماد ظاہر کیا۔ ہم اینگرو فیملی کے ہر رکن کے عزام لگن اور جدید خیالات پیش کرنے پر مشکور و ممنون ہیں اور پر اعتماد ہیں کہ مستقبل میں بھی ایسی کوشش جاری رکھیں گے۔




احسن ظفر سید
پریزیڈنٹ اور سی ای او



حسین داؤد
چیئرمین

+92-21-111-211-211

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