



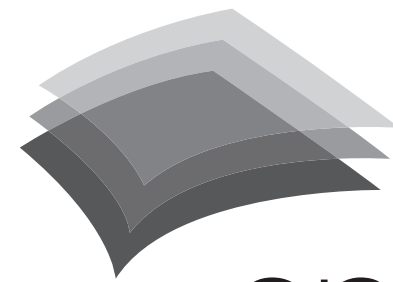
# connecting Pakistan for a better tomorrow

Third Quarter Accounts 2018



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engro corp



## Engro's investments in agriculture, foods, energy and petrochemicals are designed to take advantage of Pakistan's economic needs.

### About Us

Engro Corporation Limited is one of Pakistan's largest conglomerates with the company's business portfolio spanning across sectors including chemical fertilizers, PVC resin, a bulk liquid chemical terminal, foods, power generation and commodity trade. 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 a profitable, growth-oriented and sustainable company, 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 managing 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 and began production 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 spanning across sectors including chemical fertilizers, PVC resin, bulk liquid terminal, LNG terminal, foods processing and power generation.

### Engro Fertilizers Limited

Engro Fertilizers Limited is 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 5 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, Engro DAP and Envyn amongst others.

### Engro Foods Limited

Engro Foods Limited is an 40% owned associated company engaged in the manufacturing, processing and marketing of dairy products, frozen desserts and fruit drinks. 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, cream, desi ghee, lassi and flavored drinks), Omoré (frozen desserts), Tarang (tea whitener) and Dairy Omung (UHT dairy liquid and dessert cream).

### 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, caustic soda, sodium hypochlorite, hydrochloric acid and other chlorine by-products. The business was setup 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 Eximp Agri Products (Private) Limited

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

### 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 whereas the remainder is owned by International Finance Corporation (IFC) and employees.

Engro Energy Limited is also involved in the Thar Coal project. The project envisages a coal mine under Sindh Engro Coal Mining Company (SECMC) and development of

two 330 MW mine mouth power plants under Engro Powergen Thar Limited (EPTL) 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 (BFS) 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. The first phase of the Project is underway, as financial close of both the power and mining projects was achieved during first half 2016.

### 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 customer's facilities.

### Elengy Terminal Pakistan Limited

Elengy Terminal Pakistan Limited (ETPL) is an 80% 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 the first 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 the capacity for regasification of up to 600 mmcf.

# directors' report

The Directors of Engro Corporation Limited are pleased to submit their report along with the condensed interim un-audited financial statements of the Company for the nine-months ended September 30, 2018.

On a consolidated basis, the revenue for 9M 2018 grew by 33% on the back of improved fertilizers and petrochemicals performance and stood at PKR 114,644 million against PKR 86,431 million for 9M 2017. The consolidated Profit-After-Tax (PAT) for 9M 2018 was PKR 17,853 million – up by 53%, while PAT attributable to the shareholders increased to PKR 9,949 million from PKR 6,916 million during comparative period last year. On a standalone basis, the Company posted a PAT of PKR 7,046 million against PKR 6,502 million for the similar period last year, translating into an EPS of PKR 13.45 per share. The Board is pleased to announce 3rd interim cash dividend of PKR 7.00 per share for FY 2018.

In the Extra-Ordinary General Meeting (EGM) held earlier in April 2018, the shareholders approved the subscription towards the right issue by Engro Polymer & Chemicals Ltd, a subsidiary company. During July 2018, the Company subscribed to the right issue aggregating to PKR 3 billion. Also, during July 2018, the Company signed a Share Purchase Agreement with Vopak LNG Holding B.V. for the divestment of up to 29% of share capital of Elengy Terminal Pakistan Ltd against USD 38 million, subject to statutory approvals. The shareholders of the Company approved the divestiture in its EGM held on 25 September 2018.

During the period, Pakistan Credit Rating Agency Limited (PACRA) upgraded the long-term credit rating of the Company to AA+ and maintained the highest short-term rating at A1+. PACRA also upgraded the long-term credit rating of Engro Fertilizers to AA and of Engro Polymer & Chemicals to AA-. Both subsidiaries' short-term rating is maintained at A1+. These credit ratings are a testament to our strong balance sheet and robust performance with consistent dividend payouts.

A brief review of significant business segments is as follows:

## Fertilizers

The business successfully grew its market share for both urea and DAP. Fertilizer business revenues posted a growth of

43% whilst PAT for the 9M period increased to PKR 12,249 million – up by 77% over the comparative period. Higher profitability was led by higher urea and DAP offtake, higher domestic prices on the back of reduced inventory levels, lower financial charges as a result of improved working capital and one-off tax effects arising due to phased reduction in corporate tax rate from 30% to 25%. The fertilizer sector continues to face challenge in the form of prior subsidy receivable and long lead time in its disbursement, and the industry will continue to engage with the government for streamlining subsidy disbursement mechanism and payment of outstanding dues.

## Petrochemicals

The successful debottlenecking project carried out by the business has resulted in the highest-ever PVC production during a 9M period. The business recorded revenue of PKR 25,524 million – a 25% growth over the comparative period. PAT for the 9M 2018 was PKR 3,865 million against PKR 1,947 during 9M 2017. Higher profitability is attributable to strong operational performance and robust domestic market dynamics in both vinyl and caustic soda segments. As notified to the Pakistan Stock Exchange recently, the business plans to venture into Hydrogen Peroxide segment, which would enable it to capitalize on available hydrogen which is derived as a byproduct of existing process and maximize shareholder value.

## Coal Mining and Power Generation

**Qadirpur Power Plant:** The Plant dispatched a Net Electrical Output of 1,156 GWh to the national grid with a load factor of 83% compared to 94% during similar period last year. Decline in load factor was primarily due to gas supplier's compressor issues which resulted in supply disruptions. The business posted a PAT of PKR 1,924 million in 9M 2018 against PKR 1,853 million during the comparative period.

**Thar Coal Mining Project:** Project progress remained ahead of plan with approx. 100 M BCM of overburden having been removed as of September 30, 2018. During June, coal from the first seam of the open-pit mine was extracted from a depth of 140 meters below the surface. Since the beginning of full-scale dewatering operations during April 2017, approx. 39 million cubic meters of water has been discharged till end of last quarter.

**Thar Power Generation Project:** Development on all project fronts continues at a steady pace. Engineering and procurement of the project have almost been completed, while construction is progressing smoothly. Significant progress has also been made in Commissioning and the project is targeting 'first electron flow' from the power plant to the grid by end of 2018. The major highlight of the quarter was successful connection of the power plant with the national grid for the purpose of receiving back-feed required for plant start-up. The achievement of successful back-feed operation entailed laying down of 282km long 500 KV double circuit quad-bundle transmission line from the power plant to Jamshoro.

## Terminal Operations

Profitability of both LNG and chemicals terminals remained challenged for the 9M period. The LNG terminal handled 55 cargoes as compared to 52 cargoes during similar period last year. Due to lower imports, the Chemicals terminal witnessed a volumetric decrease over corresponding period last year.

## Near-Term Outlook

Engro Corporation is committed to working towards delivering on projects, to focus on future investments and to maintain the strength of its balance sheet, while maintaining optimal debt levels.

## Fertilizers

Projected water shortage for the upcoming Rabi season and higher fertilizer prices are expected to adversely impact the fertilizer demand going forward but with the current demand-supply dynamics, no significant change is expected this year. The business continues to expand its footprint in the Agri space by exploring opportunities within the agriculture



Abdul Samad Dawood  
Vice Chairman

sector in Pakistan to improve farmer productivity and to create value for its stakeholders by leveraging its strong position.

## Petrochemicals

Domestic PVC demand is likely to remain steady during 4Q 2018. The business also foresees caustic soda segment to remain stable with modest uptick from textile sector on account of improving export dynamics. The business will continue to focus on operational optimization and remains committed to complete expansion projects safely and on schedule.

## Coal Mining and Power Generation

Engro remains on the forefront to help alleviate the energy crisis in the country. In partnership with the Government, the Thar mining and power projects are expected to remain on track for completion by June 2019. Our Energy business segment continues to explore opportunities in the renewable energy sector.

## Terminal Operations

The LNG terminal is positively playing its role in alleviating some of the energy shortage faced by the country. Chemical industry is expected to remain stable and the terminal looks forward to retaining its market share, along with availing expansion opportunities.

## Acknowledgement

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



Ghias Khan  
President and Chief Executive

condensed interim statement  
of financial position (unaudited)  
as at september 30, 2018

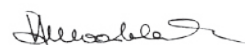
(Amounts in thousand)

	Note	(Unaudited) September 30, 2018	(Audited) December 31, 2017
----- (Rupees) -----			
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	4	565,869	464,128
Intangible assets	5	21,038	8,514
Long term investments	6	24,150,952	21,171,987
Long term loans and advances		50,074	32,425
Deferred taxation		7,629	9,878
		<u>24,795,563</u>	<u>21,686,932</u>
Current assets			
Loans, advances and prepayments	7	331,823	1,234,859
Other Receivables	8	3,774,402	574,159
Accrued interest / mark-up		373,052	456,972
Short term investments	9	62,393,763	63,916,579
Cash and bank balances		312,679	810,916
		<u>67,185,721</u>	<u>66,993,485</u>
Investment classified as 'held for sale'	10	587,751	-
		<u>92,569,035</u>	<u>88,680,417</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY &amp; LIABILITIES</b>			
Equity			
Share capital		5,237,848	5,237,848
Share premium		13,068,232	13,068,232
General reserve		4,429,240	4,429,240
Remeasurement of post employment benefits - Actuarial loss		(12,656)	(12,656)
Unappropriated profit		60,372,725	60,660,171
Total equity		<u>83,095,389</u>	<u>83,382,835</u>
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations		41,183	35,459
Current liabilities			
Trade and other payables		545,538	1,319,426
Provision		3,071,274	2,354,637
Taxes payable		784,656	274,696
Borrowings		997,305	994,841
Accrued interest / mark-up		30,330	64,358
Dividend payable		3,666,494	-
Unclaimed dividends		336,866	254,165
		<u>9,432,463</u>	<u>5,262,123</u>
Total liabilities		<u>9,473,646</u>	<u>5,297,582</u>
Contingencies and Commitments	11		
		<u>92,569,035</u>	<u>88,680,417</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>			

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

condensed interim statement  
of profit or loss and other comprehensive income (unaudited)  
for the nine months ended september 30, 2018

(Amounts in thousand except for earnings per share)

	Note	Quarter ended		Nine months ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
----- Rupees -----					
Dividend income		3,638,835	2,103,280	6,808,450	7,582,320
Royalty income		243,254	186,861	679,893	536,321
		<u>3,882,089</u>	<u>2,290,141</u>	<u>7,488,342</u>	<u>8,118,641</u>
Administrative expenses		(902,501)	(403,541)	(1,416,586)	(909,838)
		<u>2,979,588</u>	<u>1,886,600</u>	<u>6,071,756</u>	<u>7,208,803</u>
Other income	12	1,125,707	1,047,808	3,398,311	3,200,237
Other operating expenses		(913)	(2,530)	(2,488)	(5,510)
Operating profit		<u>4,104,382</u>	<u>2,931,878</u>	<u>9,467,579</u>	<u>10,403,530</u>
Finance cost		(45,969)	(47,116)	(114,979)	(324,471)
Profit before taxation		<u>4,058,414</u>	<u>2,884,762</u>	<u>9,352,600</u>	<u>10,079,059</u>
Taxation	13	(785,196)	(487,614)	(2,307,057)	(3,576,882)
Profit for the period		<u>3,273,217</u>	<u>2,397,148</u>	<u>7,045,542</u>	<u>6,502,177</u>
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		<u>3,273,217</u>	<u>2,397,148</u>	<u>7,045,542</u>	<u>6,502,177</u>
Earnings per share - basic and diluted	14	<u>6.25</u>	<u>4.58</u>	<u>13.45</u>	<u>12.41</u>

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Vice Chairman



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Chief Financial Officer



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President and Chief Executive

condensed interim statement  
of changes in equity (unaudited)  
for the nine months ended september 30, 2018

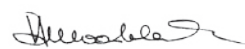
(Amounts in thousand)

	Capital Reserve		Revenue Reserves			Total
	Share capital	Share premium	General reserve	Remeasurement of post employment benefits - Actuarial loss	Unappropriated profit	
	------(Rupees)-----					
Balance as at January 01, 2017 (Audited)	5,237,848	13,068,232	4,429,240	(2,262)	61,307,059	84,040,117
Total comprehensive income for the nine months ended September 30, 2017	-	-	-	-	6,502,177	6,502,177
Transactions with owners						
Final cash dividend for the year ended December 31, 2016 @ Rs. 4.00 per share	-	-	-	-	(2,095,138)	(2,095,138)
First Interim cash dividend for the year ended December 31, 2017 @ Rs. 5.00 per share	-	-	-	-	(2,618,924)	(2,618,924)
Second interim cash dividend for the year ended December 31, 2017 @ Rs.7.00 per share	-	-	-	-	(3,666,495)	(3,666,495)
	-	-	-	-	(8,380,557)	(8,380,557)
Balance as at September 30, 2017 (Unaudited)	5,237,848	13,068,232	4,429,240	(2,262)	59,428,679	82,161,737
Total comprehensive income for the three months ended December 31, 2017	-	-	-	(10,394)	4,897,987	4,887,593
Transactions with owners						
Interim cash dividends for the year ended December 31, 2017: - 3rd interim @ Rs. 7.00 per share	-	-	-	-	(3,666,495)	(3,666,495)
	-	-	-	-	(3,666,495)	(3,666,495)
Balance as at December 31, 2017 (Audited)	5,237,848	13,068,232	4,429,240	(12,656)	60,660,171	83,382,835
Total comprehensive income for the nine months ended September 30, 2018	-	-	-	-	7,045,542	7,045,542
Transactions with owners						
Final cash dividend for the year ended December 31, 2017 @ Rs. 2.00 per share	-	-	-	-	(1,047,570)	(1,047,570)
First Interim cash dividend for the year ending December 31, 2018 @ Rs. 5.00 per share	-	-	-	-	(2,618,924)	(2,618,924)
Second Interim cash dividend for the year ending December 31, 2018 @ Rs. 7.00 per share	-	-	-	-	(3,666,494)	(3,666,494)
	-	-	-	-	(7,332,988)	(7,332,988)
Balance as at September 30, 2018 (Unaudited)	5,237,848	13,068,232	4,429,240	(12,656)	60,372,725	83,095,389

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

condensed interim statement  
of cash flows (unaudited)  
for the nine months ended september 30, 2018

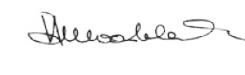
(Amounts in thousand)

	Note	Nine months ended	
		September 30, 2018	September 30, 2017
		------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash utilized in operations	15	(1,922,883)	(2,501,863)
Royalty received		598,233	295,940
Taxes paid		(1,078,211)	(1,440,612)
Retirement and other service benefits paid		(72,405)	(53,313)
Long term loans and advances - net		(17,649)	(6,251)
Net cash utilized in operating activities		(2,492,914)	(3,706,099)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received		3,754,555	5,704,040
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries		3,025,960	2,996,412
Purchase of term finance certificates from subsidiary company		-	(3,560,000)
Investment in shares of subsidiary company		(3,566,716)	-
Loan granted to subsidiary company		-	(600,000)
Repayment of loan by subsidiary companies		896,542	3,560,000
Purchase of Pakistan Investment Bonds and Treasury bills		(6,732,400)	(27,836,088)
Proceeds from sale of Treasury bills		31,600,919	61,272,487
Purchases of property, plant and equipment		(160,667)	(106,442)
Sale proceeds on disposal of property, plant and equipment		484	443
Net cash generated from investing activities		28,818,678	41,430,852
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of financial charges		(146,543)	(534,170)
Repayment against Engro Islamic Rupiya Certificates		-	(3,000,000)
Dividends paid		(3,583,793)	(4,670,358)
Net cash utilized in financing activities		(3,730,336)	(8,204,528)
Net increase in cash and cash equivalents		22,595,428	29,520,225
Cash and cash equivalents at beginning of the period		35,986,713	24,213,198
Cash and cash equivalents at end of the period	16	58,582,141	53,733,423

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



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Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

# notes to the condensed interim financial statements (unaudited) for the nine months ended september 30, 2018

(Amounts in thousand)

## 1. LEGAL STATUS AND OPERATIONS

Engro Corporation Limited (the Company), is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The Company is a subsidiary of Dawood Hercules Corporation Limited (the Parent Company). The principal activity of the Company, is to manage investments in subsidiary companies, associated companies and joint venture, engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, LNG and chemical terminal and storage businesses. The Company's registered office is situated at 7th & 8th floors, The Harbour Front Building, HC # 3, Block 4, Marine Drive, Clifton, Karachi.

## 2. BASIS OF PREPARATION

2.1 These 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 comprises 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; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements represents 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 is presented separately. These condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2017.

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

During the preparation of these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to annual financial statements of the Company for the year ended December 31, 2017.

(Amounts in thousand)

## 3. ACCOUNTING POLICIES

3.1 The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2017.

3.2 There are certain new International Financial Reporting Standards (IFRS), amendments to IFRS and interpretations that are mandatory for the financial year beginning on January 1, 2018. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements. Further, Third and Fourth Schedules to the Companies Act, 2017 will be applicable to the Company for the first time in the preparation of annual financial statements for the year ending December 31, 2018 which have added / amended certain disclosure requirements.

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

(Unaudited) September 30, 2018	(Audited) December 31, 2017
------(Rupees)-----	

## 4. PROPERTY, PLANT AND EQUIPMENT

Operating assets (note 4.1)	154,512	166,742
Capital work in progress (note 4.2)	411,357	297,386
	565,869	464,128

4.1 Additions to operating assets during the period / year amounted to Rs. 27,979 (December 31, 2017: Rs. 112,164). Operating assets costing Rs. 874 (December 31, 2017: Rs. 1,412) having a net book value of Rs. 310 (December 31, 2017: Rs. 984), were disposed off during the period / year for Rs. 484 (December 31, 2017: Rs. 444).

4.2 This mainly represents advance paid to suppliers for purchase of operating assets and internally generated intangible assets.

## 5. INTANGIBLE ASSETS

Additions to intangible assets during the period / year amounted to Rs. 18,741 (December 31, 2017: Nil), which mainly represents investment / development of various software.

## 6. LONG TERM INVESTMENTS

6.1 During the period, the Company has made investments in Engro Infiniti (Private) Limited, a wholly owned subsidiary, through:

- subscription of 100,000 ordinary shares of Rs. 10 each at par;
- subscription of 30,000 ordinary shares of Rs. 10 each at a premium of Rs. 9,990 per share; and
- payment of advance against subscription of 23,140 ordinary shares of Rs. 10 each at a premium of Rs. 9,990 per share, the shares in respect thereof shall be issued after completion of legal formalities.

(Amounts in thousand)

6.2 During the period, Engro Polymer and Chemicals Limited (EPCL), a subsidiary company, offered 37% of its issued, subscribed and paid-up ordinary shares as right shares at Rs. 22 per ordinary share. Last date of acceptance of rights offer by the shareholders was July 23, 2018. The Company fully subscribed to its entitled right shares aggregating to 137,923,461 ordinary shares, amounting to Rs. 3,034,316.

## 7. LOANS, ADVANCES AND PREPAYMENTS

7.1 During the period, subordinated loans extended to Elengy Terminal Pakistan Limited, a subsidiary company, amounting to Rs. 896,542 have been repaid.

## 8. OTHER RECEIVABLES

This includes an amount of Rs. 3,005,248 (December 31, 2017: Nil) and Rs. 408,587 (December 31, 2017: Nil) on account of dividend receivable from subsidiary companies, Engro Fertilizers Limited and Engro Polymer & Chemicals Limited, respectively.

## 9. SHORT TERM INVESTMENTS

Fair value through profit or loss

- Treasury bills

	(Unaudited) September 30, 2018	(Audited) December 31, 2017
	------(Rupees)-----	
- Treasury bills	55,736,962	60,007,819
Held to maturity		
- Fixed income placement	2,532,500	36,500
Available for sale		
- Term Finance Certificates (note 9.1)	4,124,302	3,872,260
	<u>62,393,763</u>	<u>63,916,579</u>

Held to maturity

- Fixed income placement

Available for sale

- Term Finance Certificates (note 9.1)

9.1 Represents privately placed, unsecured and non-convertible zero coupon Term Finance Certificates (TFCs) issued by Engro Energy Limited, a subsidiary company. These TFCs have been issued at a discounted value of Rs. 3,560,000 and have a tenure of one year extendable annually upon mutual consent for upto a maximum period of 24 months. Under the terms of TFCs, the Company is entitled to redeem these TFC's at any time during the term at a price to be computed using an effective interest rate of 8.77% per annum.

## 10. INVESTMENT CLASSIFIED AS 'HELD FOR SALE'

During the period, the Company entered into negotiations with Vopak LNG Holding B.V. (the buyer) with respect to sale of up to 36.25% of the Company's investment in Elengy Terminal Pakistan Limited (ETPL), a subsidiary company. A notification to the effect was also given to Pakistan Stock Exchange Limited on June 29, 2018.

(Amounts in thousand)

On July 19, 2018, the Company executed a Share Purchase Agreement (SPA) with the buyer in respect of the proposed sale against a consideration of US\$ 38,297, which is subject to certain adjustments. Further, the shareholders of the Company in its Extra Ordinary General Meeting, held on September 25, 2018, have unanimously approved the disposal of up to 36.25% of the Company's shareholding in ETPL. Accordingly, 36.25% of the Company's investment in ETPL representing 58,775,127 ordinary shares of Rs. 10 each, has been classified as held for sale.

## 11. CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments reported in the annual financial statements for the year ended December 31, 2017 are as follows:

### 11.1 Contingencies

- Subsequent to equity injections / submission of Equity Stand by Letter of Credit (SBLCs) by sponsors the amount of Equity SBLCs, as explained in note 16.1.3 of the annual financial statements for the year ended December 31, 2017, have been reduced during the period to USD 12,599 (December 31, 2017: USD 14,027) and USD 26,509 (December 31, 2017: USD 36,619) (in PKR equivalent) in respect of Sindh Engro Coal Mining Company Limited and Engro Powergen Thar (Private) Limited, respectively.
- In respect of Engro Elengy Terminal (Private) Limited, a subsidiary company, the Company had issued Corporate and Performance guarantees amounting to USD 20,700 and USD 10,000, respectively. These guarantees were secured against the shares of Engro Fertilizers Limited and Engro Foods Limited. During the period, these securities have been replaced by Treasury Bills. Further, the Company pledged Treasury Bills against SBLC of USD 5,000 during the period.
- During the period, the Company has pledged Treasury Bills against funded and non-funded facilities of Engro Fertilizers Limited, Engro Powergen Qadirpur Limited, Engro Polymer & Chemicals Limited and Engro Vopak Terminal Limited amounting to Rs. 5,300,000, Rs. 1,500,000, Rs. 1,360,000 and Rs 150,000, respectively.

### 11.2 Commitments

Commitments in respect of capital expenditure

	(Unaudited) September 30, 2018	(Audited) December 31, 2017
	------(Rupees)-----	
Commitments in respect of capital expenditure	139,133	146,732

## 12. OTHER INCOME

During 2016, Supreme Court of Pakistan issued a judgement dated November 11, 2016, as a result of which changes made through the Finance Acts of 2006 and 2008 in the Workers' Welfare Ordinance, 1971 were held to be ultra-vires to the Constitution. In this respect, till December 2014, the Company had accrued for Workers' Welfare Fund (WWF) charge based on the amendments brought through Finance Act 2008, however, no payments were made thereagainst. Subsequently, a civil review petition against the aforementioned judgement has been filed by the taxation authorities which has been dismissed during the period.

In light of above and based on the advice of legal advisor provision for WWF amounting to Rs. 204,229 has been reversed during the period.



(Amounts in thousand)

	Quarter ended		Nine months ended	
	September 30, 2018	September 30 2017	September 30, 2018	September 30, 2017
-----Rupees-----				
13. TAXATION				
Current				
- for the period (note 13.1)	782,766	491,157	1,791,951	1,580,249
- for prior years (note 13.1)	-	-	512,857	1,998,840
	<u>782,766</u>	<u>491,157</u>	<u>2,304,808</u>	<u>3,579,089</u>
Deferred				
	2,430	(3,543)	2,249	(2,207)
	<u>785,196</u>	<u>487,614</u>	<u>2,307,057</u>	<u>3,576,882</u>

13.1 Includes provision for 'Super Tax for rehabilitation of temporarily displaced persons', levied through Finance Act, 2018 on the income for the financial year ending December 31, 2018 and retrospectively on the income for the financial year ended December 31, 2017. The Company intends to challenge the levy of this tax in the High Court of Sindh and obtain a stay in this respect, as done in the past against similar tax levied through Finance Act, 2017. The Company, based on the opinion of its legal advisor, believes that there is a reasonable case in this respect in the Company's favour. However, based on prudence, the Company has made provision for Super Tax in these condensed interim financial statements.

#### 14. EARNINGS PER SHARE

	Quarter ended		Nine months ended	
	September 30, 2018	September 30 2017	September 30, 2018	September 30, 2017
-----Rupees-----				
There is no dilutive effect on the basic earnings per share of the Company, which is based on the following:				
Profit for the period	<u>3,273,217</u>	<u>2,397,148</u>	<u>7,045,542</u>	<u>6,502,177</u>
----- (Number of shares) -----				
Weighted average number of ordinary shares (in thousand)	<u>523,785</u>	<u>523,785</u>	<u>523,785</u>	<u>523,785</u>

(Amounts in thousand)

	Nine months ended	
	September 30, 2018	September 30, 2017
----- (Rupees) -----		
15. CASH UTILIZED IN OPERATIONS		
Profit before taxation	9,352,600	10,079,059
Adjustment for non-cash charges and other items:		
Depreciation	39,874	26,963
Amortization	6,217	3,085
Gain on disposal of property, plant and equipment	(174)	(34)
Provision for retirement and other service benefits	78,128	58,121
Income on deposits / other financial assets	(3,194,082)	(3,200,203)
Reversal of provision of Workers Welfare Fund	(204,229)	-
Dividend income	(6,808,450)	(7,582,320)
Royalty income	(679,893)	(536,321)
Financial charges	114,979	324,471
Working capital changes (note 15.1)	(627,854)	(1,674,684)
	<u>(1,922,883)</u>	<u>(2,501,863)</u>
15.1 Working capital changes		
(Increase) / Decrease in current assets		
- Loans, advances, deposits and prepayments	6,494	(58,040)
- Other receivables (net)	(64,689)	(52,473)
	<u>(58,195)</u>	<u>(110,513)</u>
Decrease in current liabilities		
- Trade and other payables including other service benefits (net)	(569,659)	(1,564,173)
	<u>(627,854)</u>	<u>(1,674,685)</u>
16. CASH AND CASH EQUIVALENTS		
Short term investments	58,269,462	53,525,673
Cash and bank balances	312,679	207,750
	<u>58,582,141</u>	<u>53,733,423</u>

(Amounts in thousand)

## 17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 17.1 Financial risk factors

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

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

### 17.2 Fair value estimation

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

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

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

	Level 1	Level 2	Level 3	Total
	------(Rupees)-----			
Assets				
Financial assets at fair value through profit or loss				
- Treasury Bills / Pakistan Investment Bonds	-	55,736,962	-	55,736,962
Available for sale				
- Term Finance Certificates	-	4,124,302	-	4,124,302

Level 2 fair valued instruments have been valued using discounted cash flow model.

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

(Amounts in thousand)

## 18. TRANSACTIONS WITH RELATED PARTIES

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

	Nine months ended	
	September 30, 2018	September 30, 2017
	------(Rupees)-----	
<b>Parent Company</b>		
Dividend paid	2,524,895	2,695,496
Reimbursements of expenses	12,214	752
<b>Subsidiary companies</b>		
Purchases and services	752,025	413,079
Mark-up from subsidiaries	17,334	261,406
Disbursement of loan to subsidiary	-	600,000
Repayment of loan by subsidiaries	896,542	3,560,000
Investment in term finance certificates of subsidiary company	-	3,560,000
Unwinding of discount on term finance certificates	252,042	231,717
Dividend received	5,966,019	3,756,560
Royalty income	679,893	536,322
Reimbursements	362,734	305,221
Investment made in subsidiary	532,400	-
<b>Associated companies</b>		
Purchases and services	306,899	187,125
Dividend received	122,430	3,060,759
Contribution for Corporate Social Responsibility	12,000	44,000
Reimbursements	24,423	23,956
Dividend paid	468,460	469,148
<b>Joint venture</b>		
Services rendered	37,561	5,932
Dividend received	720,000	765,000
Reimbursements	9,010	4,375
<b>Others</b>		
Remuneration of key management personnel	247,350	193,952
Reimbursements to key management personnel	16,211	12,342
Profit on Engro Islamic Rupiya Certificates	18,118	38,612
Contribution to staff retirement benefit funds	61,011	40,883
Dividend paid	97,202	99,097
Directors' Fee	85,589	31,873
Directors' Emoluments	310,500	-

(Amounts in thousand)

## 19. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

- 19.1 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on October 11, 2018 has declared dividend of Rs. 6 per share for the year ending December 31, 2018. These condensed interim financial statements do not reflect the dividend receivable.
- 19.2 The Board of Directors of Engro Fertilizers Limited in its meeting held on October 18, 2018 has declared an interim cash dividend of Rs. 4 per share for the year ending December 31, 2018. These condensed interim financial statements do not reflect the dividend receivable.
- 19.3 The Board of Directors of the Company in its meeting held on October 19, 2018 has approved an interim cash dividend of Rs. 7 per share for the year ending December 31, 2018. These condensed interim financial statements do not reflect the dividend payable.

## 20. CORRESPONDING FIGURES

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

## 21. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 19, 2018 by the Board of Directors of the Company.



**consolidated condensed  
interim financial information.**

Abdul Samad Dawood  
Vice Chairman

Hasnain Moochhala  
Chief Financial Officer

Ghias Khan  
President and Chief Executive

## consolidated condensed interim statement of financial position as at september 30, 2018

(Amounts in thousand)


	Note	(Unaudited) September 30, 2018	(Audited) December 31, 2017
------(Rupees)-----			
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	5	186,300,790	157,355,119
Intangible assets		265,731	252,852
Long term investments	6	31,889,423	32,195,681
Deferred taxation		10,260	23,765
Long term loans, advances, deposits and other receivables		4,939,269	6,809,735
		223,405,473	196,637,152
Current assets			
Stores, spares and loose tools		7,914,527	7,638,801
Stock-in-trade		25,539,116	13,065,877
Trade debts		15,086,438	13,641,538
Loans, advances, deposits and prepayments		4,062,536	2,012,582
Other receivables		10,710,968	10,899,951
Accrued income		452,425	528,242
Taxes recoverable		-	92,881
Short term investments		70,759,176	69,878,637
Cash and bank balances		14,894,565	9,557,587
		149,419,751	127,316,096
<b>TOTAL ASSETS</b>		<b>372,825,224</b>	<b>323,953,248</b>

## consolidated condensed interim statement of financial position as at september 30, 2018


(Amounts in thousand)

	Note	(Unaudited) September 30, 2018	(Audited) December 31, 2017
------(Rupees)-----			
<b>EQUITY &amp; LIABILITIES</b>			
Equity			
Share capital		5,237,848	5,237,848
Share premium		13,068,232	13,068,232
Revaluation reserve on business combination		25,633	33,284
Maintenance reserve		156,301	156,301
Exchange revaluation reserve		247,183	82,112
Hedging reserve		(24,817)	(68,921)
General reserve		4,429,240	4,429,240
Unappropriated profit		111,337,697	108,586,694
Remeasurement of post-employment benefits		(73,613)	(69,056)
		129,165,856	126,217,886
		134,403,704	131,455,734
Non-Controlling Interest	7	46,854,723	39,618,743
		181,258,427	171,074,477
Total Equity			
Liabilities			
Non-Current liabilities			
Borrowings	8	106,929,102	78,350,858
Deferred taxation		8,364,535	10,589,936
Retirement and other service benefit obligations		167,085	224,263
		115,460,722	89,165,057
Current Liabilities			
Trade and other payables		42,187,528	36,216,878
Provisions		4,222,812	2,354,637
Accrued interest / mark-up		3,205,647	1,461,114
Current portion of:			
- borrowings		8,657,753	12,392,265
-retirement and other service benefit obligations		104,155	103,235
Deferred taxation		145,577	92,779
Taxes payable		4,085,612	-
Short term borrowings	9	6,637,695	10,085,382
Dividend payable		6,133,471	670,088
Unclaimed dividends		725,825	337,336
		76,106,075	63,713,714
Total Liabilities		191,566,797	152,878,771
Contingencies and Commitments	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>372,825,224</b>	<b>323,953,248</b>

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

  
Abdul Samad Dawood  
Vice Chairman

  
Hasnain Moochhala  
Chief Financial Officer


  
Ghias Khan  
President and Chief Executive

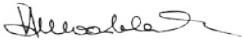
consolidated condensed interim  
statement of profit or loss (unaudited)  
for the nine months ended september 30, 2018

(Amounts in thousand except for earnings per share)

Note	Quarter ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	-----Rupees-----			
Net revenue	42,910,678	34,189,934	114,643,755	86,431,266
Cost of revenue	(29,274,937)	(24,916,999)	(79,183,277)	(62,483,033)
Gross profit	13,635,741	9,272,935	35,460,478	23,948,233
Selling and distribution expenses	(2,054,045)	(1,832,009)	(5,618,405)	(5,295,825)
Administrative expenses	(1,693,792)	(997,886)	(3,473,863)	(2,644,726)
	9,887,904	6,443,040	26,368,210	16,007,682
Other income	11 1,455,989	2,013,117	6,427,608	7,630,991
Other operating expenses	(472,733)	(543,137)	(2,732,782)	(1,299,827)
Finance cost	(1,203,719)	(1,047,192)	(3,647,871)	(3,627,033)
Share of (loss) / income from joint ventures and associates	305,233	445,813	(196,372)	1,127,081
Profit for the period before taxation	9,972,674	7,311,641	26,218,793	19,838,894
Taxation	12 (3,174,313)	(2,383,332)	(8,365,511)	(8,193,293)
Profit for the period	6,798,361	4,928,309	17,853,282	11,645,601
Profit for the period attributable to:				
- Owners of the Holding Company	3,857,365	3,138,801	9,948,782	6,915,921
- Non-controlling interest	2,940,996	1,789,508	7,904,500	4,729,680
	6,798,361	4,928,309	17,853,282	11,645,601
Earnings per share - basic and diluted	13 7.36	5.99	18.99	13.20

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

  
Abdul Samad Dawood  
Vice Chairman

  
Hasnain Moochhala  
Chief Financial Officer


  
Ghias Khan  
President and Chief Executive

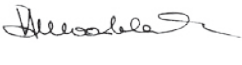
consolidated condensed interim  
statement of comprehensive income (unaudited)  
for the nine months ended september 30, 2018


(Amounts in thousand)

Note	Quarter ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	-----Rupees-----			
Profit for the period	6,798,361	4,928,309	17,853,282	11,645,601
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Hedging reserve - cash flow hedges				
Profit / (Loss) arising during the period	-	(713)	64,679	(11,620)
Reclassification adjustments for loss / (profit) included in profit or loss	(221)	988	(653)	4,991
Adjustments for amounts transferred to initial carrying amount of hedged items	-	-	-	10,886
	(221)	275	64,026	4,257
Revaluation reserve on business combination	(5,252)	(5,252)	(15,753)	(15,753)
Exchange differences on translation of foreign operations	58,381	10,526	235,339	11,401
	52,908	5,549	283,612	(95)
Income tax relating to:				
- Hedging reserve - cash flow hedges	-	-	-	(632)
- Revaluation reserve on business combination	1,681	1,681	5,041	5,041
	1,681	1,681	5,041	4,409
Items that will not be reclassified to profit or loss				
Deferred tax charge relating to revaluation of equity related items - share issuance cost	-	-	(1,651)	-
Other comprehensive income / (loss) for the period, net of tax	54,589	7,230	287,002	4,314
Total comprehensive income for the period	6,852,950	4,935,539	18,140,284	11,649,915
Total comprehensive income attributable to:				
- Owners of the Holding Company	3,898,739	3,101,268	10,149,378	6,876,278
- Non-controlling interest	2,954,211	1,834,271	7,990,906	4,773,637
	6,852,950	4,935,539	18,140,284	11,649,915

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

  
Abdul Samad Dawood  
Vice Chairman

  
Hasnain Moochhala  
Chief Financial Officer

  
Ghias Khan  
President and Chief Executive

consolidated condensed interim  
statement of changes in equity (unaudited)  
for the nine months ended september 30, 2018

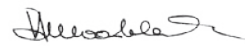
(Amounts in thousand)

	Attributable to owners of the Holding Company											Total
	Capital reserves					Revenue reserves					Sub total	
	Share capital	Share premium	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Un-appropriated profit	Remeasurement of post employment benefits - Actuarial (loss)			
	-----Rupees-----											
Balance as at January 1, 2017 (audited)	5,237,848	13,068,232	43,486	156,301	15,767	(83,397)	4,429,240	111,008,100	(38,154)	133,837,423	35,253,333	169,090,756
Total comprehensive income / (loss) for the nine months ended September 30, 2017 (unaudited)	-	-	-	-	-	-	-	6,915,921	-	6,915,921	4,729,680	11,645,601
Profit for the period	-	-	-	-	-	-	-	6,915,921	-	6,915,921	4,729,680	11,645,601
Other comprehensive income / (loss)	-	-	(7,652)	-	7,999	2,310	-	-	-	2,357	1,957	4,314
Transactions with owners	-	-	(7,652)	-	7,999	2,310	-	6,915,921	-	6,918,278	4,731,637	11,649,915
Share issued to IFC by subsidiary company	-	-	-	-	-	-	-	221,601	-	221,601	74,792	296,393
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	(3,247,380)	(3,247,380)
Shares issued during the period and shares issuance cost accounted for as a deduction from equity	-	-	-	-	-	-	-	(2,878)	-	(2,878)	563,023	560,145
Preference shares issued to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	499,510	499,510
Final cash dividend for the year ended December 31, 2016 @ Rs.4.00 per share	-	-	-	-	-	-	-	(2,095,140)	-	(2,095,140)	-	(2,095,140)
First interim cash dividend for the year ended December 31, 2017 @ Rs.5.00 per share	-	-	-	-	-	-	-	(2,618,925)	-	(2,618,925)	-	(2,618,925)
Second interim cash dividend for the year ended December 31, 2017 @ Rs.7.00 per share	-	-	-	-	-	-	-	(3,666,494)	-	(3,666,494)	-	(3,666,494)
Balance as at September 30, 2017 (Unaudited)	5,237,848	13,068,232	35,834	156,301	23,466	(81,087)	4,429,240	109,762,185	(38,154)	132,593,865	37,874,915	170,468,780
Total comprehensive income / (loss) for the nine months ended December 31, 2017	-	-	-	-	-	-	-	2,491,164	-	2,491,164	2,152,982	4,644,146
Profit for the period	-	-	-	-	-	-	-	2,491,164	-	2,491,164	2,152,982	4,644,146
Other comprehensive income / (loss)	-	-	(2,550)	-	88,646	12,166	-	(161)	(30,902)	37,199	32,427	69,626
Transactions with owners	-	-	(2,550)	-	88,646	12,166	-	2,491,003	(30,902)	2,528,363	2,185,409	4,713,772
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	(2,552,847)	(2,552,847)
Advance received against issue of share capital	-	-	-	-	-	-	-	-	-	-	2,111,264	2,111,264
Third interim cash dividend for the year ended December 31, 2017 @ Rs.7.00 per share	-	-	-	-	-	-	-	(3,666,494)	-	(3,666,494)	-	(3,666,494)
Shares issued during the period and shares issuance cost accounted for as a deduction from equity	-	-	-	-	-	-	-	(3,666,494)	-	(3,666,494)	(441,581)	(4,108,075)
Balance as at December 31, 2017 (Audited)	5,237,848	13,068,232	33,284	156,301	82,112	(68,921)	4,429,240	108,586,694	(69,056)	131,455,734	39,618,743	171,074,477
Total comprehensive income / (loss) for the nine months ended September 30, 2018 (Unaudited)	-	-	-	-	-	-	-	9,948,782	-	9,948,782	7,904,500	17,853,282
Profit for the period	-	-	-	-	-	-	-	9,948,782	-	9,948,782	7,904,500	17,853,282
Other comprehensive income / (loss)	-	-	(7,651)	-	165,071	44,104	-	(928)	-	200,596	86,406	287,002
Transactions with owners	-	-	(7,651)	-	165,071	44,104	-	9,947,854	-	10,149,378	7,990,906	18,140,284
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	(4,941,242)	(4,941,242)
Advance against issue of share capital	-	-	-	-	-	-	-	-	-	-	2,017,964	2,017,964
Effect of Issuance of Rights Shares of Subsidiary Company	-	-	-	-	-	-	-	142,560	-	142,560	2,188,593	2,331,153
Reclassification of actuarial gain on withdrawal / curtailment of gratuity scheme	-	-	-	-	-	-	-	4,557	(4,557)	-	-	-
Share issuance cost	-	-	-	-	-	-	-	(10,980)	-	(10,980)	(20,241)	(31,221)
Final cash dividend for the year ended December 31, 2017 @ Rs. 2.00 per share	-	-	-	-	-	-	-	(1,047,570)	-	(1,047,570)	-	(1,047,570)
First interim cash dividend for the year ending December 31, 2018 @ Rs.5.00 per share	-	-	-	-	-	-	-	(2,618,924)	-	(2,618,924)	-	(2,618,924)
Second interim cash dividends @ Rs.7.00 per share for the year ending December 31, 2018	-	-	-	-	-	-	-	(3,666,494)	-	(3,666,494)	-	(3,666,494)
Balance as at September 30, 2018 (Unaudited)	5,237,848	13,068,232	25,633	156,301	247,183	(24,817)	4,429,240	111,337,697	(73,613)	134,403,704	46,854,723	181,258,427

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



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

consolidated condensed interim  
statement of cash flows (unaudited)  
for the nine months ended september 30, 2018

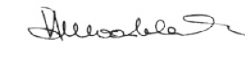
(Amounts in thousand)

Note	Nine months ended	
	September 30, 2018	September 30, 2017
	------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	25,100,820	17,073,449
Retirement and other service benefits paid	(167,776)	(146,152)
Finance cost paid	(4,894,478)	(4,103,638)
Taxes paid	(6,270,824)	(4,052,376)
Long term loans and advances - net	(69,348)	(16,517)
Net cash generated from operating activities	13,698,394	8,754,766
Cash flows from investing activities		
Purchase of property, plant and equipment (PPE)	(25,574,516)	(15,531,205)
Proceeds from sale of Treasury bills - net	25,472,019	32,367,982
Proceeds from disposal of property, plant and equipment	20,741	28,900
Income on deposits / other financial assets	3,801,562	2,878,320
Investments made during the period	(180,746)	(144,838)
Dividends received	842,430	3,825,760
Net cash generated from investing activities	4,381,490	23,424,919
Cash flows from financing activities		
Proceeds from borrowings - net	20,082,692	7,669,354
Repayments of short term borrowings - net	-	(1,100,000)
Proceeds from issuance of shares - net	3,816,717	1,067,874
Share issuance costs	(31,220)	(8,217)
Repayment against Engro Islamic Rupiya Certificates	-	(3,000,000)
Dividends paid	(6,810,847)	(6,457,766)
Net cash generated from / (utilized in) financing activities	17,057,342	(1,828,755)
Net increase in cash and cash equivalents	35,137,226	30,350,930
Cash and cash equivalents at beginning of the period	43,876,320	28,479,540
Cash and cash equivalents at end of the period	79,013,546	58,830,470

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



Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive

# notes to the consolidated condensed interim financial statements (unaudited) for the nine months ended september 30, 2018

(Amounts in thousand)

## 1. LEGAL STATUS AND OPERATIONS

1.1 Engro Corporation Limited (the Holding Company), is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The Holding Company is a subsidiary of Dawood Hercules Corporation Limited (the Parent Company). The principal activity of the Holding Company, is to manage investments in subsidiary companies, associated companies and joint venture, engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, LNG and chemical terminal and storage businesses. The Holding Company's registered office is situated at 7th and 8th floors, The Harbour Front Building, HC # 3, Block 4, Marine Drive, Clifton, Karachi.

1.2 The "Group" consists of:

Holding Company - Engro Corporation Limited

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

	%age of direct holding	
	September 30, 2018	December 31, 2017
- Engro Energy Limited (note 1.2.1)	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Infiniti (Private) Limited (note 1.2.2)	100	100
- Elengy Terminal Pakistan Limited (note 1.2.3)	80	80
- Engro Fertilizers Limited	56.27	56.27
- Engro Polymer and Chemicals Limited (note 1.2.4)	56.19	56.19
Joint Venture Company:		
- Engro Vopak Terminal Limited	50	50
Associated Company:		
- Engro Foods Limited	39.9	39.9

1.2.1 Engro Energy Limited (EEL)

During the period:

- Engro Energy Services (Private) Limited (EESL) has been incorporated as a wholly owned subsidiary of EEL; and
- EEL entered into a Joint Venture Agreement (JVA), dated May 04, 2018 with Siddiqsons Limited (SL) and Arif Habib Equity (Private) Limited (AHEPL) for the joint development of approximately 330 MW coal-fired power generation facility in Thar Coal Block - II, District Tharparkar, Sindh through a joint venture company, i.e. Siddiqsons Energy Limited (SEL). The JVA became effective from May 26, 2018 as per the terms of which EESL, AHEPL and SL were initially required to have shareholding proportions equal to 19%, 19% and 62%, respectively, in their capacity as the subscribing members of SEL. Accordingly, EEL has advanced an amount of Rs. 262,676 against the issuance of 26,267,639 ordinary shares constituting the required 19% of the share capital of SEL to be allotted to EEL. Ordinary shares thereagainst have been issued during the period.

(Amounts in thousand)

1.2.2 Engro Infiniti (Private) Limited (EIPL)

During the period, the Holding Company has made investments in Engro Infiniti (Private) Limited, a wholly owned subsidiary, through:

- subscription of 100,000 ordinary shares of Rs. 10 each at par;
- subscription of 30,000 ordinary shares of Rs. 10 each at a premium of Rs. 9,990 per share; and
- payment of advance against subscription of 23,140 ordinary shares of Rs. 10 each at a premium of Rs. 9,990 per share, the shares in respect thereof shall be issued after completion of legal formalities.

1.2.3 Elengy Terminal Pakistan Limited (ETPL)

During the period, the Holding Company entered into negotiations with Vopak LNG Holding B.V. (the buyer) with respect to sale of up to 36.25% of the Holding Company's investment in Elengy Terminal Pakistan Limited (ETPL), a subsidiary company. A notification to the effect was also given to Pakistan Stock Exchange Limited on June 29, 2018.

On July 19, 2018, the Holding Company executed a Share Purchase Agreement (SPA) with the buyer in respect of the proposed sale against a consideration of US\$ 38,297, which is subject to certain adjustments. The shareholders of the Holding Company in its Extra Ordinary General Meeting, held on September 25, 2018, have unanimously approved the disposal of up to 36.25% of the Holding Company's shareholding in ETPL.

1.2.4 Engro Polymer and Chemicals Limited (EPCL)

During the period, Engro Polymer and Chemicals Limited (EPCL) offered 37% of its issued, subscribed and paid up ordinary shares as right shares at Rs. 22 per ordinary share. Last date of acceptance of rights offer by the shareholders was July 23, 2018. The Holding Company fully subscribed to its entitled right shares aggregating to 137,923,461 ordinary shares, amounting to Rs. 3,034,316.

## 2. BASIS FOR PREPARATION

2.1 These consolidated condensed interim financial statements are unaudited and 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 comprises of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

(Amounts in thousand)

2.2 The preparation of these consolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the consolidated financial statements of the Group for the year ended December 31, 2017, except for the matter explained in note 6.2.

### 3. BASIS OF CONSOLIDATION

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

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

3.3 The Group's interest in jointly controlled and associated entities, i.e. Engro Vopak Terminal Limited (EVTL), Sindh Engro Coal Mining Company Limited, GEL Utility Limited, Siddiqsons Energy Limited and Engro Foods Limited has been accounted for using the equity method.

3.4 The consolidated condensed interim financial statements are presented in Pakistan Rupees, which is the Holding Company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income, except where such gains and losses are directly attributable to the acquisition, construction or production of a qualifying asset, in which case, such gains and losses are capitalized as part of the cost of that asset.

### 4. ACCOUNTING POLICIES

4.1 The significant accounting policies adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of audited annual consolidated financial statements of the Group for the year ended December 31, 2017.

4.2 There are certain new International Financial Reporting Standards (IFRS) and amendments and interpretations to published IFRS that are mandatory for the financial year beginning on January 1, 2018. These are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations and are, therefore, not disclosed in these consolidated condensed interim financial statements.

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

(Amounts in thousand)

### 5. PROPERTY, PLANT AND EQUIPMENT

Operating assets, at net book value (notes 5.1 and 5.2)  
Capital work in progress - Expansion and other projects (notes 5.3 and 5.4)  
Capital spares and standby equipment

(Unaudited) September 30, 2018	(Audited) December 31, 2017
------(Rupees)-----	

100,715,575	102,952,156
83,917,233	52,994,469
1,667,982	1,408,494
<u>186,300,790</u>	<u>157,355,119</u>

5.1 Following additions, including transfers from capital work in progress, were made to operating assets during the period / year:

Freehold land	-	6,200
Leasehold land	26,938	-
Building and civil works including pipelines	63,558	216,218
Plant and machinery including capitalization of exchange loss	3,081,977	3,638,189
Catalyst	213,900	8,978
Furniture, fixture and equipment	226,813	339,367
Jetty	5,400	-
Vehicles	135,211	178,171
	<u>3,753,797</u>	<u>4,387,123</u>

5.2 During the period, assets costing Rs.57,611 (December 31, 2017: Rs. 899,452), having net book value of Rs. 11,906 (December 31, 2017: Rs. 39,961) were disposed-off for Rs. 20,740 (December 31, 2017: Rs. 743,014).

(Unaudited) September 30, 2018	(Audited) December 31, 2017
------(Rupees)-----	

5.3 Capital work in progress - Expansion and other projects

Balance at beginning of the period / year	52,994,469	23,789,784
Additions during the period / year	34,820,166	33,359,378
Transferred to:		
- operating assets	(3,837,859)	(4,052,759)
- intangible assets	(59,543)	(81,616)
- capital spares	-	(20,318)
Balance at end of the period / year	<u>83,917,233</u>	<u>52,994,469</u>

5.4 Includes capital work-in-progress of Engro Energy Limited and its subsidiary, Engro Powergen Thar (Private) Limited (EPTL) amounting to Rs. 76,440,208 (December 31, 2017: Rs. 48,326,561) which represents directly attributable expense for the development, construction and operation of 2 x 330 MW mine mouth coal fired power plants being established at Thar Coal Block II.



(Amounts in thousand)

## 6. LONG TERM INVESTMENTS

Balance at beginning of the period / year

Add:

- Investment in associates (note 6.1)
- Advance against issue of share capital (note 1.2.1)
- Exchange gain on revaluation of foreign investment
- Share of (loss) / profit for the period / year (note 6.2)

Less: Dividend received during the period / year (note 6.3)

Balance at end of the period / year

	(Unaudited) September 30, 2018	(Audited) December 31, 2017
	32,195,681	34,700,708
	262,676	144,839
	450,270	154,818
	19,598	7,980
	(196,372)	1,463,095
	(842,430)	(4,275,759)
	<u>31,889,423</u>	<u>32,195,681</u>

6.1 This represents investment made during the period by EEL in Sindh Engro Coal Mining Company Limited.

6.2 Cases for the tax year 2003 to tax year 2011 of Engro Vopak Terminal Limited (EVTL) to determine as to whether the income of EVTL is liable to be taxed under the Normal Tax Regime (NTR) or the Final Tax Regime (FTR) are pending in the Honorable Supreme Court (HSC) and the Sindh High Court (SHC). During the period, on the basis of prudence, the Holding Company has recognized its share of provision for potential additional tax liability for tax years 2003 to 2018 that EVTL might have to settle if the pending cases are decided against EVTL.

6.3 During the period, the Holding Company received dividends from Engro Foods Limited and Engro Vopak Terminal Limited amounting to Rs. 122,430 and Rs. 720,000 respectively.

## 7. NON - CONTROLLING INTEREST

Engro Powergen Thar (Private) Limited (EPTL), a subsidiary of EEL, has issued 99,000,000 fully paid preference shares of Rs. 10 each as fully paid right shares during the period. These preference shares are cumulative, non-redeemable, non-convertible, non-participatory, non-voting and carry dividend at the rate of 11% US Dollars internal rate of return. These preference shares have been classified in equity as per the requirements of the Companies Act, 2017.

Under the Articles of Association of EPTL, the dividend in respect of preference shares shall be paid, only if in any half financial year:

- EPTL has made a profit after tax;
- any and all losses incurred by EPTL have been fully recouped; and
- the Board of Directors has made a good faith determination setting aside out of the available profits for distribution, a sum for EPTL's investment and other cash needs over the next two financial half-years.

In addition, there would be no payment of dividend before the commencement of commercial operations. As per the arrangement with the preference shareholder, coupon rate will be determined after Commercial Operation Date such that the preference shareholder gets 11% IRR in US Dollar terms over the term of investment. If no adjustment is made in preference shares coupon and 11% annual return is assumed on preference shares from the date of investment, the cumulative dividend on preference shares as at September 30, 2018 amounts to Rs. 1,950,862 (December 31, 2017: Rs. 1,076,912) which has not been recognized in these consolidated condensed interim financial statements.

(Amounts in thousand)

- During the period, EPTL received Rs. 3,096,027 from sponsors in respect of advance against issue of shares. Shares in respect of this amount will be issued after completion of requisites formalities.

## 8. BORROWINGS

8.1 Engro Fertilizers Limited (EFERT)

During the period, EFERT, a subsidiary company, fully repaid its long term loans from various banks amounting to Rs. 6,666,667 and obtained a loan from MCB Bank Limited amounting to Rs. 3,000,000.

8.2 Engro Polymer and Chemicals Limited (EPCL)

During the period, EPCL, a subsidiary company, fully repaid its long term loans from Faysal Bank Limited amounting to Rs. 1,250,000.

8.3 Engro Powergen Thar (Private) Limited (EPTL)

8.3.1 As at September 30, 2018, under the USD Facility Agreement with foreign banks, EPTL has made draw down of USD 463,168 (December 31, 2017: USD 324,516), while the undrawn amount is USD 157,832 (December 31, 2017: USD 296,484).

8.3.2 As at September 30, 2018, EPTL has made the total draw down in respect of its local currency long term financing facilities amounts to Rs. 18,846,598 (December 31, 2017: Rs. 7,157,099) while the undrawn amounts are equal to Rs. 5,303,402 (December 31, 2017: Rs. 16,992,900).

8.4 Elengy Terminal Pakistan Limited (ETPL)

The principal amounts for repayment at September 30, 2018 for foreign currency denominated loans obtained by ETPL, a subsidiary company, are USD 13,250 (December 31, 2017: USD 14,600) due to International Finance Corporation and USD 19,875 (December 31, 2017: USD 21,900) due to Asian Development Bank.

## 9. SHORT TERM BORROWINGS

The short-term running finances available to the Group from various banks under mark-up arrangements amounts to Rs. 37,317,000 (December 31, 2017: Rs. 39,602,000). The rates of mark-up on these finances are KIBOR based and range from 1 to 3 months KIBOR plus 0.2% to 1.5% per annum (December 31, 2017: 0.5% to 1.5% per annum over 1-month KIBOR). The aggregate running finances are secured by way of hypothecation of ranking floating charge over present and future loans, advances, receivables, stocks, book debts, and other current assets and pledge over shares.

## 10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

Significant changes in the status of contingencies reported in the annual consolidated financial statements for the year ended December 31, 2017 are as follows :

10.1.1 Subsequent to equity injections / submission of Equity Stand by Letter of Credit (SBLs) by sponsors the amount of Equity SBLs, as disclosed in note 24.1.2 of the consolidated annual financial statements for the year ended December 31, 2017, have been reduced during the period to USD 12,599 (December 31, 2017: USD 14,027) and USD 26,509 (December 31, 2017: USD 36,619) (in PKR equivalent) in respect of Sindh Engro Coal Mining Company Limited and Engro Powergen Thar (Private) Limited, respectively.

(Amounts in thousand)

10.1.2 In respect of Engro Elengy Terminal (Private) Limited, a subsidiary company, the Holding Company had issued Corporate and Performance guarantees amounting to USD 20,700 and USD 10,000, respectively. These guarantees were secured against the shares of Engro Fertilizers Limited and Engro Foods Limited. During the period, these securities have been replaced by Treasury Bills. Further, the Holding Company pledged Treasury Bills against SBLC of USD 5,000 during the period.

10.1.3 During the period, the Holding Company has pledged Treasury Bills against funded and non-funded facilities of Engro Fertilizers Limited, Engro Powergen Qadirpur Limited, Engro Polymer & Chemicals Limited and Engro Vopak Terminal Limited amounting to Rs. 5,300,000, Rs. 1,500,000, Rs. 1,360,000 and Rs 150,000, respectively.

10.1.4 On February 09, 2018 Engro Energy Limited (EEL), furnished 7 bank guarantees amounting to Rs. 5,530 each, expiring on February 8, 2020, to Baluchistan Power Development Board (BPDB). These were issued to acquire LOIs / development rights for 50MW x 7 project sites located in Kuchlak, Khuzdar and Punjgur areas of Baluchistan.

10.1.5 As per the terms of the Operations and Maintenance Agreement entered into between Engro Power Service Holding B.V, (EPSH), a subsidiary of EEL, and CHD Power Plant Operation Company Limited (CHD), EPSH is required to pay a pre-commercial operations date mobilisation fee amounting to USD 4,460 to CHD (December 31 2017: Nil). The project is expected to achieve Commercial Operations Date by June 3, 2019.

10.1.6 Commissioner Inland Revenue (CIR) through an order dated January 12, 2017 made certain additions and disallowances in respect of tax year 2014 as a result of audit of income tax affairs under section 122 (5A) and 214C of the Income Tax Ordinance, 2001 and raised a tax demand of Rs. 268,584. EEL contested the demand and filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] which is pending. In the meantime, EEL has also challenged the demand in the Honourable High Court of Sindh (SHC) which has restrained the tax authorities from taking any coercive action against EEL till the adjudication of appeal by the CIR(A). Accordingly, no provision has been made in respect of the aforementioned demand in this consolidated condensed interim financial information.

10.1.7 The Additional Commissioner Inland Revenue (ACIR), through separate show cause notices dated December 11, 2017 in respect of tax years 2015 and 2016 and notices dated December 12, 2017 in respect of tax years 2012 and 2013, rejected the inter-corporate dividend exemption claimed by the Holding Company during these tax years. The ACIR also levied super tax on dividend income for tax years 2015 and 2016. EEL challenged these notices before the Honourable Sindh High Court which has restrained the tax authorities from taking any coercive action against EEL. Based on the views of tax advisor and legal consultant of EEL, the management believes that EEL has a good case on merits and expects a favourable outcome. Accordingly, no provision has been made in this respect in this consolidated condensed interim financial information.

## 10.2 Commitments

10.2.1 Commitments in respect of capital expenditure contracted for but not incurred amounts to Rs. 26,788,955 (December 31, 2017: Rs. 45,297,632).

10.2.2 Other commitments in respect of subsidiary companies amounts to Rs. 2,841,865 (December 31, 2017: Rs. 2,943,637).

## 11. OTHER INCOME

11.1 This includes income from sales under Government subsidy amounting to Rs. 1,304,329 (September 30, 2017: Rs. 4,127,639).

(Amounts in thousand)

11.2 During 2016, Supreme Court of Pakistan issued a judgement dated November 11, 2016, as a result of which changes made through the Finance Acts of 2006 and 2008 in the Workers' Welfare Ordinance, 1971 were held to be ultra-vires to the Constitution. In this respect, the Group had accrued for Workers' Welfare Fund (WWF) charge based on the amendments brought through Finance Act 2008, however, no payment were made there against. Subsequently, a civil review petition against the aforementioned judgement was filed by the taxation authorities which has been dismissed during the period.

In light of above and based on the advice of legal advisor, provision for WWF amounting to Rs. 649,766 has been reversed during the period.

## 12. TAXATION

Includes provision for 'Super Tax for rehabilitation of temporarily displaced persons', levied through Finance Act, 2018 on the income for the financial year ending December 31, 2018 and retrospectively on the income for the financial year ended December 31, 2017. The Group intends to challenge the levy of this tax in the High Court of Sindh and obtain a stay in this respect, as done in the past against similar tax levied through Finance Act, 2017. The Group, based on the opinion of its legal advisor, believes that there is a reasonable case in this respect in the Group's favour. However, based on prudence, the Group has made provision for Super Tax for tax year 2018 and 2019 in these consolidated condensed interim financial statements.

## 13. EARNINGS PER SHARE - BASIC AND DILUTED

	------(Unaudited)-----			
	Quarter ended		Nine months ended	
	September 30, 2018	September 30 2017	September 30, 2018	September 30, 2017
	-----Rupees-----			
Profit for the period, attributable to the owners of the Holding Company:	3,857,365	3,138,801	9,948,782	6,915,921
The information necessary to calculate basic and diluted earnings per share is as follows:				
Profit for the period from continuing operations	3,857,365	3,138,801	9,948,782	6,915,921
Add:				
- Finance cost related to IFC loan and derivative - net of tax	-	-	-	326
- Gain on revaluation of IFC loan conversion option	-	-	-	(1,235)
	<u>3,857,365</u>	<u>3,138,801</u>	<u>9,948,782</u>	<u>6,915,012</u>
	-----Number in thousands-----			
Weighted average number of ordinary shares for basic and diluted EPS	<u>523,785</u>	<u>523,785</u>	<u>523,785</u>	<u>523,785</u>

(Amounts in thousand)

#### 14. CASH GENERATED FROM OPERATIONS

Profit for the period before taxation  
Adjustment for non-cash charges and other items:  
Depreciation and amortization  
Gain on disposal of property, plant and equipment  
and biological assets  
Provision for retirement and other service benefits  
Income on deposits / other financial assets  
Share of loss / (income) from joint venture and associates  
Finance cost  
Loss on foreign currency translations  
Working capital changes (note 14.1)

------(Unaudited)-----  
                  Nine months ended  
September 30,     September 30,  
2018                     2017  
-----Rupees-----

26,218,793	19,838,894
5,922,018	5,523,009
(8,834)	(23,721)
174,970	140,187
(3,601,380)	(2,774,398)
196,373	(1,127,081)
3,392,622	3,447,958
707,887	41,435
(7,901,629)	(7,992,834)
<u>25,100,820</u>	<u>17,073,449</u>

------(Unaudited)-----  
                  Nine months ended  
September 30,     September 30,  
2018                     2017  
-----Rupees-----

14.1 Working capital changes  
(Increase) / Decrease in current assets  
- Stores, spares and loose tools  
- Stock-in-trade  
- Trade debts  
- Loans, advances, deposits and prepayments  
- Other receivables - net  
  
Increase / (Decrease) in current liabilities  
- Trade and other payables, including other service benefits - net

(284,112)	(464,115)
(12,495,125)	(2,647,392)
(1,437,773)	(2,489,270)
(1,426,837)	32,992
222,748	(1,997,463)
(15,421,099)	(7,565,248)
7,519,470	(427,586)
(7,901,629)	(7,992,834)

#### 15. CASH AND CASH EQUIVALENTS

Cash and bank balances  
Short term investments  
Short term borrowings

14,894,565	7,853,647
70,756,676	56,167,786
(6,637,695)	(5,190,963)
<u>79,013,546</u>	<u>58,830,470</u>

(Amounts in thousand)

#### 16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

##### 16.1 Financial risk factors

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

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

##### 16.2 Fair value estimation

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

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

	Level 1	Level 2	Level 3
	-----Rupees-----		
Assets			
Financial assets at fair value through profit and loss			
- Short term investments	-	70,759,176	-

- There were no transfers between Levels during the period. Further, there were no changes in valuation techniques during the period.

Level 2 fair valued instruments comprise of fixed income placements and treasury bills which have been valued using discounted cash flow model.

##### 16.3 Fair value of financial assets and liabilities

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

(Amounts in thousand)

## 17. TRANSACTIONS WITH RELATED PARTIES

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

	------(Unaudited)-----	
	Nine months ended	
	September 30, 2018	September 30, 2017
	-----Rupees-----	
Parent Company		
Dividend paid	2,524,895	2,695,496
Reimbursements to Parent Company	12,214	752
Associated companies and joint ventures		
Purchases and services	4,250,883	3,003,016
Dividends received	842,430	3,825,759
Dividends paid	1,138,853	477,285
Payment of interest on Term Finance Certificates and repayment of principal amount	-	20,463
Contribution for Corporate Social Responsibility	61,000	97,100
Payment against EPC contract	16,455,196	11,342,396
Reimbursements from	125,324	22,186
Reimbursements to	126,300	12,541
Loan received	847,065	101,449
Loan paid	165,915	141,683
Finance cost paid	252,668	142,876
Share capital issued	3,884,053	1,067,873
Key Management Personnel		
Remuneration paid to key management personnel / Directors	796,647	712,222
Reimbursement of expenses	16,805	12,313
Directors' Fee	89,189	34,292
Directors' Emoluments	310,500	-
Dividend paid	97,758	99,097
Profit on Engro Islamic Rupiya Certificates	18,118	19,602
Contribution for retirement benefits	468,709	380,109

(Amounts in thousand)

## 18. SEGMENT REPORTING

18.1 A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments.

Type of segments	Nature of business
Fertilizer	Manufacture, purchase and market fertilizers.
Polymer	Manufacture, market and sell Poly Vinyl Chloride (PVC), PVC compounds, Caustic Soda and related chemicals.
Food	Manufacture, process and trade all kinds of raw and processed agricultural products.
Power and mining	Includes Independent Power Projects (IPP).
Other operations	Includes chemical terminal and storage services.

18.2 Liabilities are reported segment-wise to the Board of Directors on an annual basis. Hence, segment-wise details of liabilities have not been presented in these consolidated condensed interim financial statements.

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

	------(Unaudited)-----			
	Quarter ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	-----Rupees-----			
Revenue				
Fertilizer	28,098,690	21,162,095	69,215,104	48,473,114
Polymer	8,422,094	7,344,131	25,523,707	20,389,788
Food	755,575	442,249	2,404,594	1,289,496
Power and mining	2,388,428	2,660,488	8,451,792	8,828,460
Other operations	7,149,725	4,903,027	16,611,009	15,654,640
Elimination - net	(3,903,834)	(2,322,056)	(7,562,451)	(8,204,232)
Consolidated	<u>42,910,678</u>	<u>34,189,934</u>	<u>114,643,755</u>	<u>86,431,266</u>
Profit / (Loss) for the period				
Fertilizer	5,099,712	2,807,545	12,249,088	6,924,017
Polymer	1,081,765	900,850	3,865,436	1,947,020
Food	24,493	(8,144)	251,384	(59,117)
Power and mining	102,828	244,845	1,417,999	1,395,765
Other operations	3,958,745	2,822,576	8,328,080	7,904,034
Elimination - net	(3,469,182)	(1,839,363)	(8,258,705)	(6,466,118)
Consolidated	<u>6,798,361</u>	<u>4,928,309</u>	<u>17,853,282</u>	<u>11,645,601</u>

(Amounts in thousand)

	(Unaudited) September 30, 2018	(Audited) December 31, 2017
	-----Rupees-----	
Assets		
Fertilizer	117,196,011	111,816,249
Polymer	34,630,225	24,364,326
Food	30,176,295	31,112,561
Power and mining	119,523,559	82,494,582
Other operations	108,314,202	104,441,368
Elimination - net	(37,015,068)	(30,275,838)
Consolidated	<u>372,825,224</u>	<u>323,953,248</u>

## 19. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

- 19.1 The Board of Directors of the Holding Company in its meeting held on October 19, 2018 has approved an interim cash dividend of Rs. 7 per share for the year ending December 31, 2018. These consolidated condensed interim financial statements does not include the effect of the said interim dividend.
- 19.2 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on October 11, 2018 has declared an interim cash dividend of 6 per share for the year ending December 31, 2018. These consolidated condensed interim financial statements does not include the effect of the said interim dividend.

## 20. SEASONALITY

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

## 21. CORRESPONDING FIGURES

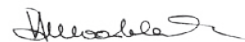
- 21.1 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the consolidated condensed interim statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas,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

## 22. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements were authorized for issue on October 19, 2018 by the Board of Directors of the Holding Company.



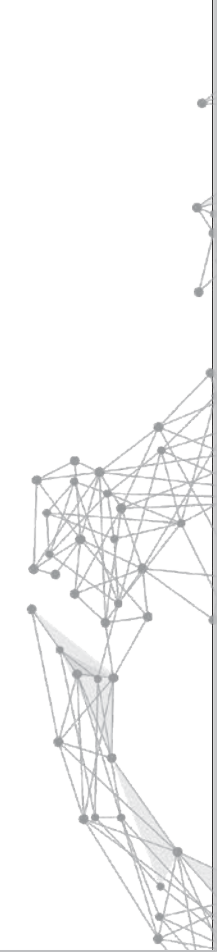
Abdul Samad Dawood  
Vice Chairman



Hasnain Moochhala  
Chief Financial Officer



Ghias Khan  
President and Chief Executive



## ڈائریکٹرز رپورٹ

اینٹگرو کارپوریشن لمیٹڈ کے ڈائریکٹرز نے 30 ستمبر 2018 کو ختم ہونے والی رواں سال کی تیسری سہ ماہی کیلئے کمپنی کے عبوری غیر آڈٹ شدہ مالیاتی نتائج پر مبنی رپورٹ جاری کر دی ہے۔ رپورٹ کے مطابق رواں سال کے ابتدائی نو ماہ کے دوران فریلائزر اور پیٹرو کیمیکلز کے شعبوں میں بہترین کارکردگی کے باعث کمپنی کی مجموعی آمدنی 33 فیصد اضافے سے 114,644 ملین روپے رہی جبکہ مالی سال 2017 کے ابتدائی نو ماہ کے دوران کمپنی کی مجموعی آمدنی 86,431 ملین روپے رہی تھی، اس دوران کمپنی کا بعد از ٹیکس منافع 53 فیصد اضافے سے 17,853 ملین روپے کی سطح پر رہا، بعد از ٹیکس منافع کی مناسبت سے کمپنی کی شیئر ہولڈنگ گزشتہ برس کی اسی مدت کے دوران ریکارڈ کی گئی 6,916 ملین روپے سے بڑھ کر 9,949 ملین روپے ہو گئی، اینٹگرو کارپوریشن گزشتہ مالی سال کے نو ماہ کے 6,502 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں 7,046 ملین روپے کا منافع حاصل کیا جبکہ کمپنی کی فی حصص آمدنی 13 روپے 45 پیسے رہی، بورڈ مالی سال 2018 کی تیسری سہ ماہی کیلئے 7 روپے فی شیئر تیسرے عبوری کیش ڈویڈنڈ دینے کا مسرت کے ساتھ اعلان کرتا ہے۔ کمپنی کے اپریل 2018 میں ہونے والے ایک غیر معمولی اجلاس میں حصص یافتگان کو اینٹگرو کی سبسڈری کمپنی اینٹگرو پولیمر و کیمیکلز لمیٹڈ کے حصص کی فروخت کی منظوری دی گئی، اس ضمن میں جولائی 2018 کے دوران کمپنی نے تقریباً تین ارب روپے مالیت کے حصص فروخت کئے، اس دوران کمپنی نے ویلوپوک لٹل این جی ہولڈنگ ٹی وی کے ساتھ حصص کی خریداری کے ایک معاہدے پر بھی دستخط کئے جس کے تحت 38 ملین امریکی ڈالر کے عوض ایلیجی ٹریمنل پاکستان لمیٹڈ کے 29 فیصد تک حصص کی تقسیم کی گئی جو کہ قانونی منظوری سے مشروط ہے، کمپنی کے 25 ستمبر کو ہونے والے بورڈ اجلاس میں حصص یافتگان نے متفقہ طور پر ان تمام اقدامات کی منظوری دی۔ اس دوران پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پاکرا) نے کمپنی کی طویل مدتی کریڈٹ ریٹنگ اپ گریڈ کر کے AA+ اور قلیل مدتی ریٹنگ A1+ پر برقرار رکھی، پاکرا نے اینٹگرو فریلائزر کی طویل مدتی کریڈٹ ریٹنگ اپ گریڈ کر کے AA اور اینٹگرو پولیمر و کیمیکلز کی ریٹنگ AA- کر دی جبکہ دونوں سبسڈریز کیلئے قلیل مدتی ریٹنگ A1+ پر برقرار رکھی گئی، پاکرا کی جانب سے کمپنی کی کریڈٹ ریٹنگ میں بہتری کمپنی کی اعلیٰ مالی کارکردگی اور مضبوط بیلنس شیٹ کو ظاہر کرتی ہے۔ ذیل میں اینٹگرو گروپ کی سبسڈریز کی کارکردگی سے متعلق تفصیلات فراہم کی گئی ہیں۔

فریلائزر: کمپنی کا فریلائزر کا شعبہ یورپا اور ڈی اے بی میں اعلیٰ کارکردگی کا مظاہرہ کر رہا ہے اور ان دونوں شعبوں میں کمپنی کا مارکیٹ شیئر تیزی سے بڑھ رہا ہے، فریلائزر برنس نے اس دوران آمدنی میں 43 فیصد شرح نمو حاصل کی جبکہ نو ماہ کے دوران بعد از ٹیکس منافع 77 فیصد اضافے سے 12,249 ملین روپے رہا، یورپا اور ڈی اے بی کی فروخت زیادہ رہنے کے باعث کمپنی کے منافع میں بھی اضافہ ہوا، مقامی مارکیٹ میں زیادہ طلب اور زیادہ قیمتوں کے باعث کمپنی کے اسٹاکس میں کمی واقع ہوئی، کارپوریٹ ٹیکس 5 فیصد سٹی سے 30 سے گھٹ کر 25 فیصد پر آ گیا،

اس دوران کمپنی کے امور سرمایہ کاری میں بھی بہتری دیکھی گئی، تاہم فریلائزر کے شعبے کو اب بھی سبسڈری کی تقسیم کے حوالے سے مسائل درپیش ہیں، توقع ہے کہ سبسڈری کی تقسیم سے متعلق میکانزم اور اس مدت میں موجود واجبات کے باعث فریلائزر شعبے کو چیلنجز کا سامنا رہے گا۔

پیٹرو کیمیکلز: اس شعبے میں گزشتہ نو ماہ کے دوران ریکارڈ ٹی وی سی پیداوار حاصل ہوئی، اس شعبے کی مجموعی آمدنی 25 فیصد اضافے سے 25,524 ملین روپے رہی، بعد از ٹیکس منافع 3,865 ملین روپے رہا جو کہ مالی سال 2017 کے اسی عرصے کے دوران 1,947 ملین روپے ریکارڈ کیا گیا تھا، مضبوط آپریشنل پرفارمنس اور کاسٹک سوڈا اور vinyl کے سیکشنس میں ڈومیسٹک مارکیٹ کے زیادہ متحرک رہنے سے زیادہ منافع کا حصول ممکن بنا، پاکستان اسٹاک ایکس چینج کی جانب سے جاری کردہ حالیہ نو پبلیکیشن کے مطابق کمپنی ہائیڈروجن پروکسائیڈ کے سیگمنٹ میں کاروبار کی منتہی ہے جس سے دستیاب ہائیڈروجن پر سرمایہ کاری کی جاسکے گی جو کہ موجودہ پراسیس کی بانی پراڈکٹ ہے جبکہ اس عمل سے حصص یافتگان کو بھی فائدہ پہنچ سکے گا۔

کول مائننگ اینڈ پاور جزیئرز:

قادر پور پاور پلانٹ:

پلانٹ سے قومی گزڈ کو بجلی کی مجموعی ترسیل 1,156 میگا واٹ فی گھنٹہ رہی جس کا لوڈ فیکٹر گزشتہ برس کی اس مدت کے 94 فیصد کے مقابلے میں 83 فیصد رہا، لوڈ فیکٹر میں کمی کی وجوہات میں گیس سپلائرز زکمپرہس کے معاملات شامل ہیں جس کی وجہ سے گیس کی فراہمی متاثر ہوئی، اس برنس نے نو ماہ کے دوران 1,924 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جبکہ گزشتہ مالی سال کے اسی عرصے میں بعد از ٹیکس منافع 1,853 ملین روپے رہا تھا۔

تھر کول مائننگ پراجیکٹ:

یہ منصوبہ اپنی تکمیل کی مدت کی تاریخ سے آگے چل رہا ہے اور 30 ستمبر 2018 تک یہاں سے 100 ملین بی سی ایم اور برڈن ری مو کیا جا چکا تھا، جون کے دوران یہاں سے 140 میٹر اوپن پٹ کھدائی کے دوران کونکے کی پٹی تھہ سامنے آئی، فل اسکیل ڈی وائرنگ آپریشنز کی شروعات سے اپریل 2017 کے دوران اس سہ ماہی کے اختتام تک یہاں سے 39 ملین میٹر پانی خارج کیا جا چکا ہے۔

تھر پاور جزیئرز پراجیکٹ:

اس پراجیکٹ کے تمام شعبوں میں انتہائی مستحکم رفتار سے تزقیاتی کام جاری ہیں، منصوبے کی انجینئرنگ و پرویکورمنٹ تقریباً مکمل ہو چکی ہے جبکہ تعمیراتی کام بھی جاری ہے، پراجیکٹ کی کوشش کے حوالے سے بھی اہم پیشرفت ہوئی ہے اور پراجیکٹ سے قومی گزڈ میں فرسٹ ایکٹرون فلو کیلئے سال 2018 کے اختتام کا ہدف

مقرر کیا گیا ہے، اس سہ ماہی کی اہم کامیابی میں پاور پلانٹ کی قومی گزڈ سے منسلکی شامل ہے تاکہ پلانٹ کو چلانے کیلئے مطلوبہ بیک فیڈ توانائی حاصل کی جاسکے جبکہ پاور پلانٹ سے جاسٹرو تک 500 کے وی کی 282 کلو میٹر طویل ٹرانسمیشن لائن کی تنصیب کا کام بھی مکمل کر لیا گیا۔

ٹریمنل آپریشنز:

رواں مالی سال کی تیسری سہ ماہی کے دوران لٹل این جی اور کیمیکلز ٹریمنل دونوں کی منافع بحیثیت کو چیلنجز کا سامنا رہا، لٹل این جی ٹریمنل پر اس دوران 55 کارگو لنکر انداز ہوئے جبکہ گزشتہ برس اسی مدت کے دوران لنکر انداز ہونے والے کارگو کی تعداد 52 تھی جبکہ کیمیکلز کی درآمدات میں کمی کے باعث نو ماہ کے دوران کیمیکلز ٹریمنل پر کارگو کی آمد و رفت میں کمی رہی۔

Near-Term Outlook:

اینٹگرو کارپوریشن منصوبوں کی بروقت تکمیل، مستقبل کی سرمایہ کاری اور اپنی بیلنس شیٹ کو مزید مضبوط بنانے کیلئے پرعزم ہے۔

فریلائزر:

ریج یئرز کے دوران پانی کی متوقع قلت اور فریلائزر کی بڑھتی ہوئی قیمت اس کی طلب پر اثر انداز ہو سکتی ہیں، تاہم فریلائزر کی موجودہ طلب اور سپلائی کے تناظر میں رواں برس کے دوران کسی نمایاں تبدیلی کی زیادہ توقع نہیں ہے، کسانوں کی پیداوار میں بہتری کیلئے فریلائزر برنس کی ملکی زرعی شعبے میں مزید ترقی جاری رہنے کی توقع ہے۔

پیٹرو کیمیکلز:

سال 2018 کی آخری سہ ماہی میں مقامی بی سی وی کی طلب مستحکم رہنے کی امید ہے، ٹیکسٹائل سیکٹر کی جانب سے برآمدی مصنوعات کے معیار کی بہتری کے حوالے سے کاسٹک سوڈا سیکٹ کی شرح نمو میں بھی استحکام کی توقع ہے جبکہ آپریشنل اصلاحات اور توسیعی منصوبوں کی تکمیل شیڈول کے مطابق متوقع ہے۔

کول مائننگ اینڈ پاور جزیئرز:

ملک میں توانائی بحران کے خاتمے کیلئے اینٹگرو ہمیشہ کی طرح پیش پیش رہے گا، حکومت کے ساتھ اشتراک داری کے تحت تھر مائننگ اور پاور پراجیکٹ جون 2019 تک مکمل کر لئے جائیں گے جبکہ متبادل توانائی کے شعبے میں بھی مزید مواقعوں کی تلاش جاری رہے گی۔

ٹریمنل آپریشنز:

لٹل این جی ٹریمنل ملک میں توانائی کی طلب پوری کرنے کے حوالے سے اہم کردار ادا کر رہا ہے، آنے والے دنوں میں کیمیکلز انڈسٹری کے مستحکم رہنے کی توقعات ہیں اور ٹریمنل توسیعی کے مواقعوں کے فروغ کے ساتھ ساتھ مارکیٹ شیئر کو برقرار رکھنے کیلئے کوشاں ہے۔

اعتراف:

ڈائریکٹرز نے اپنے حصص یافتگان کی انتہائی سہرا ہے جنہوں نے ہمیشہ کمپنی پر اپنے بھروسہ اور اعتماد کا اظہار کیا ہے اور ہم اینٹگرو فیملی کے ہر ایک رکن کے عزم، اعتقاد اور تخلیقی سوچ کو بھی سراہتے ہیں اور اس بات کو ریکارڈ پر بھی لانا چاہتے ہیں، ہمیں امید ہے کہ مستقبل میں بھی اینٹگرو فیملی کے ارکان اسی عزم اور اعتقاد کا بھروسہ مظاہرہ کریں گے۔



عبدالمنعم داؤد  
وائس چیئرمین



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