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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-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 and Engro DAP amongst others.

Engro Polymer & Chemicals Limited

Engro Polymer & Chemicals Limited-a 56% owned subsidiary of Engro – is the only fully integrated chlor-vinyl chemical complex in Pakistan and produces poly-vinyl chloride, 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 Energy Limited

Engro Energy Limited is a wholly owned subsidiary of Engro Corporation and it owns and operates Engro Powergen Qadirpur Limited, a 224 megawatt power plant and the group's first initiative in the power sector of Pakistan. Engro Powergen Qadirpur Limited was listed on the Karachi Stock Exchange in October 2014 where 25% of the shares were offered to the public. As of now Engro Powergen Qadirpur Limited is 69% owned by Engro Energy Limited.

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

Elengy Terminal Pakistan Limited

Elengy Terminal Pakistan Limited (ETPL) is a 56% owned subsidiary of Engro Corporation. The company won the contract to handle liquefied natural gas (LNG) and thereafter acquired FSRU vessel on lease from a US-based company - Excelerate Energy. Engro Elengy Terminal Limited, a wholly owned subsidiary of ETPL, set up a state of the art LNG terminal, at Port Qasim. The terminal – which is also one of the most cost efficient terminals in the region – has the capacity for regasification of up to 600 mmcfd.

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.

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 Eximp Agri Products (Private) Limited

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

directors' report

The Directors of Engro Corporation Limited are pleased to submit their report along with the condensed interim un-audited financial statements of the Company for the half-year ended June 30, 2019.

Financial Performance

On a consolidated basis, the revenue for 1H 2019 witnessed a growth of 20% over similar period last year closing at PKR 85,989 million, driven by fertilizers and petrochemicals performance. The consolidated Profit-After-Tax (PAT) for 1H 2019 was PKR 11,482 million, while PAT attributable to the shareholders increased by 13% to PKR 6,876 million from PKR 6,091 million during comparative period last year. On a standalone basis, the Company posted a PAT of PKR 5,163 million against PKR 3,772 million for the similar period last year, translating into an EPS of PKR 8.96 per share. Higher PAT is mainly on account of interest income and dividend. The Board is pleased to announce 2nd interim cash dividend of PKR 8.00 per share for FY 2019.

Strategic Direction

Investing today for a better tomorrow for Pakistan is at the cornerstone of every Engro business. Keeping value creation for stakeholders at the forefront, Engro will continue to focus its energies and establish businesses to help solve some of the pressing issues of our time and improve the lives of the people of Pakistan. Taking this vision forward, our business portfolio comprises of efforts in the following 4 verticals:

- Food & Agriculture – to enhance the agricultural productivity of the country and enhance food security

- Petrochemicals – to grow the industry through projects while enabling import substitution and export potential

- Energy & Related Infrastructure – providing effective energy infrastructure to help reduce the energy shortage

- Telecommunication Infrastructure – developing infrastructure to provide data and information access to the population at large

With regard to the energy vertical, 10 July 2019 was a historic day for Engro, as both Sindh Engro Coal Mining Company Limited (SECMC) and Engro Powergen Thar (Private) Limited, declared Commercial Operations Date (COD) of the Thar Coal Project. With this accomplishment, Engro is using indigenous resources to help alleviate the energy shortage that Pakistan faces and has, once again, proved its ability to deliver on mega projects that enable development for the people of Pakistan.

On the Telecommunication Infrastructure front, an investment of up to Rs 7.5 billion has been committed for potential business opportunities in this area.

A brief review of significant business segments is as follows:

Fertilizer

Fertilizer business revenues grew by 23%. However, on account of increase in gas prices coupled with other inflationary pressures, costs have also increased. The business booked a one-off deferred tax charge arising out of the Finance Act 2019, whereby corporate tax rate has been fixed at 29% as compared to phased reduction from 30% to 25% announced through Finance Act 2018. Resultantly, PAT for the current period stood at PKR 7,184 million as compared to PKR 7,149 million for 1H2018.

Petrochemicals

The business recorded revenue growth of 9% over the similar period last year. However, PAT for the half year was PKR 1,544 million against PKR 2,784 million for the comparative period. Profitability was impacted on account of inflation, higher energy costs and higher interest rates coupled with PKR devaluation.

Energy

Qadirpur Power Plant: The Plant dispatched a Net Electrical Output of 661 GwH to the national grid with a load factor of 71% compared to 87% during similar period last year. Decline in load factor was primarily due to gas supplier's compressor issues which resulted in supply disruptions and gas curtailment due to depletion of Qadirpur gas field. The business posted a PAT of PKR 1,867 million in 1H 2019 as compared to PKR 1,590 million in 1H2018.

Thar Coal Mining & Power Generation Projects: Development of the 3.8 Mt per annum mine at Thar culminated with the completion of 'Test on Completion' on 3 June 2019. Thereafter, COD was declared on 10 July 2019. The power plant has been running smoothly since COD.

Terminal Operations

Profitability of both LNG and chemicals terminals remained healthy for the half year. Since the commencement of our LNG project, the terminal has handled over 15 million tons of LNG and currently fulfills more than 13% of the country's gas requirements. The country has saved nearly USD 2 billion to date, replacing the import of more expensive furnace oil and diesel with LNG and not accounting for efficiency in terms of fuel. The project has also revived the fertilizer and CNG sectors, and 500+ industrial units by ensuring consistent supply of gas via LNG import.

We are pleased to continue our long-standing relationship of over twenty years with industry leader Royal Vopak, which continues to pave the way for Engro and Vopak to collaborate in further ventures at home and abroad using their combined resources and expertise.

Near-Term Outlook

Engro Corporation continues to seek investment opportunities which will create opportunities for both substituting imports and enhancing export potential. The Company 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.

Fertilizer

Going forward, local urea demand is expected to remain stable, while the demand for phosphates and other imported fertilizers is expected to remain restricted owing to higher prices caused by devaluation and recent budgetary measures. The fertilizer business continues to face challenges in the recovery of long outstanding subsidy and is of the view that with the anticipated clarity on GIDC way forward, the matter of recovery of subsidy would be settled in the near term.

Petrochemicals

International PVC and ethylene prices shall remain dependent on global economic sentiments and regional demand supply dynamics. Domestic market is currently under flux and will take firmer direction once local economic policies, macroeconomic indicators and other key variables settle. Therefore, the business is of the view that PVC and Caustic Soda market will remain under stress in the next quarter. The business is well underway with the execution of the expansion projects and is hopeful that the completion of those projects will be achieved within the stated timelines. Continuing to build on Engro's experience in the Petrochemicals sector, the Board of Directors has approved the commencement of a feasibility study of a polypropylene facility based on a propane dehydrogenation plant.

Energy

Engro remains on the forefront to help alleviate the energy shortage in the country. In partnership with the government and other stakeholders, our Energy business segment continues to explore opportunities in the renewable energy sector.

Terminal Operations

The LNG terminal is positively playing its role in addressing 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.

Our leadership potential

Engro is committed to making lives of Pakistanis better by using the country's resources. This passion for Pakistan is embodied first and foremost by our greatest asset: our people – the leaders of tomorrow.

We firmly believe that the leadership community of Engro will help navigate the company through challenges which our businesses face, and take advantage of the opportunities our country has to offer. We understand that the challenges for our businesses in the future will be different from those in the past and we must invest in developing the necessary leadership capabilities to meet these challenges. To equip ourselves to cater to the dynamic, ever-changing and competitive business environment, we have channeled our efforts into developing a workforce that exhibits strong commercial acumen and is agile.

Our revamped leadership competency model and robust people systems/ processes promote collaboration, innovation and resilience in the workforce. The launch of the Engro Leadership Academy - Pakistan's first of its kind leadership academy to hone and develop Engro's leadership community – is testament to Engro's commitment to develop a pipeline of leaders that can take Engro and Pakistan forward. By developing our people, we aim to create and sustain a performance-oriented culture of learning and leadership. We aim to attract and retain the best talent from the market and develop them into leaders of the future who are eager to step into unchartered territories, bring sustainable solutions to the forefront, and establish Engro as the leading provider of products and services in the energy, agricultural, chemicals, and telecommunication spheres.

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.

Hussain Dawood
Chairman

Ghias Khan
President and Chief Executive

independent auditor's review report

to the members of engro corporation limited
report on review of unconsolidated interim financial statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Engro Corporation Limited as at June 30, 2019 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Chartered Accountants
Karachi
Date: 29th August 2019

engro corp

unconsolidated condensed interim financial information.

unconsolidated condensed interim statement of financial position (unaudited) as at june 30, 2019

(Amounts in thousand)	Note	(Unaudited) June 30, 2019	(Audited) December 31, 2018
		-------------(Rupees)------------	
ASSETS			
Non-current assets			
Property, plant and equipment	4	565,718	514,837
Right-of-use assets	3.2.3	1,071,198	-
Intangible assets		47,990	58,248
Long term investments	5	24,836,889	24,652,289
Long term loans and advances	6	392,501	49,796
Deferred taxation		4,666	-
		26,918,962	25,275,170
Current assets			
Loans, advances and prepayments	7	3,088,758	350,121
Receivables	8	1,059,281	499,462
Short term investments	9	60,971,953	64,842,059
Cash and bank balances		2,191,458	1,609,160
		67,311,450	67,300,802
TOTAL ASSETS		94,230,412	92,575,972
EQUITY & LIABILITIES			
Equity			
Share capital	10	5,761,633	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		(12,721)	(12,721)
Unappropriated profit		61,938,756	62,380,565
Total equity		85,185,140	85,103,164
Liabilities			
Non-current liabilities			
Retirement and other service benefit obligations		51,400	50,366
Lease liabilities	3.2.3	887,340	-
Deferred taxation		-	249
		938,740	50,615
Current liabilities			
Trade and other payables		1,836,251	1,386,693
Provision		3,243,130	3,243,130
Taxes payable		1,660,270	1,431,589
Borrowings	11	1,000,000	998,164
Accrued interest / mark-up		63,247	64,357
Unclaimed dividends		303,634	298,260
		8,106,532	7,422,193
Total liabilities		9,045,272	7,472,808
Contingencies and Commitments	12		
TOTAL EQUITY & LIABILITIES		94,230,412	92,575,972

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

Abdul Samad Dawood Vice Chairman	Hasnain Moochhala Chief Financial Officer	Ghias Khan President and Chief Executive

unconsolidated condensed interim statement of profit or loss and other comprehensive income (unaudited) for the half year ended june 30, 2019

[Amounts in thousand except for earnings per share]

	Note	Quarter ended June 30, 2019	Quarter ended June 30, 2018	Half year ended June 30, 2019	Half year ended June 30, 2018
		----------(Rupees)		----------	
Dividend income		270,000	392,254	3,647,413	3,169,615
Royalty income		262,048	218,347	509,289	436,638
		532,048	610,601	4,156,702	3,606,253
Administrative expenses		(485,371)	(180,916)	(941,622)	(363,127)
		46,677	429,685	3,215,080	3,243,126
Other income		1,871,857	1,265,499	3,502,471	2,272,604
Other operating expenses		(117,912)	(130,780)	(251,536)	(152,533)
Operating profit		1,800,622	1,564,404	6,466,015	5,363,197
Finance cost		(93,455)	(34,031)	(127,612)	(69,011)
Profit before taxation		1,707,167	1,530,373	6,338,403	5,294,186
Taxation	13	(376,583)	(904,414)	(1,175,714)	(1,521,861)
Profit for the period		1,330,584	625,959	5,162,689	3,772,325
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		1,330,584	625,959	5,162,689	3,772,325
			(Restated)		(Restated)
Earnings per share - basic and diluted	14	2.31	1.09	8.96	6.55

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

Abdul Samad Dawood Vice Chairman	Hasnain Moochhala Chief Financial Officer	Ghias Khan President and Chief Executive

unconsolidated condensed interim statement of changes in equity (unaudited) for the half year ended june 30, 2019

(Amounts in thousand)

	Share capital	Capital Reserve: Share premium	Revenue Reserves: General reserve	Revenue Reserves: Remeasurement of post employment benefits - Actuarial loss	Revenue Reserves: Unappropriated profit	Total
	----------	----------	----------	(Rupees)	----------	----------
Balance as at January 01, 2018 (Audited)	5,237,848	13,068,232	4,429,240	(12,656)	60,660,171	83,382,835
Total comprehensive income for the half year ended June 30, 2018	-	-	-	-	3,772,325	3,772,325
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 ended December 31, 2018 @ Rs. 5.00 per share	-	-	-	-	(2,618,924)	(2,618,924)
	-	-	-	-	(3,666,494)	(3,666,494)
Balance as at June 30, 2018 (Unaudited)	5,237,848	13,068,232	4,429,240	(12,656)	60,766,002	83,488,666
Total comprehensive income for the half year ended December 31, 2018	-	-	-	(65)	8,947,553	8,947,488
Transactions with owners						
Interim cash dividends for the year ended December 31, 2018:						
- Second interim @ Rs. 7.00 per share	-	-	-	-	(3,666,495)	(3,666,495)
- Third interim @ Rs. 7.00 per share	-	-	-	-	(3,666,495)	(3,666,495)
	-	-	-	-	(7,332,990)	(7,332,990)
Balance as at December 31, 2018 (Audited)	5,237,848	13,068,232	4,429,240	(12,721)	62,380,565	85,103,164
Total comprehensive income for the half year ended June 30, 2019	-	-	-	-	5,162,689	5,162,689
Transactions with owners						
Final cash dividend for the year ended December 31, 2018 @ Rs. 2.00 per share	-	-	-	-	(1,047,570)	(1,047,570)
Bonus shares issued during the period in the ratio of 1 shares for every 10 shares held	523,785	-	-	-	(523,785)	-
First Interim cash dividend for the year ending December 31, 2019 @ Rs. 7.00 per share	-	-	-	-	(4,033,143)	(4,033,143)
	523,785	-	-	-	(5,604,498)	(5,080,713)
Balance as at June 30, 2019 (Unaudited)	5,761,633	13,068,232	4,429,240	(12,721)	61,938,756	85,185,140

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

Abdul Samad Dawood Vice Chairman	Hasnain Moochhala Chief Financial Officer	Ghias Khan President and Chief Executive

unconsolidated condensed interim statement of cash flows (unaudited) for the half year ended june 30, 2019

(Amounts in thousand)

	Note	Half year ended June 30, 2019	Half year ended June 30, 2018
		-------------(Rupees)	-------------
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	15	(1,136,215)	(1,308,029)
Royalty received		618,614	406,426
Taxes paid		(951,948)	(643,359)
Retirement and other service benefits paid		(75,425)	(28,133)
Long term loans and advances - net		(8,029)	(14,375)
Net cash utilized in operating activities		(1,553,003)	(1,587,470)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		3,377,413	3,529,555
Income on deposits / other financial assets including income earned on subordinated loan to subsidiaries		3,281,885	2,142,831
Investment in shares of subsidiary company		(184,600)	(532,400)
Loan disbursed to subsidiary companies		(3,034,676)	-
Repayment of loan by subsidiary companies		-	896,542
Purchase of Pakistan Investment Bonds (PIBs), and units of mutual funds		(17,272,810)	(796,337)
Proceeds from sale of PIBs and units of mutual funds		20,348,868	24,881,497
Purchases of property, plant and equipment (PPE)		(92,175)	(60,579)
Sale proceeds on disposal of PPE		98	80
Net cash generated from investing activities		6,424,003	30,061,189
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of financial charges		(60,706)	(68,516)
Lease rentals paid		(167,289)	-
Dividends paid		(5,075,339)	(3,636,912)
Net cash utilized in financing activities		(5,303,334)	(3,705,428)
Net (decrease) / increase in cash and cash equivalents		(432,334)	24,768,291
Cash and cash equivalents at beginning of the period		54,539,531	35,986,713
Cash and cash equivalents at end of the period	16	54,107,197	60,755,004

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

Abdul Samad Dawood Vice Chairman	Hasnain Moochhala Chief Financial Officer	Ghias Khan President and Chief Executive

notes to the unconsolidated condensed interim financial statements (unaudited) for the half year ended june 30, 2019

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

1.1 Engro Corporation Limited (the Company), is a public listed company incorporated in Pakistan. Its shares are quoted on Pakistan Stock Exchange Limited. 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.

1.2 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

Significant events and transactions affecting the Company's financial position and performance during the period are disclosed in the notes 5, 6 and 7.

2. BASIS OF PREPARATION

2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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 unconsolidated 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. The cumulative figures for the half year ended June 30, 2019 presented in these unconsolidated condensed interim financial statements have been subjected to limited scope review by the auditors of the Company, as required under section 237 of the Companies Act, 2017. These unconsolidated condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2018.

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

(Amounts in thousand)

During the preparation of these unconsolidated condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to audited annual financial statements of the Company for the year ended December 31, 2018.

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2018 except as detailed in note 3.2.

3.2 The Company has applied the following standards for the first time for its annual reporting period commencing January 1, 2019:

3.2.1 IFRS 9 ‘Financial instruments’ (effective for annual periods beginning on or after January 1, 2019)

IFRS 9 - 'Financial Instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the related guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (OCI) and fair value through profit and loss (FVTPL). The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI, without recycling of fair value changes to profit or loss.

There is now a new expected credit losses model that replaces the incurred loss impairment model of IAS 39. For financial liabilities there are no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes.

The following is the summary of the Company's assessment of impacts on unconsolidated condensed interim financial statements as at January 1, 2019 due to application of IFRS 9:

Particulars	As at January 1, 2019				
	Classfication & Measurement category		Carrying amount		
	Original (Under IAS 39)	New (Under IFRS 9)	Original (Under IAS 39)	New (Under IFRS 9)	Difference
Non - Current financial assets					
Long term loans and advances	Loans and Receivables	Amortized Cost	49,796	49,796	-
Current financial assets					
Loans and advances	Loans and Receivables	Amortized Cost	43,792	43,792	-
Receivables	Loans and Receivables	Amortized Cost	499,462	499,462	-
Short term investments:					
- Treasury bills	Fair value through profit or loss	Fair value through profit or loss	52,896,953	52,896,953	-
- Pakistan Investment Bonds	Fair value through profit or loss	Fair value through profit or loss	7,699,778	7,699,778	-
- Fixed income placement	Held to maturity	Amortised cost	33,418	33,418	-
- Term Finance Certificates	Available for sale	Amortised cost	4,211,910	4,211,910	-
Cash and bank balances	Loans and Receivables	Amortized Cost	1,609,160	1,609,160	-
Current financial liabilities					
Trade and other payables	Amortized Cost	Amortized Cost	1,386,693	1,386,693	-
Borrowings	Amortized Cost	Amortized Cost	998,164	998,164	-
Accrued interest / mark-up	Amortized Cost	Amortized Cost	64,357	64,357	-

(Amounts in thousand)

In light of the above requirements, certain changes have been made to the accounting policies of the Company. However, based on aforementioned assessment, there is no material current financial impact of these changes on the Company other than classification changes as disclosed above.

3.2.2 IFRS 15 'Revenue from contracts with customers' (effective from accounting period beginning on or after July 1, 2018)

IFRS 15 - 'Revenue from Contracts with Customers', supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, the company is required to assess performance obligations in the contract. Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard does not have any impact on the Company's unconsolidated condensed interim financial statements.

3.2.3 IFRS 16 'Leases' (effective for accounting periods beginning on or after January 1, 2019)

Effective January 1, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentive" and SIC-27 "Evaluating the substance of transactions involving the legal form of a Lease". IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The accounting polices relating to Company's right-of-use assets and lease liabilities are as follows:

Lease liabilities and right-of-use assets

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From January 1, 2019, leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

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

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

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

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

The Company has adopted IFRS 16 retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

On adoption of IFRS 16, the Company recognised lease liabilities which had previously been classified as ‘operating leases’ under the principles of IAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of January 1, 2019. The lessee’s incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 11.8%.

The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognised in the unconsolidated condensed interim statement of financial position immediately before the date of initial application, accordingly, there is no impact on the opening balances of unappropriated profit as on January 1, 2019. The recognised right-of-use assets relates to the office space acquired on rental basis.

Impact on Statement of Financial Position

	June 30, 2019	January 1, 2019
	--------------(Rupees)	-------------
Right of Use assets - increased by	1,071,198	1,222,538
Lease liabilities - increased by	1,121,428	1,222,538
Current portion of lease liability	(234,088)	(208,847)
Long term portion of lease liability	887,340	1,013,691

(Amounts in thousand)

Impact on Statement of Profit or Loss account and other comprehensive income

	Half year ended June 30, 2019
	-----(Rupees-----
Increase in finance cost	(66,180)
(Increase) / decrease in admimistrative expenses:	
- Depreciation on right-of-use	(151,340)
- Rent expense	167,289
Decrease in profit before tax	(50,231)
Decrease in tax	14,567
Decrease in profit after tax	(35,664)

Earnings per share for the six months ended June 30, 2019 are Rs. 0.06 per share lower as a result of the adoption of IFRS 16.

Practical expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the exclusion of operating leases with a remaining lease term of less than 12 months as at 1 January 2019;
- the exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented in these unconsolidated condensed interim financial statements.

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

4. PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) June 30, 2019	(Audited) December 31, 2018
	--------------(Rupees)-------------	
Operating assets (note 4.1)	327,828	337,501
Capital work in progress (note 4.2)	237,890	177,336
	565,718	514,837

(Amounts in thousand)

4.1 Additions to operating assets during the period / year amounted to Rs. 31,521 (December 31, 2018: Rs. 224,490). Operating assets costing Rs. 138 (December 31, 2018: Rs. 874) having a net book value of Rs. 72 (December 31, 2018: Rs. 310), were disposed off during the period / year for Rs. 98 (December 31, 2018: Rs. 484).

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

5. LONG TERM INVESTMENTS

During the period:

- the Company has made investment in Engro Infiniti (Private) Limited, a wholly owned subsidiary, through subscription of 18,460,000 ordinary shares of Rs. 10 each at par; and
- the shareholders of the Company in its Extraordinary General Meeting held on May 28, 2019, authorised the Company to acquire 100% of the issued and paid-up share capital of Engro Eximp FZE (UAE) from Engro Fertilizers Limited, a subsidiary Company, against an amount of Rs. 1,757,280 (subject to adjustments at the date of closing of the transaction). Subsequent to the reporting date, the Company acquired Engro Eximp FZE for a consideration of Rs. 1,972,505.

6. LONG TERM LOANS AND ADVANCES

Includes an amount of Rs. 334,676 (December 31, 2018: Rs. nil) in respect of subordinated loan agreement entered by the Company with Engro Energy Limited, a wholly-owned subsidiary company. The total facility under this agreement amounts to USD 21,400 (PKR equivalent). The loan carries mark-up at the rate of 6 months KIBOR plus 2.00% per annum, payable quarterly.

7. LOANS, ADVANCES AND PREPAYMENTS

Includes an amount of Rs. 2,700,000 (December 31, 2018: Rs. nil) in respect of subordinated loan agreement entered by the Company with Engro Infiniti (Private) Limited, a wholly-owned subsidiary company. The total facility under this agreement amounts to Rs 3,500,000. The loan carries mark-up at the rate of 6 months KIBOR plus 2.00% per annum, payable monthly.

8. RECEIVABLES

These include an amount of Rs. 270,000 (December 31, 2018: nil) on account of dividend receivable from Engro Vopak Terminal Limited (a joint venture company).

(Amounts in thousand)

9. SHORT TERM INVESTMENTS

	(Unaudited) June 30, 2019	(Audited) December 31, 2018
	-------------(Rupees)------------	
Fair value through profit or loss		
- Treasury bills (note 12.1)	51,875,326	52,896,953
- Pakistan Investment Bonds	504,607	7,699,778
- Mutual fund units	4,158,859	-
Amortised cost		
- Fixed income placement	40,413	33,418
- Term Finance Certificates (note 9.1)	4,392,749	4,211,910
	60,971,954	64,842,059

9.1 The Company subscribed to privately placed, unsecured and non-convertible zero-coupon Term Finance Certificates (TFCs) issued by Engro Energy Limited, a wholly owned subsidiary company. These TFCs were issued at a discounted value of Rs. 3,560,000 and have a tenure of one year, extendable annually upon mutual consent upto a maximum of 48 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. SHARE CAPITAL

During the period, the Company:

- increased its authorised share capital from Rs. 5,500,000 to Rs 7,000,000; and

- issued bonus shares in the ratio of 1 shares for every 10 shares held, totaling the number of issued, subscribed and paid-up shares to 576,163,230 (December 31, 2018: 523,784,754).

11. BORROWINGS

The outstanding balance as at period end represents amount raised from general public against the issuance of Engro Islamic Rupiya Certificates - II having a tenure of 60 months with a profit rate of 13.5% per annum payable semi-annually maturing on July 10, 2019. Subsequent to the reporting date, the entire outstanding balance along with markup thereon was repaid to the certificate holders.

12. CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments reported in the audited annual financial statements for the year ended December 31, 2018 are as follows:

(Amounts in thousand)

12.1 Contingencies

During the period:

- pledged shares of Engro Fertilizers Limited and Engro Foods Limited against the Standby Letter of Credit (SBLC) provided by Engro Energy Limited, a wholly owned subsidiary, have been replaced by Treasury Bills amounting to Rs 7,250,000; and

- the amount of Equity SBLC provided in connection with Engro Powergen Thar (Private) Limited has been reduced to USD 138 (December 31, 2018: USD 17,827) (in PKR equivalent).

	(Unaudited) June 30, 2019	(Audited) December 31, 2018
	-------------(Rupees)------------	
12.2 Commitments		
Commitments in respect of capital expenditure	380,894	230,687

13. TAXATION

	Quarter ended		Half year ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----------(Rupees)----------			
Current				
- for the period	381,077	389,736	1,180,629	1,009,185
- for prior years	-	512,857	-	512,857
	381,077	902,593	1,180,629	1,522,042
Deferred	(4,494)	1,821	(4,915)	(181)
	376,583	904,414	1,175,714	1,521,861

14. EARNINGS PER SHARE

	Quarter ended		Half year ended	
There is no dilutive effect on the basic earnings per share on the Company, which is based on the following:				
Profit for the period	1,330,584	625,959	5,162,689	3,772,325
	----------(Number of shares)----------			
		(Restated)		(Restated)
Weighted average number of ordinary shares (in thousand)	576,163	576,163	576,163	576,163

(Amounts in thousand)

	Half year ended	
	June 30, 2019	June 30, 2018
	--------------(Rupees)-------------	

15. CASH UTILIZED IN OPERATIONS

	June 30, 2019	June 30, 2018
Profit before taxation	6,338,403	5,294,186
Adjustment for non-cash charges and other items:		
Depreciation	180,747	26,665
Amortization	10,258	3,502
(Gain) / loss on disposal of property, plant and equipment	(26)	13
Provision for retirement and other service benefits	76,459	28,379
Income on deposits / other financial assets	(3,502,471)	(2,068,375)
Reversal of provision of Workers Welfare Fund	-	(204,229)
Dividend income	(3,647,413)	(3,169,615)
Royalty income	(509,289)	(436,638)
Financial charges	127,612	69,011
Working capital changes (note 15.1)	(210,495)	(850,928)
	(1,136,215)	(1,308,029)

15.1 Working capital changes

	June 30, 2019	June 30, 2018
(Increase) / Decrease in current assets		
- Loans, advances, deposits and prepayments	(26,821)	39,670
- Other receivables (net)	(399,144)	(190,818)
	(425,965)	(151,148)
Increase / (Decrease) in current liabilities		
- Trade and other payables including other service benefits (net)	215,470	(699,780)
	(210,495)	(850,928)

16. CASH AND CASH EQUIVALENTS

	June 30, 2019	June 30, 2018
Short term investments	51,915,739	58,057,907
Cash and bank balances	2,191,458	2,697,097
	54,107,197	60,755,004

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

	Level 1	Level 2	Level 3	Total
	----------	Rupees	----------	
Assets				
Financial assets at fair value through profit or loss				
- Treasury Bills	-	51,875,326	-	51,875,326
- Pakistan Investment Bonds	-	504,607	-	504,607
- Units of mutual funds	4,158,859	-	-	4,158,859

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 unconsolidated condensed interim financial statements, are as follows:

	Half year ended	
	June 30, 2019	June 30, 2018
	--------------(Rupees)-------------	
Parent Company		
Dividend paid	1,891,234	1,160,087
Reimbursements of expenses	130,629	7,646
Subsidiary companies		
Purchases and services	709,867	516,168
Mark-up from subsidiaries	67,345	17,334
of loan to subsidiary	3,034,676	-
Repayment of loan by subsidiaries	-	896,542
Unwinding of discount onTFCs	180,839	-
Dividend received	3,107,413	2,552,184
Royalty income	509,289	436,638
Reimbursements	158,228	321,017
Investment made in subsidiary	184,600	532,400
Associated companies		
Purchases and services	162,021	153,547
Dividend received	-	122,430
Contribution for Corporate Social Responsibility	15,000	12,000
Reimbursements	8,551	20,852
Dividend paid	349,744	215,399
Others	11	19
Joint venture		
Services rendered	24,746	21,138
Dividend received	540,000	495,000
Reimbursements	1,563	8,709
Others		
Remuneration of key management personnel	250,544	158,476
Reimbursements to key management personnel	35,507	296
Profit on Engro Islamic Rupiya Certificates	9,804	9,784
Contribution to staff retirement benefit funds	46,016	39,934
Dividend paid	87,663	36,245
Directors' Fee	69,274	26,444

(Amounts in thousand)

19. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

19.1 The Board of Directors of Engro Fertilizers Limited in its meeting held on August 08, 2019 has declared an interim cash dividend of Rs. 5.00 per share for the year ending December 31, 2019. These unconsolidated condensed interim financial statements do not reflect the effect of dividend receivable by the Company amounting to Rs. 3,756,560.

19.2 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on July 30, 2019 has declared dividend of Rs 6.00 per share for the year ending December 31, 2019. These unconsolidated condensed interim financial statements do not reflect the effect of dividend receivable by the Company amounting to Rs. 270,000.

19.3 The Board of Directors of the Company in its meeting held on August 20, 2019 has approved an interim cash dividend of Rs. 8.00 per share for the year ending December 31, 2019. These unconsolidated condensed interim financial statements do not reflect the effect of 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 or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows has been compared with the balances of comparable period of immediately preceding financial year.

21. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 20, 2019 by the Board of Directors of the Company.

Abdul Samad Dawood Vice Chairman	Hasnain Moochhala Chief Financial Officer	Ghias Khan President and Chief Executive

engro corp

consolidated condensed interim financial information.

consolidated condensed interim statement of financial position (unaudited) as at june 30, 2019

(Amounts in thousand)	Note	(Unaudited) June 30, 2019	(Audited) December 31, 2018
		--------------(Rupees)-------------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	245,351,982	204,408,878
Right-of-use asset	3.5.3	3,732,371	-
Intangible assets		357,800	317,539
Long term investments	6	32,124,597	31,590,380
Deferred taxation		189,960	384,612
Long term loans, advances and other receivables		3,820,309	4,092,566
		285,577,019	240,793,975
Current assets			
Stores, spares and loose tools		7,619,995	7,687,869
Stock-in-trade		12,177,803	17,228,278
Trade debts		20,977,981	18,449,563
Loans, advances, deposits and prepayments		2,148,965	3,170,670
Other receivables		11,307,656	11,447,568
Accrued income		188,089	171,306
Contract Asset		81,740	179,905
Derivative financial asset	7	379,388	-
Short term investments		83,084,751	82,144,823
Cash and bank balances		22,493,543	11,880,811
		160,459,911	152,360,793
TOTAL ASSETS		446,036,930	393,154,768

Abdul Samad Dawood
Vice Chairman

Hasnain Moochhala
Chief Financial Officer

Ghias Khan
President and Chief Executive

consolidated condensed interim statement of financial position (unaudited) as at june 30, 2019

(Amounts in thousand)	Note	(Unaudited) June 30, 2019	(Audited) December 31, 2018
		--------------(Rupees)-------------	
EQUITY & LIABILITIES			
Equity			
Share capital	8	5,761,632	5,237,848
Share premium		13,068,232	13,068,232
Revaluation reserve on business combination		17,981	23,082
Maintenance reserve		156,301	156,301
Exchange revaluation reserve		647,246	395,605
Hedging reserve		115,582	(24,969)
General reserve		4,429,240	4,429,240
Unappropriated profit		113,085,353	113,100,747
Remeasurement of post-employment benefits		(71,092)	(71,092)
		131,448,843	131,077,146
		137,210,475	136,314,994
Non-Controlling Interest	9	55,565,443	49,272,245
Total Equity		192,775,918	185,587,239
Liabilities			
Non-Current liabilities			
Borrowings	10	133,572,565	121,110,471
Deferred taxation		8,684,257	8,428,363
Deferred liabilities		249,005	259,786
Lease liabilities	3.5.3	5,791,317	-
		148,297,144	129,798,620
Current Liabilities			
Trade and other payables		69,156,155	50,371,278
Accrued interest / mark-up		2,983,984	2,242,686
Current portion of:			
- borrowings		16,784,485	10,315,924
- lease liabilities	3.5.3	1,195,795	-
- deferred liabilities		99,665	113,852
Taxes payable		6,817,522	7,642,916
Short term borrowings		6,957,288	6,641,207
Dividend payable		550,235	25,683
Unclaimed dividends		418,739	415,363
		104,963,868	77,768,909
Total Liabilities		253,261,012	207,567,529
Contingencies and Commitments	11		
TOTAL EQUITY AND LIABILITIES		446,036,930	393,154,768

The annexed notes 1 to 21 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 half year ended june 30, 2019

(Amounts in thousand except for earnings per share)

	Note	Quarter ended		Half year ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
		(Rupees)			
Net revenue		45,341,758	38,208,202	85,989,116	71,733,077
Cost of revenue		(32,365,003)	(28,164,563)	(61,010,150)	(50,385,012)
Gross profit		12,976,755	10,043,639	24,978,966	21,348,065
Selling and distribution expenses		(1,356,814)	(1,500,290)	(3,097,262)	(3,236,519)
Administrative expenses		(1,059,301)	(767,723)	(2,403,469)	(1,780,847)
		10,560,640	7,775,626	19,478,235	16,330,699
Other income		4,068,179	2,331,908	6,416,011	4,971,619
Other operating expenses		(2,040,974)	(1,792,357)	(2,742,870)	(2,110,442)
Finance cost		(3,128,813)	(1,221,027)	(4,643,921)	(2,444,152)
Share of income / (loss) from joint ventures and associates		280,455	(917,656)	690,187	(501,605)
Profit for the period before taxation		9,739,487	6,176,494	19,197,642	16,246,119
Taxation		(4,821,975)	(1,958,935)	(7,715,203)	(5,191,198)
Profit for the period		4,917,512	4,217,559	11,482,439	11,054,921
Profit for the period attributable to:					
- Owners of the Holding Company		2,865,609	1,897,765	6,875,591	6,091,417
- Non-controlling interest		2,051,903	2,319,794	4,606,848	4,963,504
		4,917,512	4,217,559	11,482,439	11,054,921
			(Restated)		(Restated)
Earnings per share - basic and diluted	12	4.97	3.29	11.93	10.57

The annexed notes 1 to 21 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 half year ended june 30, 2019

(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Rupees)			
Profit for the period	4,917,512	4,217,559	11,482,439	11,054,921
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Hedging reserve - cash flow hedges				
Profit arising during the period	353,050	46,379	353,050	64,679
Reclassification adjustments for profit included in profit or loss	(218)	(839)	(433)	(432)
	352,832	45,540	352,617	64,247
Revaluation reserve on business combination	(5,251)	(5,251)	(10,501)	(10,501)
Exchange differences on translation of foreign operations	341,620	94,625	372,241	176,958
	689,201	134,914	714,357	230,704
Income tax relating to:				
- Hedging reserve - cash flow hedges	(102,385)	-	(102,385)	-
- Revaluation reserve on business combination	1,680	1,680	3,360	3,360
	(100,705)	1,680	(99,025)	3,360
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)	-	(1,651)
Other comprehensive income for the period, net of tax	588,496	134,943	615,332	232,413
Total comprehensive income for the period	5,506,008	4,352,502	12,097,771	11,287,334
Total comprehensive income attributable to:				
- Owners of the Holding Company	3,234,248	1,990,772	7,262,682	6,250,639
- Non-controlling interest	2,271,760	2,361,730	4,835,089	5,036,695
	5,506,008	4,352,502	12,097,771	11,287,334

The annexed notes 1 to 21 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 half year ended june 30, 2019

(Amounts in thousand)

	Attributable to owners of the Holding Company	Capital reserves				Revenue reserves							
	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)	Sub total	Non-controlling interest	Total
	Rupees											
Balance as at January 1, 2018 (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 half year ended June 30, 2018 (unaudited)												
Profit for the period	-	-	-	-	-	-	-	6,091,417	-	6,091,417	4,963,504	11,054,921
Other comprehensive (loss) / income	-	-	(5,101)	-	120,993	44,257	-	(927)	-	159,222	73,191	232,413
	-	-	(5,101)	-	120,993	44,257	-	6,090,490	-	6,250,639	5,036,695	11,287,334
Transactions with owners												
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	(2,135,612)	(2,135,612)
Reclassification of actuarial gain on withdrawal / curtailment of gratuity scheme	-	-	-	-	-	-	-	4,557	(4,557)	-	-	-
Share issuance cost	-	-	-	-	-	-	-	(5,586)	-	(5,586)	(14,869)	(20,455)
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 ended December 31, 2018 @ Rs.5.00 per share	-	-	-	-	-	-	-	(2,618,924)	-	(2,618,924)	-	(2,618,924)
	-	-	-	-	-	-	-	(3,667,523)	(4,557)	(3,672,080)	(2,150,481)	(5,822,561)
Balance as at June 30, 2018 (Unaudited)	5,237,848	13,068,232	28,183	156,301	203,105	(24,664)	4,429,240	111,009,661	(73,613)	134,034,293	42,504,957	176,539,250
Total comprehensive income / (loss) for the half year ended December 31, 2018												
Profit for the period	-	-	-	-	-	-	-	6,616,109	-	6,616,109	5,960,703	12,576,812
Other comprehensive income / (loss)	-	-	(5,101)	-	192,500	(305)	-	(1)	2,521	189,614	84,273	273,887
	-	-	(5,101)	-	192,500	(305)	-	6,616,108	2,521	6,805,723	6,044,976	12,850,699
Transactions with owners												
Issuance of right shares of subsidiary company	-	-	-	-	-	-	-	-	-	-	2,331,153	2,331,153
Share issuance cost	-	-	-	-	-	-	-	(7,588)	-	(7,588)	14,869	7,281
Advance against issue of share capital	-	-	-	-	-	-	-	-	-	-	1,997,646	1,997,646
Disposal of subsidiary company	-	-	-	-	-	-	-	2,815,554	-	2,815,554	1,520,229	4,335,783
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	(5,141,585)	(5,141,585)
2nd Interim cash dividends @ Rs.7.00 per share for the year ended December 31, 2018	-	-	-	-	-	-	-	(3,666,494)	-	(3,666,494)	-	(3,666,494)
3rd Interim cash dividends @ Rs.7.00 per share for the year ended December 31, 2018	-	-	-	-	-	-	-	(3,666,494)	-	(3,666,494)	-	(3,666,494)
	-	-	-	-	-	-	-	(4,525,022)	-	(4,525,022)	722,312	(3,802,710)
Balance as at December 31, 2018 (Audited)	5,237,848	13,068,232	23,082	156,301	395,605	(24,969)	4,429,240	113,100,747	(71,092)	136,314,994	49,272,245	185,587,239
Effect of change in accounting policies	-	-	-	-	-	-	-	1,271,051)	-	(1,271,051)	(923,921)	(2,194,972)
Adjusted balance as at January 1, 2019	5,237,848	13,068,232	23,082	156,301	395,605	(24,969)	4,429,240	111,829,696	(71,092)	135,043,943	48,348,324	183,392,267
Total comprehensive income / (loss) for the half year ended June 30, 2019 (Unaudited)												
Profit for the period	-	-	-	-	-	-	-	6,875,591	-	6,875,591	4,606,848	11,482,439
Other comprehensive income / (loss)	-	-	(5,101)	-	251,641	140,551	-	-	-	387,091	228,241	615,332
	-	-	(5,101)	-	251,641	140,551	-	6,875,591	-	7,262,682	4,835,089	12,097,771
Transactions with owners												
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	(2,421,654)	(2,421,654)
Shares issued during the period - net of transaction cost	-	-	-	-	-	-	-	(15,437)	-	(15,437)	2,542,495	2,527,058
Preference shares issued during the period - net of transaction cost	-	-	-	-	-	-	-	-	-	-	1,229,759	1,229,759
Advance against issue of share capital	-	-	-	-	-	-	-	-	-	-	1,031,430	1,031,430
Bonus shares issued during the period in the ratio of 1 shares for every 10 shares held	523,784	-	-	-	-	-	-	(523,784)	-	-	-	-
Final cash dividend for the year ended December 31, 2018 @ Rs. 2.00 per share	-	-	-	-	-	-	-	1,047,570)	-	(1,047,570)	-	(1,047,570)
First Interim cash dividend for the year ending December 31, 2019 @ Rs. 7.00 per share	-	-	-	-	-	-	-	(4,033,143)	-	(4,033,143)	-	(4,033,143)
	523,784	-	-	-	-	-	-	(5,619,934)	-	(5,096,150)	2,382,030	(2,714,120)
Balance as at June 30, 2019 (Unaudited)	5,761,632	13,068,232	17,981	156,301	647,246	115,582	4,429,240	113,085,353	(71,092)	137,210,475	55,565,443	192,775,918

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

Abdul Samad Dawood	Hasnain Moochhala	Ghias Khan
Vice Chairman	Chief Financial Officer	President and Chief Executive

consolidated condensed interim statement of cash flows (unaudited) for the half year ended june 30, 2019

(Amounts in thousand)

	Note	Half year ended June 30, 2019	Half year ended June 30, 2018
		(Rupees)	
Cash flows from operating activities			
Cash generated from operations	13	46,767,525	26,476,982
Retirement and other service benefits paid		(166,536)	(112,480)
Finance cost paid		(6,513,819)	(3,598,289)
Taxes paid		(7,517,182)	(2,640,115)
Long term loans and advances - net		(428,248)	(107,989)
Net cash generated from operating activities		32,141,740	20,018,109
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		(30,044,142)	(18,476,495)
Proceeds from disposal of:			
- property, plant and equipment		46,665	20,336
- short term investments - net		(321,035)	24,688,661
Income on deposits / other financial assets		4,558,264	2,638,801
Investments made during the period		(568,630)	(462,170)
Dividends received		270,000	617,430
Net cash (utilized in) / generated from investing activities		(26,058,878)	9,026,563
Cash flows from financing activities			
Proceeds from borrowings - net		6,603,819	10,605,397
Proceeds from issuance of shares - net		3,793,809	-
Advance against issuance of shares		1,216,030	-
Share issuance costs		(36,794)	(20,455)
Lease rentals paid		(677,609)	-
Dividends paid		(6,974,147)	(6,423,780)
Net cash generated from financing activities		3,925,108	4,161,162
Net increase in cash and cash equivalents		10,007,970	33,205,834
Cash and cash equivalents at beginning of the period		71,639,638	43,876,320
Cash and cash equivalents at end of the period	14	81,647,608	77,082,154

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

Abdul Samad Dawood	Hasnain Moochhala	Ghias Khan
Vice Chairman	Chief Financial Officer	President and Chief Executive

notes to the consolidated condensed interim financial statements (unaudited) for the half year ended june 30, 2019

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

Engro Corporation Limited (the Holding Company), is a public listed company incorporated in Pakistan 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 & 8th floors, The Harbour Front Building, HC # 3, Block 4, Marine Drive, Clifton, Karachi.

1.1 The "Group" consists of:

Holding Company - Engro Corporation Limited

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

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

	%age of direct share holding	
	June 30, 2019	December 31, 2018
- Engro Energy Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Infiniti (Private) Limited (note 1.1.1)	100	100
- Engro Fertilizers Limited	56.27	56.27
- Engro Polymer and Chemicals Limited	56.19	56.19
- Elengy Terminal Pakistan Limited	56	56
Joint Venture Company:		
- Engro Vopak Terminal Limited	50	50
Associated Company:		
- Engro Foods Limited	39.9	39.9

1.1.1 During the period, the Holding Company has made investment in Engro Infiniti (Private) Limited, a wholly owned subsidiary, through subscription of 18,460,000 ordinary shares of Rs. 10 each at par.

1.1.2 During the period, the shareholders of the Holding Company in its Extraordinary General Meeting held on May 28, 2019, authorised the Holding Company to acquire 100% of the issued and paid-up share capital of Engro Eximp FZE (UAE) from Engro Fertilizers Limited (EFert), a subsidiary Company, against an amount of Rs. 1,757,280 (subject to adjustments at the date of closing of the transaction). Subsequent to the reporting date, the Holding Company acquired Engro Eximp FZE for a consideration of Rs. 1,972,505.

(Amounts in thousand)

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE GROUP'S FINANCIAL POSITION AND PERFORMANCE DURING THE PERIOD

Following is the summary of significant transactions and events affecting the Group's financial position and performance during the period:

2.1 Through Finance Act 2019, the corporate tax rate for companies have been fixed at 29% for TY 2019 and onwards, thereby deleting the previous 1% successive reduction in corporate tax rate up till TY 2023 enacted through Finance Act 2018. The consequent increase in deferred tax liability has been recognised in these consolidated condensed interim financial statements.

2.2 In 2017, Engro Polymer and Chemicals Limited (EPCL), a subsidiary company, had announced Caustic Flake production plan as a part of its expansion plan. During the period, the commercial production of the product has been commenced.

2.3 EPCL has approved the incorporation of two wholly owned subsidiaries by name Engro Peroxide (Private) Limited and Engro Plasticizer (Private) Limited for manufacturing Hydrogen Per-oxide and Chlorinated Paraffin Wax, respectively.

3. BASIS FOR PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 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.

3.2 The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards 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 apply to the consolidated financial statements of the Group for the year ended December 31, 2018.

3.3 These consolidated condensed interim financial statements do not include all the information required for consolidated annual financial statements and therefore should be read in conjuction with the audited consolidated annual financial statements of the Group for the year ended December 31, 2018.

3.4 The accounting policies and the methods of computation 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, 2018 except for changes specified in note 3.5.

(Amounts in thousand)

3.5 New accounting standards, interpretations and amendments to approved accounting standards

a) Standards, interpretations and amendments to approved accounting standards that are effective for the period and are relevant to the Group.

There are certain new standards, interpretations and amendments to approved accounting standards which are applicable for the first time on the Group's accounting periods beginning on or after January 1, 2019 but are considered not to be relevant or have any significant effect on the Group's financial reporting, except as follows:

3.5.1 - IFRS 15 - 'Revenue from Contracts with Customers' supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Group has assessed that significant performance obligation in contracts with customers are discharged at a single point of time and therefore there is no significant financial impact of IFRS 15 on the Group. However, certain transporation and handling expenses previously included in selling and distribution expenses have now been reclassified to cost of revenue.

3.5.2 - IFRS 9 - 'Financial Instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the related guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (OCI) and fair value through profit and loss (FVTPL). The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI, without recycling of fair value changes to profit or loss.

There is now a new expected credit losses model that replaces the incurred loss impairment model of IAS 39. For financial liabilities there are no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes.

The adoption of IFRS 9 from January 1, 2019 by the Group has resulted in change in accounting policies. The Group has applied IFRS 9 retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". However, it has elected not to restate comparative information as permitted under the transitional provisions of the standard considering there being no material impact of the same.

Loans, deposits, and other receivables, accrued interest and cash and cash equivalents, which were previously classified as loans and receivables under IAS 39, will now be classified as amortised cost under IFRS 9. Further, short-term investments which were previously classified as held-for-trading under IAS 39 will now be classified as fair value through profit or loss. There have been no changes to the classification of financial liabilities. Furthermore, there were no changes to the carrying values of the Group's financial assets and liabilities for current and prior year balances from adopting the new classification model under IFRS 9.

(Amounts in thousand)

In light of the above, certain changes have been made in the accounting policies of the Group. However, based on Group's assessment, there is no material impact of these changes on these consolidated condensed interim financial statements.

3.5.3 Effective January 1, 2019, the Group has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 ""Operating Leases - Incentive"" and SIC-27 "Evaluating the substance of transactions involving the legal form of a Lease". IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. The only exceptions are short term and low value leases. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

The accounting polices relating to Group's right-of-use assets and lease liabilities are as follows:

Lease liabilities and right-of-use assets

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From January 1, 2019, leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group.

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

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

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

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

(Amounts in thousand)

The Group has adopted IFRS 16 retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The impact of adoption of this standard is, therefore, recognised in the opening consolidated statement of financial position on January 1, 2019.

On adoption of IFRS 16, the Group recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019.

The right-of use assets of Group were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognised in the unconsolidated condensed interim statement of financial position immediately before the date of initial application, accordingly, there is no impact on the opening balances of unappropriated profit as on January 1, 2019. The recognised right-of-use assets relates to the office space and land for infrastructure towers acquired on rental basis. In case of Ethylene storage tanks, the right-of use assets were measured on a retrospective basis at its carrying amounts as if IFRS 16 had been applied since the commencement date of the respective leases, but discounted using the lessee's incremental borrowing rate at the date of initial application.

	(Unaudited) June 30, 2019	(Unaudited) January 1, 2019
	--------------(Rupees)-------------	
The recognised right-of-use assets relate to the following types of assets:		
Buildings and infrastructure	1,145,271	1,289,242
Storage tanks - Ethylene	2,587,100	2,778,739
Total right-of-use assets	3,732,371	4,067,981

The change in accounting policy affected the following items in the statement of financial position on January 1, 2019:

	---Rupees---
Right of Use assets - increased by	4,067,981
Unappropriated profits - decreased by	1,898,034
Deferred tax asset- increased by	743,047
Lease liabilities - increased by	6,709,062

Practical expedients applied

In applying IFRS 16 for the first time, they have used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics,
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases,
- the exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application, and

- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

b) Standards, interpretations and amendments to approved accounting standards that are not yet effective

There are certain new standards, interpretations and amendments to approved accounting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2019 and may have an impact on the consolidated condensed interim financial statements of the Group. At present, the impact of application of these standards, amendments and interpretations on the Group's future financial statements is being assessed.

3.6 Earlier, the Securities and Exchange Commission of Pakistan (SECP) vide its circular dated June 22, 2009 deferred the implementation of IFRIC 4 to all companies to facilitate corporate sector as the application would involve complex calculations and materially affect the status of the assets, available profits and distribution of dividends to the shareholders which would in turn effect the overall financing of the companies. Engro Powergen Qadirpur Limited (EPQL), a subsidiary of Engro Energy Limited and Engro Elengy Terminal (Private) Limited (EETPL) , a subsidiary of Elengy Terminal Pakistan Limited, have applied to the SECP for exemption from the application of IFRS 16 citing the afore-mentioned issues and prepared their respective condensed interim financial statements without accounting for IFRS 16. The management of EPQL and EETPL is confident that an exemption shall be granted by the SECP in this regard. These consolidated condensed interim financial statements have been prepared accordingly.

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

4. BASIS OF CONSOLIDATION

4.1 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.

4.2 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.

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

4.4 These 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the 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.

(Amounts in thousand)

5. PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) June 30, 2019	(Audited) December 31, 2018
	--------------(Rupees)-------------	
Operating assets, at net book value (notes 5.1 and 5.2)	102,860,085	105,138,798
Capital work in progress - Expansion and other projects (note 5.3)	140,169,101	98,326,481
Capital spares and standby equipments	2,322,796	943,599
	245,351,982	204,408,878

5.1 Following additions including transfers from CWIP to operating assets during the period / year:

Land	261,528	26,938
Plant and machinery	1,711,014	6,284,288
Building and civil works including pipelines	48,682	153,748
Furniture, fixture and equipment	309,293	620,112
Catalyst	-	213,900
Vehicles	139,301	251,104
Jetty	-	6,133
Dredging	-	116,758
	2,469,818	7,672,981

5.2 During the period, assets costing Rs. 70,074 (December 31, 2018: Rs. 102,833), having net book value of Rs. 30,240 (December 31, 2018: Rs. 18,183) were disposed / written-off for Rs. 46,635 (December 31, 2018: 40,830).

5.3 Capital work in progress - Expansion and other projects

	(Unaudited) June 30, 2019	(Audited) December 31, 2018
	--------------(Rupees)-------------	
Balance at beginning of the period / year	98,326,481	52,994,469
Additions during the period / year	44,316,538	53,072,911
Transferred to:		
- operating assets	(2,447,344)	(7,603,696)
- intangible assets	(26,574)	(134,505)
- capital spares	-	(2,698)
Balance at end of the period / year	140,169,101	98,326,481

6. LONG TERM INVESTMENTS

	(Unaudited) June 30, 2019	(Audited) December 31, 2018
	--------------(Rupees)-------------	
Balance at beginning of the period / year	31,590,380	32,195,681
Add:		
- Investment in associates (note 6.1)	384,030	713,042
- Share of profit for the period / year	690,187	1,484,326
Less:		
- Dividend received during the period / year	(540,000)	(1,292,430)
- Provision against tax contingency	-	(1,355,679)
- Provision for impairment	-	(154,560)
Balance at end of the period / year	32,124,597	31,590,380

(Amounts in thousand)

6.1 This represents investment made during the period by Engro Energy Limited (EEL), a wholly owned subsidiary, in Sindh Engro Coal Mining Company Limited and Siddiqsons Energy Limited.

7. DERIVATIVE FINANCIAL ASSET

During the period, Engro Polymer & Chemicals Limited, a subsidiary company, has entered into Forward Exchange agreement on Import Letter of Credit to manage exchange rate exposure on foreign currency payments amounting to CNY 152,000 due on account of purchase of machinery for expansion projects.

8. SHARE CAPITAL

During the period, the Holding Company:

- increased its authorised share capital from Rs. 5,500,000 to Rs 7,000,000; and

- issued bonus shares in the ratio of 1 shares for every 10 shares held, totaling the number of issued, subscribed and paid-up shares to 576,163,230 (December 31, 2018: 523,784,754).

9. NON CONTROLLING INTEREST

During the period, Engro Powergen Thar (Private) Limited (EPTL), subsidiary of EEL, has issued 123,593,943 fully paid preference shares of Rs. 10 each as fully paid right shares. 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 (IRR). 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;

- ETPL has made a profit after tax;

- any and all losses incurred by ETPL 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 on June 30, 2019 amounts to Rs. 3,658,751 (December 31, 2018: Rs. 2,484,685) which has not been recognized in this consolidated condensed interim financial statements.

(Amounts in thousand)

10. BORROWINGS

10.1 Engro Corporation Limited

The outstanding balance of Rs. 1,000,000 as at period end represents amount raised from general public against the issuance of Engro Islamic Rupiya Certificates - II having a tenure of 60 months with a profit rate of 13.5% per annum payable semi-annually maturing on July 10, 2019. Subsequent to the reporting date, the entire outstanding balance along with markup thereon was repaid to the certificate holders.

10.2 Engro Polymer and Chemicals Limited (EPCL)

During the period, EPCL, a subsidiary company:

- has reprofiled its debt structure through issuance of sukuk bonds of Rs. 8,750,000. These bonds carry a quarterly rental rate of 3 months KIBOR + 0.9% and are repayable over a period of 7.5 years with the first repayment commencing in June 2024.

- made an early repayment of the long term loans amounting to Rs. 7,500,000 outstanding as at December 31, 2018.

10.3 Engro Powergen Thar (Private) Limited (EPTL)

- As at June 30, 2019, under the USD Facility Agreement with foreign banks, EPTL has made draw down of USD 545,462 (December 31, 2018: USD 504,731), while the undrawn amount is USD 75,538 (December 31, 2018: USD 116,269).

- As at June 30, 2019, EPTL has made the total draw down in respect of its local currency long term financing facilities of Rs. 22,476,597 (December 31, 2018: Rs. 18,846,597) while the undrawn amounts are equal to Rs. 1,673,403 (December 31, 2018: Rs. 5,303,403).

10.4 Engro Fertilizers Limited (EFert)

During the period, principal repayments of long term loan from various banks and subordinated sukuk aggregating to Rs. 2,432,042 were made by EFert.

11. CONTINGENCIES AND COMMITMENTS

Significant changes in the status of contingencies and commitments reported in the audited annual consolidated financial statements for the year ended December 31, 2018 are as follows :

(Amounts in thousand)

11.1 Contingencies

11.1.1 During the period:

- the Holding Company pledged shares of Engro Fertilizers Limited and Engro Foods Limited against the Standby Letter of Credit (SBLC) provided by Engro Energy Limited, a wholly owned subsidiary, have been replaced by Treasury Bills amounting to Rs 7,250,000; and

- the amount of Equity SBLC provided in connection with Engro Powergen Thar (Private) Limited has been reduced to USD 138 (December 31, 2018: USD 17,827) (in PKR equivalent).

11.1.2 In the year 2017, the High Court of Islamabad in its order dated June 8, 2017 declared that the income derived by M/s Snamprogetti Engineering (the Contractor) from its contract with EFert, is subject to tax as per Clause 4 of Article 5 of Double Taxation Treaty between Pakistan and the Netherlands. As per the terms of the contract, EFert is liable to reimburse the Contractor for any taxes applied to the income of the Contractor under the contract by the taxation authorities. In respect thereof, the Contractor preferred an appeal in the Supreme Court of Pakistan (SCP). During the period, the SCP decided the case on ex-parte basis against the Contractor. A review application for case restoration has been filed with SCP. The management of EFert based on the opinion of its legal counsel feels that the chances of restoration application being allowed by SCP are good. Hence, no provision has been made in this respect.

11.1.3 During the period, EEL furnished 10 bank guarantees amounting to USD 50 each, to Baluchistan Power Development Board to acquire Letter of Intents / development rights for 50MW x 10 project sites located in Chagai corridor (area of Baluchistan). These gurantees shall expire in February 2021.

11.1.4 On June 27, 2019, EEL furnished a bank guarantee amounting to Rs. 100,000 expiring on October 4, 2019, to Frontier Works Organization (FWO) along with a proposal for participation as equity partner for the white oil pipeline project being developed by FWO.

11.2 Commitments

11.2.1 Commitments in respect of capital expenditure contracted but not incurred amount to Rs. 18,144,814 (2018: Rs. 23,026,122).

(Amounts in thousand)

12. EARNINGS PER SHARE - BASIC AND DILUTED

	(Unaudited) Quarter ended June 30, 2019	Quarter ended June 30, 2018	Half year ended June 30, 2019	Half year ended June 30, 2018
	(Rupees)			
There is no dilutive effect on the basic earnings per share on the Holding Company, which is based on the following:				
Profit for the period, attributable to the owners of the Holding Company:	2,865,609	1,897,765	6,875,591	6,091,417
	Number of shares			
		(Restated)		(Restated)
Weighted average number of ordinary shares (in thousand)	576,163	576,163	576,163	576,163

13. CASH GENERATED FROM OPERATIONS

	(Unaudited) Half year ended June 30, 2019	Half year ended June 30, 2018
	(Rupees)	
Profit for the period before taxation	19,197,642	16,246,119
Adjustment for non-cash charges and other items:		
Depreciation and amortization	4,499,907	3,905,700
Gain on disposal of property, plant and equipment	(16,370)	(13,503)
Provision for retirement and other service benefits	152,115	84,152
Income on deposits / other financial assets	4,670,197)	(2,317,418)
Reversal of provision for Workers Welfare Fund	-	(509,766)
Share of loss / (income) from joint venture and associates	(690,187)	501,605
Finance cost	3,350,399	1,830,554
Loss on foreign currency translations	1,711,275	564,877
Working capital changes (note 13.1)	23,232,941	6,184,662
	46,767,525	26,476,982

13.1 Working capital changes

(Increase) / Decrease in current assets		
- Stores, spares and loose tools	57,097	(172,091)
- Stock-in-trade	5,020,383	(552,728)
- Trade debts	(2,520,559)	(593,450)
- Loans, advances, deposits and prepayments	618,105	(368,698)
- Other receivables - net	442,986	1,170,659
	3,618,012	(516,308)
Increase / (Decrease) in current liabilities		
- Trade and other payables, including other service benefits - net	19,614,929	6,700,970
	23,232,941	6,184,662

(Amounts in thousand)

14. CASH AND CASH EQUIVALENTS

	(Unaudited) June 30, 2019	June 30, 2018
	(Rupees)	
Cash and bank balances	22,493,543	11,797,811
Short term investments	66,446,029	71,456,889
Short term borrowings	(7,291,964)	(6,172,546)
	81,647,608	77,082,154

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

15.1 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.

15.2 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	10,893,352	64,249,127	-
- Derivative financial asset	379,388	-	-

- 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.

15.3 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)

16. 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)------------	
	Half year ended	
	June 30, 2019	June 30, 2018
	--------------(Rupees)-------------	
Parent Company		
Dividend paid	1,891,234	1,160,087
Reimbursements to Parent Company	130,629	7,646
Associated companies and joint ventures		
Purchases and services	3,429,151	2,503,163
Dividends received	540,000	617,430
Dividends paid	352,822	888,813
Contribution for Corporate Social Responsibility	20,500	62,000
Payment against EPC contract	11,710,404	12,535,052
Reimbursements from	168,299	102,124
Reimbursements to	143,132	109,619
Loan received	263,039	393,187
Loan paid	-	165,915
Mark-up on borrowings	111,398	98,680
Finance cost paid	-	62,633
Share capital issued	4,560,529	1,982,350
Others	11	19
Key Management Personnel		
Remuneration paid to key management personnel / Directors	612,580	522,296
Reimbursement of expenses	35,904	559
Directors fees	73,990	29,094
Dividend paid	87,663	36,245
Profit on Engro Islamic Rupiya Certificates	9,804	9,784
Contribution for retirement benefits	372,401	324,496

(Amounts in thousand)

17. SEGMENT REPORTING

17.1 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.

17.2 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.

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

	(Unaudited)			
	Quarter ended		Half year ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Rupees)			
Revenue				
Fertilizer	26,990,496	22,897,535	50,642,948	41,116,414
Polymer	9,256,687	8,414,411	18,600,321	17,101,613
Food	987,033	691,096	1,747,069	1,649,019
Power and mining	4,043,380	3,206,786	7,421,837	6,063,364
Other operations	4,606,534	3,628,400	11,784,889	9,461,284
Elimination - net	(542,372)	(630,026)	(4,207,948)	(3,658,617)
Consolidated	45,341,758	38,208,202	85,989,116	71,733,077
Profit / (Loss) for the period				
Fertilizer	3,177,360	3,259,781	7,184,175	7,149,376
Polymer	450,236	1,335,562	1,544,394	2,783,671
Food	(123,951)	100,543	(84,484)	226,891
Power and mining	40,695	888,998	579,967	1,315,171
Other operations	1,372,710	702,691	6,026,605	4,369,335
Elimination - net	462	(2,070,016)	(3,768,218)	(4,789,523)
Consolidated	4,917,512	4,217,559	11,482,439	11,054,921

(Amounts in thousand)

	(Unaudited) June 30, 2019	(Audited) December 31, 2018
	--------------(Rupees)-------------	
Assets		
Fertilizer	118,294,992	117,721,049
Polymer	43,547,544	36,023,287
Food	31,611,970	31,554,174
Power and mining	177,175,763	133,172,457
Other operations	113,547,725	108,912,608
Elimination - net	(38,141,064)	(34,228,807)
	446,036,930	393,154,768

18. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

18.1 The Board of Directors of the Holding Company in its meeting held on August 20, 2019 has approved an interim cash dividend of Rs. 8.00 per share for the year ending December 31, 2019. These consolidated condensed interim financial statements does not include the effect of the said interim dividend.

18.2 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on July 30, 2019 has declared an interim cash dividend of Rs. 6.00 per share for the year ending December 31, 2019. These consolidated condensed interim financial statements does not include the effect of the said interim dividend.

19. SEASONALITY

19.1 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.

19.2 "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.

20. CORRESPONDING FIGURES

20.1 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.

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

21. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements were authorized for issue on August 20, 2019 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

اینگرو کارپوریشن لمیٹڈ کے ڈائریکٹرز اپنی رپورٹ جمع کرانے پر انتہائی مسرت کا اظہار کرتے ہیں، جس کے ساتھ 30جون2019 کو ختم ہونے والی دوسری سہ ماہی کیلئے کمپنی کا عبوری غیر آڈٹ شدہ مالیاتی بیانیہ بھی موجود ہے۔

مالیاتی کار کردگی

مجموعی طور پر، 2019 کی پہلی ششماہی کیلئے کھاد اور پیٹرو کیمیکلز کی کارکردگی کے لحاظ سے کمپنی کی آمدن 20فیصد سے بڑھی جو کہ گزشتہ برس کی اسی مدت میں 85,989 ملین پاکستانی روپے تھی۔2019 کی پہلی ششماہی کیلئے بعد از ٹیکس مجموعی منافع (PAT 11,482) ملین پاکستانی روپے تھا، جبکہ بعد از ٹیکس منافع کے بعد حصص یافتگان سے منسوب رقم گزشتہ برس کے اسی عرصے کے دوران 6,091ملین پاکستانی روپے سے بڑھ کر13 فیصد یعنی 6,876ملین پاکستانی روپے ہو گئی۔ انفرادی بنیاد پر کمپنی کا بعد از ٹیکس منافع گزشتہ مالی سال کے اسی عرصے کے دوران 3,772ملین پاکستانی روپے کے مقابلے میں 5,163ملین پاکستانی روپے رہا اور کمپنی کی فی حصص آمدن8.96 پاکستانی روپے فی حصص رہی۔ منافع بعد از ٹیکس میں اضافہ بنیادی طور پر ڈیویڈنڈ اور سود پر مبنی آمدن کے باعث ہے۔بورڈ انتہائی مسرت کے ساتھ سال2019 کیلئے8.00 روپے فی حصص کے دوسرے عبوری کیش ڈیویڈنڈ کا اعلان کرتا ہے۔

حکمتِ عملی

اینگرو کے ہر کاروبار کی بنیاد پاکستان کے بہتر کل کیلئے آج سے سرمایہ کاری کے نظریئے کے تحت کی جاتی ہے۔ اسٹیک ہولڈرز کو اول درجے پر رکھتے ہوئے اینگرو اپنی تمام تر توجہ توانائی پر مرکوز رکھے گی اور ایسے کام کرے گی جن سے اس وقت کے اہم مسائل کو حل کرنے میں مدد ملے گی اور پاکستان کے لوگوں کی زندگیوں کو بہتر بنایا جا سکے گا۔ اس نظریئے کو آگے بڑھاتے ہوئے،ہمارا کاروباری پورٹ فولیو مندرجہ ذیل چار شعبوں پر مشتمل ہے:

۔خوراک اور زراعت۔ ملک کی زرعی پیداوار بڑھانے اور خوراک کی دستیابی کیلئے

۔ پیٹرو کیمیکلز۔ درآمدی متبادل اور برآمدی صلاحیت بروئے کار لاتے ہوئے مختلف منصوبوں کے ذریعے صنعتی ترقی

۔توانائی اور متعلقہ انفرا اسٹرکچر۔ توانائی کی کمی دور کرنے کیلئے توانائی کا موثر بنیادی ڈھانچہ فراہم کرنا

۔ ٹیلی کمیونی کیشن انفرااسٹرکچر۔ ایک بڑی آبادی تک اعداد و شمار اور معلومات پہنچانے کیلئے بنیادی ڈھانچہ تیار کرنا

توانائی کے شعبوں میں کوششوں کے حوالے سے 10جولائی2019 اینگرو کیلئے ایک تاریخی دن تھا، کیونکہ اس دن سندھ اینگرو کول مائننگ کمپنی(SECMC) اور اینگرو پاور جین تھر (پرائیویٹ) لمیٹڈ دونوں نے تھر کول پروجیکٹ کی کمرشل آپریشنز ڈیٹ(COD) کا اعلان کیا۔ اس کامیابی کے ساتھ،اینگرو مقامی وسائل کو استعمال کرتے ہوئے توانائی کے بحران کو ختم کرنے میں مدد فراہم کر رہا ہے جس کا پاکستان کو سامنا ہے اور ایک مرتبہ پھر ایسے میگا پروجیکٹس کی تکمیل کی صلاحیت کو ثابت کیا ہے جو پاکستان کے لوگوں کی ترقی کا باعث ہے۔

ٹیلی کمیونی کیشن انفرا اسٹرکچر کے شعبے میں، علاقے میں اہم کاروباروں میں سرمایہ کاری کیلئے7.5 بلین روپے تک مختص کئے گئے ہیں۔

اہم کاروباری شعبوں کی کار کردگی کے حوالے سے تفصیلی جائزہ مندرجہ ذیل ہے:

فرٹیلائزرز

فرٹیلائزرز کے کاروبار میں آمدنی میں 23فیصد اضافہ دیکھنے میں آیا، تاہم گیس کی قیمتو ں میں اضافے کی وجہ سے اخراجات میں بھی اضافہ ہوا ہے۔ فنانس ایکٹ 2019 کے کے نتیجے میں ایک مرتبہ پھر موخر ٹیکس محصول وصول کیا،جس کے تحت کارپوریٹ ٹیکس کی شرح 29فیصد مقرر کی گئی ہے جبکہ اس کے مقابلے میں فنانس ایکٹ 2018 کے ذریعے اعلان کردہ ٹیکس میں 30فیصد سے 25فیصد تک کمی واقع ہوئی ہے۔ نتیجتاً موجودہ مدت کیلئے بعد از ٹیکس منافع 7,184ملین پاکستانی روپے ہے جو کہ2018 کی پہلی ششماہی کیلئے 7,149ملین پاکستانی روپے تھا۔

پیٹرو کیمیکلز

پیٹرو کیمیکلز کے کاروبار میں گزشتہ سال اسی مدت کے مقابلے میں آمدنی میں 9فیصد اضافہ ریکارڈ کیا گیا تھا، تاہم نصف سال کیلئے بعد از ٹیکس منافع1,544 ملین روپے تھا جو تقابلی مدت کیلئے 2,784ملین پاکستانی روپے تھا۔ مہنگائی،توانائی کے بڑھتے ہوئے اخراجات اورسود کی شرح میں اضافے کے ساتھ ساتھ پاکستانی روپے کی قدر میں کمی کے باعث منافع پر اثر پڑا۔

انرجی

قادر پور پاور پلانٹ

اس پلانٹ سے قومی گرڈ کو مجموعی طور پر 71فیصد لوڈ فیکٹر کے ساتھ 661 گیگا واٹ فی گھنٹہ بجلی فراہم کی گئی جو گزشتہ سال اسی عرصے میں 87 فیصد تھا۔ لوڈ فیکٹر میں کمی بنیادی طور پر گیس سپلائی کرنے والوں کے کمپریسر کے مسائل کی وجہ سے تھی، جس کے نتیجے میں قادر پور گیس فیلڈ میں گیس کی کمی کے باعث سپلائی میں خلل آیا۔اس کاروبار میں 2018 کے نصف میں بعد از ٹیکس منافع 1,590 ملین پاکستانی روپے کے مقابلے میں 2019 کے نصف میں 1,867 پاکستانی روپے حاصل کیا۔

تھر کول مائننگ اینڈ پاور جنریشن پروجیکٹس

تھر مائن میں 3.8 ملین ٹن سالانہ کی کھدائی کا کام 3جون2019 کو " ٹیسٹ آن کمپلیشن " کے ساتھ مکمل ہوا۔ اس کے بعد، 10جولائی2019 کو سی او ڈی کا اعلان کیا گیا۔ سی او ڈی کے بعد سے پاور پلانٹ با آسانی کام انجام دے رہا ہے۔

ٹرمینل آپریشنز

ایل این جی اور کیمیکلز دونوں ٹرمنلز کا منافع نصف سال تک تسلی بخش رہا۔ہمارے ایل این جی پروجیکٹ کے آغاز کے بعد سے، ٹرمنل نے 15 ملین ٹن ایل این جی کا انتظام کیا اور اس وقت ملک میں گیس کی 13 فیصد سے زیادہ ضرورت پوری کر رہا ہے۔

اس وقت تک ملک کو تقریباً 2 بلین امریکی ڈالر کی بچت ہوئی ہے اور اس سے زیادہ مہنگے فرنس آئل اور ڈیزل کی در آمد کو ایل این جی سے تبدیل کیا گیا ہے اور ایندھن کے حوالے سے کار کردگی میں فرق نہیں آیا ہے۔ ایل این جی در آمد کے ذریعے گیس کی مستقل فراہمی کو یقینی بناتے ہوئے اس منصوبے نے فرٹیلائزر اور سی این جی سیکٹرز اور+500 صنعتی یونٹوں کو بھی دوبارہ کار آمد بنایا ہے۔

ہمیں انڈسٹری لیڈر روئل ووپیک کے ساتھ بیس سال سے زائد کے عرصے سے اپنے دیرینہ تعلقات استوار رکھنے پر خوشی ہے، جن سے اینگرو اور ووپیک کیلئے اپنے مشترکہ وسائل اور مہارت کا استعمال کرتے ہوئے اندرون اور بیرونِ ملک کاموں میں تعاون کرنے کی راہ ہموار ہوتی ہے۔

مستقبل قریب کا منظر نامہ

اینگرو کارپوریشن تمام شعبہ جات میں سرمایہ کاری کے مواقعوں کیلئے کوشاں رہے گی،جس سے درآمدات میں تبدیلی اور برآمدی صلاحیتیں بڑھانے کے مواقع پیدا ہوں گے،اس طرح ملک کے غیر ملکی ذخائر میں اضافہ ہو گا۔ کمپنی،پروجیکٹس کی تکمیل، مستقبل کی سرمایہ کاری پر توجہ اور اپنی بیلنس شیٹ مستحکم رکھنے اور کار کردگی بڑھانے کیلئے پُر عزم رہے گی۔

فرٹیلائزرز

مستقبلِ قریب میں مقامی یوریا کی طلب مستحکم رہنے کا امکان ہے، البتہ روپے کی قدر میں کمی کی وجہ سے قیمتوں میں اضافے اور حالیہ بجٹ کے باعث فاسفیٹس اور دیگر در آمدی کھادوں کی مانگ محدود رہنے کی توقع ہے۔ کھاد کے کاروبار کو طویل عرصے سے بقایا سبسڈی کی وصولی میں مشکلات کا سامنا ہے اور خیال ہے کہ جی آئی ڈی سی کے بارے میں واضح طور پر سبسڈی کی وصولی کا معاملہ جلد از جلد طے کر لیا جائے گا۔

پیٹرو کیمیکلز

بین الاقوامی PVCاور ایتھیلین کی قیمتوں کا انحصار عالمی معاشی صورتحال اور طلب و رسد پر ہو گا۔ مقامی مارکیٹ میں اس وقت تیزی ہے اور ایک مرتبہ معاشی پالیسیوں، اقتصادی اشاروں اور دیگر اہم معاملات حل ہونے پر اس کی ترقی کی توقع ہے۔لہٰذا، امکان ہے کہ پی وی سی اور کاسٹک سوڈا مارکیٹ اگلی سہ ماہی میں دباؤ کا شکار رہے گی۔ توسیعی منصوبوں پر عمل در آمد کے ساتھ کاروبار تیزی سے جاری ہے اور امید ہے کہ ان منصوبوں کی تکمیل مقررہ وقت پرہو جائے گی۔ اینگرو کے تجربے کی بنیاد پر، پیٹرو کیمیکلز کے شعبے میں بورڈ آف ڈائریکٹرز نے پرو پین ڈی ہائیڈروجنیشن پلانٹ پر پولی پروپیلین فیسبلیٹی کی فزیبلیٹی اسٹڈی کے آغاز کی منظوری دے دی ہے۔

غیاث خان

صدر اور چیف ایگزیکٹو

انرجی

اینگرو ملک میں توانائی کے بحران پر قابو پانے کیلئے کوشاں ہے۔ہمارا انرجی بزنس طبقہ، حکومت اور دیگر اسٹیک ہولڈرز کے ساتھ مل کر قابلِ تجدید توانائی کے شعبے میں مواقع تلاش کرنے کیلئے مصروفِ عمل ہے۔

ٹرمنل آپریشنز

ایل این جی ٹرمنل ملک کو در پیش توانائی کے بحران میں کمی کو دور کرنے کے حوالے سے انتہائی مثبت کردار ادا کر رہا ہے۔ کیمیائی صنعت مستحکم رہنے کا امکان ہے اور ٹرمنل توسیع کے مواقع حاصل کرنے کے ساتھ ساتھ اپنے مارکیٹ شیئر کو برقرار رکھنے کیلئے کوشاں ہے۔

ہماری قائدانہ صلاحیتیں

اینگرو ملکی وسائل کو بروئے کار لاتے ہوئے پاکستانیوں کی زندگیاں بہتر بنانے کیلئے پُر عزم ہے۔ پاکستان کیلئے ہمارا یہ جذبہ ہمارے سب سے بڑے اثاثے،ہماری عوام،کل کے قائدین کی وجہ سے ہے۔

ہمیں اس بات کا پورا یقین ہے کہ اینگرو کی لیڈر شِپ کمیونٹی،ہمارے کاروبار کو در پیش چیلنجوں کے ذریعے کمپنی کو وسعت دینے میں مددگار ہو گی اور یہ ملکی وسائل سے فائدہ اٹھائے گی۔ ہم جانتے ہیں کہ مستقبل میں آنے والے چیلنجز ماضی کے چیلنجز سے مختلف ہوں گے اور ہمیں ان چیلنجوں کا مقابلہ کرنے کیلئے نئی قائدانہ صلاحیتیں تلاش کرنی ہوں گی۔ متحرک، تبدیل ہونے والی اور مسابقتی کاروباری ماحول کا سامنا کرنے کیلئے ہم نے ایسی افرادی قوت تیار کرنے کیلئے کوششیں کی ہیں جو مستحکم تجارتی صلاحیت کو ظاہر کرتا ہے۔

ہمارے بہتر لیڈر شِپ کومپیٹینس ماڈل اورروبسٹ پیپل پروگرام / عملِ افرادی قوت میں باہمی تعاون،جدت اور لچک کو فروغ دیتے ہیں۔

اینگرو لیڈر شِپ کمیونٹی کی ترقی کیلئے اینگرو لیڈر شِپ اکیڈمی پاکستان میں اپنی نوعیت کی پہلی لیڈر شِپ اکیڈمی ہے جو اینگرو اور پاکستان کو آگے لے جانے کیلئے قائدین تیار کرنے کے عزم کا ثبوت ہے۔ہمارا مقصد ہمارے لوگوں کی ترقی کے ذریعے سیکھنے اور قیادت پر مبنی ماحول کی تشکیل اور اسے برقرار رکھنا ہے۔ ہمارا مقصد مارکیٹ سے بہترین ہنر تلاش کرنا اور مستقبل کے ایسے رہنماء تیار کرنا ہے،جو غیر تعمیر شدہ علاقوں میں قدم رکھنے، مستقبل میں پائیدار حل پیش کرنے اور اینگرو کو زرعی، کیمیائی اور ٹیلی کمیونی کیشن کے شعبے میں مصنوعات اور خدمات فراہم کر سکیں۔

اعتراف

ڈائریکٹرز کمپنی پر بھرپور اعتماد کرنے پر حصص یافتگان کے انتہائی مشکور ہیں۔ ہم اس بات کا بھی اقرار کرنا چاہتے ہیں کہ اینگرو فیملی کے ہر ایک رکن کا عزم اور تخلیقاتی سوچ قابلِ ستائش ہے اور ہمیں پورا بھروسہ ہے کہ وہ مستقبل میں بھی ایسا ہی کریں گے۔

حسین داؤد

چیئرمین