engro polymer & chemicals

Financial Information for the Period
ended March 31, 2019

CONTENTS

COMPANY INFORMATION

Chairman	Ghiasuddin Khan
President and Chief Executive	Imran Anwer
Directors	Muhammad Asif Sultan Tajik Nadir Salar Qureshi Feroz Rizvi Noriyuki Koga Hasnain Moochhala
Board Audit Committee	Feroz Rizvi Noriyuki Koga Hasnain Moochhala
Chief Financial Officer	Syed Abbas Raza
Company Secretary	Khawaja Haider Abbas
Corporate Audit Manager	Vijay Kumar
Bankers / Lenders	Allied Bank Ltd. Askari Bank Ltd. Al-Baraka Bank Pakistan Ltd. Bank Al Falah Ltd. Bank Al Habib Ltd. BankIslami Pakistan Ltd. Citibank N.A. Deutsche Bank AG Faysal Bank Ltd. Habib Bank Ltd. Industrial and Commercial Bank of China Ltd. JS Bank Ltd. MCB Bank Ltd. Meezan Bank Ltd. National Bank of Pakistan Standard Chartered Bank (Pakistan) Ltd. Summit Bank Ltd. The Bank of Punjab United Bank Ltd.
Auditors	A. F. Ferguson & Co., Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road, Karachi
Registered Office	12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal, Karachi.
Plant	EZ/1/P-II-1, Eastern Zone, Bin Qasim, Karachi
Regional Sales Office	First Floor, 38 Z Block, Commercial Area, Phase III, DHA Lahore
Share Registrar	FAMCO Associates (Private) Limited 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahra-e-Faisal, Karachi-74000 Tel: +92(21) 34380101-5 lines
Website	www.engropolymer.com

engro polymer & chemicals

DIRECTORS' REVIEW & UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2019

engro polymer & chemicals

DIRECTORS' REVIEW TO THE SHAREHOLDERS
ON UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2019

On behalf of the Board of Directors of Engro Polymer & Chemicals Limited, we would like to present the unaudited Financial Information of the Company for the quarter ended March 31, 2019.

Business Review

EPCL continues to follow & develop stringent policies to ensure HSE compliance & regularly invests in HSE to ensure safe & sustainable working environment. During the quarter a fire incident during routine maintenance occurred, however, there was no production loss and all emergency protocols were followed.

On the operational front, the company continued operations on a reliable curve with regular maintenance activity performed in the quarter.

During 1Q 2019, the Company recorded revenue of Rs. 9,344 million compared to Rs. 8,687 million in the same period last year and posted Profit After Tax (PAT) of Rs. 1,094 million translating into Earning Per Share (EPS) of Rs. 1.20 Per share compared to Profit After Tax (PAT) of Rs. 1,447 million translating into Earning Per Share (EPS) of Rs. 2.07 for the same period last year.

International PVC prices remained soft during the quarter on account of moderating demand in the region on the back of US-China trade disturbance, weak demand in South Asia due to election season in key markets.

Ethylene prices surged in the start of the quarter due to low regional inventory, however increasing spot supplies of ethylene from key regional players and softening demand dampened price sentiment resulting in support for the core delta.

Projects Update

All on-going expansion and operational efficiency projects are under key focus and are expected to be completed within announced capex and timelines.

We are pleased to announce that the Company has started commercial operations of caustic flakes plant, post balance sheet date. The said production facility has capacity to produce 20,000 MT per annum. The addition of caustic soda flakes to existing product portfolio will further consolidate the Company's position in Chlor-Alkali segment and will enable the Company to capitalize on the inherent proximity advantage for southern domestic market and export avenues.

Future Outlook

International PVC and ethylene prices will remain dependent on global economic sentiment, supply & demand dynamics. Domestic market is currently under flux and will take form once new economic policies, macroeconomic indicators and other key variables settle. We are hopeful that later in the year an uptick in the economy would weigh positively on construction sector and thereby PVC. Caustic Soda market is expected to remain stable.

Engro Polymer & Chemicals Limited
12th Floor, Ocean Tower, G-3, Block-9, Clifton, Khayaban-e-Iqbal, Karachi 75600, Pakistan.
UAN: 92 (21) 111-411-411 Fax: 92 (21) 35166865
www.engropolymer.com

ENGRO POLYMER & CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

(Amounts in thousand)

	Note	Unaudited March 31, 2019	Audited December 31, 2018
		----------Rupees----------	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	22,489,281	19,397,763
Intangible assets		102,834	106,773
Long term loans and advances		95,587	84,465
		22,687,702	19,589,001
Current Assets			
Stores, spares and loose tools		1,485,337	1,562,767
Stock-in-trade		4,837,249	3,581,387
Trade debts - considered good	6	551,496	430,400
Loans, advances, deposits, prepayments and other receivables	7	1,414,732	1,699,678
Short term investments		6,993,801	7,798,012
Cash and bank balances		74,116	1,362,042
		15,356,731	16,434,286
TOTAL ASSETS		38,044,433	36,023,287
EQUITY AND LIABILITIES			
Equity			
Share capital		9,089,233	9,089,233
Share premium		3,874,953	3,874,953
Unappropriated profits		4,653,480	3,831,998
		17,617,666	16,796,184
Non-Current Liabilities			
Long-term borrowings - Sukuks	8	8,607,040	7,500,000
Deferred tax	9	579,303	390,146
		9,186,343	7,890,146
Current Liabilities			
Service benefit obligations		27,988	55,354
Trade and other payables	10	5,502,940	6,435,906
Unclaimed dividend		23,601	25,683
Unpaid dividend	11	272,676	27,498
Accrued interest / mark-up		219,116	64,911
Taxes payable	12	293,248	88,778
Provisions	13	4,900,855	4,638,827
		11,240,424	11,336,957
Contingencies and Commitments	14		
TOTAL EQUITY AND LIABILITIES		38,044,433	36,023,287

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive | Chief Financial Officer | Director

ENGRO POLYMER & CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

[Amounts in thousand except for earnings per share]

	Quarter ended	
	March 31, 2019	**March 31, 2018**
	----------Rupees----------	
Net revenue	9,343,634	8,687,202
Cost of sales	(7,130,936)	(6,187,199)
Gross profit	2,212,698	2,500,003
Distribution and marketing expenses	(326,838)	(367,619)
Administrative expenses	(183,663)	(162,837)
Other operating expenses	(124,665)	(189,005)
Other income	212,456	410,072
Operating profit	1,789,988	2,190,614
Finance costs	(268,364)	(157,600)
Profit before taxation	1,521,624	2,033,014
Taxation	(427,466)	(584,904)
Profit for the period	1,094,158	1,448,110
		(Restated)
Earnings per share - basic and diluted	**1.20**	**2.07**

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive	**Chief Financial Officer**	**Director**

ENGRO POLYMER & CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

[Amounts in thousand]

	Quarter ended	
	March 31, 2019	March 31, 2018
	----Rupees----	
Profit for the period	1,094,158	1,448,110
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Deferred tax charge relating to revaluation of equity related items - share issuance cost	-	-
Total comprehensive income for the period	1,094,158	1,448,110

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive **Chief Financial Officer** **Director**

ENGRO POLYMER & CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

(Amounts in thousand)

		RESERVES			
		CAPITAL	REVENUE		
	Share capital	Share premium	Hedging reserve	Unappropriated profit / (accumulated losses)	Total
	------	------	Rupees	------	------
Balance as at January 1, 2018 (Audited)	6,634,688	964,029	-	161,392	7,760,109
Total comprehensive income for the three months ended March 31, 2018	-	-	-	1,448,110	1,448,110
Final dividend for the year ended December 31, 2017 - Rs. 0.80 per share	-	-	-	(530,775)	(530,775)
Balance as at March 31, 2018 (Unaudited)	6,634,688	964,029	-	1,078,727	8,677,444
Transactions with owners					
Right shares issued during the year including share premium net of share issuance cost	2,454,545	2,910,924	-	-	5,365,469
Interim dividend for the year ended December 31, 2018 - Rs. 0.80 per share	-	-	-	(727,139)	(727,139)
	2,454,545	2,910,924	-	(727,139)	4,638,330
Total comprehensive income for the nine months ended December 31, 2018					
Profit for the nine months ended December 31, 2018	-	-	-	3,482,061	3,482,061
Other comprehensive loss for the nine months ended December 31, 2018	-	-	-	(1,651)	(1,651)
	-	-	-	3,480,410	3,480,410
Balance as at December 31, 2018 (Audited)	9,089,233	3,874,953	-	3,831,998	16,796,184
Total comprehensive income for the three months ended March 31, 2019	-	-	-	1,094,158	1,094,158
Final dividend for the year ended December 31, 2018 - Rs. 0.30 per share	-	-	-	(272,676)	(272,676)
Balance as at March 31, 2019 (Unaudited)	9,089,233	3,874,953	-	4,653,480	17,617,666

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive	**Chief Financial Officer**	**Director**

ENGRO POLYMER & CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

(Amounts in thousand)

		Quarter ended	
		March 31, 2019	March 31, 2018
	Note	----------Rupees----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	203,683	2,502,437
Finance costs paid		(94,100)	(135,536)
Long term loans and advances		(11,122)	(9,459)
Retirement benefits paid		(55,354)	(38,147)
Income tax paid		(33,839)	(43,768)
Net cash (utilized in) / generated from operating activities		9,268	2,275,527
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(3,371,850)	(307,314)
Proceeds from disposal of property, plant and equipment		204	-
Income on short term investments and bank deposits		198,281	14,372
Net cash utilized in investing activities		(3,173,365)	(292,941)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term borrowings		(7,500,000)	-
Proceed From issuance of Sukuk bonds -net of transaction cost		8,601,540	-
Dividend Payment		(29,580)	(5,340)
Net cash generated from / (utilized in) financing activities		1,071,960	(5,340)
Net increase in cash and cash equivalents		(2,092,137)	1,977,246
Cash and cash equivalents at beginning of the period		9,160,054	923,160
Cash and cash equivalents at end of the period	16	7,067,917	2,900,406

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive	Chief Financial Officer	Director

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

1.1 The Group consists of Engro Polymer and Chemicals Limited and its wholly owned subsidiary company, Engro Polymer Trading (Private) Limited.

Engro Polymer and Chemicals Limited (the Company) was incorporated in Pakistan in 1997 under the now repealed Companies Ordinance, 1984. The Company is listed on the Pakistan Stock Exchange Limited.

1.2 The Company is a subsidiary of Engro Corporation Limited (the Holding Company) which is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Company's principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals. The Company is also engaged in the supply of surplus power generated from its power plants to Engro Fertilizers Limited (a related party).

1.3 The geographical location and addresses of all business units of the Company are as follows:

Business unit	Geographical location
Head office	12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal, Karachi
Manufacturing plant	EZ/I/P-II-I Eastern Zone, Port Bin Qasim Industrial Area, Karachi, Pakistan
Regional sales unit	1st Floor, 38 Z Block, Commercial Area, Phase III, DHA, Lahore

2. BASIS OF PREPARATION

This consolidated condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for the interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (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. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of audited annual consolidated financial statements of the Company for the year ended December 31, 2018.

3.2 **a) Standards, interpretations and amendments to published approved accounting standards that are effective for the year and are relevant to the Company.**

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2018 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

- 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 Company has assessed that significant performance obligation in contracts with customers is to deliver the products and is discharged at one point of time.

- IFRS 16 - 'Leases' replaces the previous standard: IAS 17 - Leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities on the statement of financial position for almost all leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

In light of the above requirements certain changes has been made in the accounting policy of the Company. However, based on Company's assessments there is no impact of these changes on these consolidated condensed interim financial statements.

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

- 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, not recycling.

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.

Securities and Exchange Commission of Pakistan through its S.R.O. No. 229 (1)/2019 dated February 14, 2019 has deferred application of the aforementioned standard. Accordingly, these consolidated condensed interim financial statements does not include the impacts of the aforementioned changes.

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

4. **ACCOUNTING ESTIMATES**

The preparation of this consolidated condensed interim financial information 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 Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

		Unaudited March 31, 2019	Audited December 31, 2018
		----------Rupees----------	
5.	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating assets, at net book value - notes 5.1 and 5.2	17,397,559	16,582,904
	Capital work-in-progress - note 5.3	5,027,930	2,751,067
	Capital spares	63,792	63,792
		22,489,281	19,397,763
5.1	Additions to operating assets during the period were as follows:		
	Leasehold land - note 5.1.1	910,428	
	Building on leasehold land	1,000	4,926
	Plant and machinery	171,627	2,338,554
	Furniture, fixtures and equipment	10,321	51,377
	Vehicles	1,611	19,053
		1,094,987	2,413,910

5.1.1 In 2018, the Company had entered into an agreement with Engro Fertilizers Limited, a related party, for purchase of land at a total consideration of Rs. 720,000 against which the Company had made an advance payment of Rs. 14,400. During the period, the legal formalities in relation of the transfer were finalized and the physical possession of the land has been transferred in the name of the Company.

5.2 During the period, asset costing 812 (December 31, 2018: Rs. NIL), having net book value of 43 (December 31, 2018: Rs. NIL) was disposed off for Rs. 204 (December 31, 2018: Rs. NIL).

5.3 Movement in capital-work-progress during the period / year is as follows:

	Unaudited March 31, 2019	Audited December 31, 2018
	----------Rupees----------	
Balance as the beginning of the period / year	2,751,067	923,342
Add: Additions during the period / year	3,371,850	4,259,715
Less Transferred to operating assets during the period / year	(1,094,987)	(2,413,910)
Less Transferred to intangible assets during the period / year	-	(18,080)
Balance as the end of the period / year	5,027,930	2,751,067

6. **TRADE DEBTS - considered good**

		Unaudited March 31, 2019	Audited December 31, 2018
		----------Rupees----------	
	Secured	390,020	270,867
	Unsecured - note 6.1	161,476	159,533
		551,496	430,400
6.1	Includes amounts due from the following related parties:		
	- Engro Fertilizer Limited	2,291	-
		2,291	-

7. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

These include advanaces and receivables from the following related parties

	Unaudited March 31, 2019	Audited December 31, 2018
	------Rupees------	
Mitsubishi Corporation	8,589	-
Engro Vopak Terminal Limited	171	385
Engro Corporation Limited	10,140	1,590
Engro Foods Limited	5	5
Engro Powergen Qadirpur Limited	9	9
Engro Fertilizers Limited	7,315	118,613
Engro Engergy Limited	226	331
Engro Digital Limited	-	2,007
	17,886	122,940

8. LONG TERM BORROWINGS, Sukuks

During the period, the 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.

9. DEFERRED TAXATION

	Unaudited March 31, 2019	Audited December 31, 2018
	------Rupees------	
Credit balances arising due to:		
- accelerated tax depreciation	3,072,379	3,085,702
Debit balances arising due to:		
- recoupable carried forward tax losses	194,762	431,194
- recoupable minimum turnover tax	417,975	537,505
- recoupable alternative corporate tax	566,910	459,544
- unpaid liabilities	102,881	100,340
- provision against GIDC, custom duty and SED refundable	1,068,050	1,004,673
- provision for net realizable value of stocks	2,150	-
- provision for slow moving stores and spares	88,047	91,935
- provision bad debts	2,447	2,535
- share issuance cost, net to equity	49,854	57,830
	2,493,076	2,695,556
	579,303	390,146

10. TRADE & OTHER PAYABLES

	Unaudited March 31, 2019	Audited December 31, 2018
	---Rupees---	
Trade and other creditors - note 10.1	3,197,329	3,446,781
Accrued liabilities - note 10.1	1,912,556	1,857,567
Advances from customers	168,589	643,303
Retention money against project payments	1,545	1,545
Security deposits	24,910	24,710
Payable to provident fund	18,774	6,852
Payable to gratuity fund	-	576
Payable to pension fund	-	-
Workers Welfare Fund	82,755	65,871
Workers Profit Participation Fund	76,707	342,876
Withholding tax payable	12,970	9,016
Others	6,805	35,976
	5,502,940	6,435,073

10.1 Includes amounts due to the following related parties:

- Mitsubishi Corporation	-	344,807
- Engro Corporation Limited	67,213	40,545
- Engro Fertilizers Limited	-	43
- Engro Vopak Terminal Limited	114,253	119,241
	181,466	504,636

11. UNPAID DIVIDEND

Representing the final dividend for the year 2018, which was approved in the Annual General Meeting held on April 1, 2019. It includes amounts of Rs.153,220 and Rs. 30,016 which are payable to Engro Corporation Limited, the Holding Company and Mitsubishi Corporation, the Assocaite Company respectively.

12. TAXES PAYABLE

12.1 Tax year 2008

The Deputy Commissioner Inland Revenue (DCIR) through an order dated November 26, 2009 raised a tax demand of Rs. 213,172. The demand arose as a result of additions on account of trading liabilities of Rs. 47,582 under section 34(5) of the Income Tax Ordinance, 2001 (the Ordinance), disallowance of provision for retirement benefits of Rs. 5,899, addition of imputed interest on loans to employees and executives of Rs. 16,069 to income, disallowance of finance cost of Rs. 134,414 and disallowance of adjustment of minimum tax paid for tax years 2004 to 2007 against the above demand.

The Company filed an appeal against the aforesaid order before the Commissioner Inland Revenue Appeals [CIR(A)], but discharged the entire demand through adjustment against assessed refunds of Rs. 180,768 and payment of the balance of Rs. 32,404 'under protest'. Through his appellate order, the CIR(A) maintained certain additions aggregating Rs. 189,810 including finance cost amounting to Rs. 134,414 and remanded back the issue of imputed interest on loans to employees and executives and directed the DCIR to allow credit of the minimum tax charged for the period from tax years 2004 to 2007. An appeal against the said appellate order was filed by the Company before the Appellate Tribunal Inland Revenue (ATIR). The department also filed an appeal against the said appellate order challenging the actions of the CIR(A).

In 2013, the ATIR issued an order whereby the aforementioned appeal was disposed of by accepting Company's position except for additions on account of trading liabilities to the extent of Rs. 20,280 and minimum turnover tax for tax years 2004 and 2007 to the extent of Rs. 19,692 and Rs. 7,300 respectively, which were maintained.

The Company filed a reference with the High Court of Sindh against the additions maintained by ATIR. Likewise, the tax department has also filed reference with the High Court of Sindh against the order passed by the ATIR in favour of the Company. The management of the Company, based on the advice of its tax consultants, is confident that the ultimate outcome of the aforementioned matters would be favorable and, accordingly, has not recognized the effects for the same in the condensed interim financial information.

12.2 **Tax year 2009**

The DCIR through his order dated November 30, 2010 raised a tax demand of Rs. 163,206. The demand arose as a result of disallowance of finance cost of Rs. 457,282, additions to income of trading liabilities of Rs. 21,859 under section 34(5) of the Ordinance, disallowance of provision for retirement benefits of Rs. 14,239, disallowance of provision against Special Excise Duty refundable of Rs. 36,687, addition of imputed interest on loans to employees and executives of Rs. 20,599 and not considering net loss.

The entire demand of Rs. 163,206 was adjusted against assessed tax refunds and an appeal was filed by the Company before the CIR(A). Through his appellate order, the CIR(A) maintained certain additions aggregating to Rs. 493,971 (including disallowance of finance cost amounting to Rs. 457,282) and remanded back the issue of imputed interest on loans to employees and executives. An appeal against the said appellate order was filed before the ATIR. The department also filed an appeal against the said appellate order challenging the action of CIR(A), regarding deletion of addition on account of provision for the retirement benefits.

In 2013, the ATIR issued an order whereby the aforementioned appeal was disposed of by accepting Company's position except for additions on account of SED provision of Rs. 36,687 and imputed interest on loans to employees and executives to the extent of Rs. 17,430, which were maintained.

The Company filed a reference with the High Court of Sindh against the additions maintained by ATIR. Likewise, the tax department has also filed reference with the High Court of Sindh against the order passed by the ATIR in favour of the Company. The management of the Company, based on the advice of its tax consultants, is confident that the ultimate outcome of the aforementioned matters would be favorable and, accordingly, has not recognized the effects for the same in the condensed interim financial information.

13. PROVISIONS

	Unaudited March 31, 2019	Audited December 31, 2018
	----------Rupees----------	
Provision for Gas Infrastructure Development Cess - note 13.1	4,383,463	4,121,435
Provision for gas price revision - note 13.2	517,392	517,392
	4,900,855	4,638,827

13.1 **Provision for Gas Infrastructure Development Cess (GIDC)**

Under the Gas Infrastructure Development Cess Act, 2011, the Government of Pakistan levied Gas Infrastructure Development Cess (GIDC) on all industrial gas consumers at the rate of Rs. 13 per MMBTU. Subsequently, the GIDC rates were enhanced through notifications under OGRA Ordinance 2002, Finance Act, 2014 and GIDC Ordinance 2014 against which the Company has obtained ad-interim stay orders from the High Court of Sindh. However, on prudent basis the Company recognized a provision of Rs. 1,345,789 till May 21, 2015.

On May 22, 2015 the Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated whereby cess rate of Rs.100 per MMBTU and Rs.200 per MMBTU were fixed for industrial and captive power consumption, respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and the GIDC Ordinance, 2014.

The Company, based on the advice of its legal counsel, is of the view that as per GIDC Act, 2015, the uncollected portion of cess levied through GIDC Act, 2011 and GIDC Ordinance 2014, shall not be collected from the industrial sector. Therefore, the Company reversed the provision relating to industrial portion of GIDC amounting to Rs. 753,664 for the period prior to promulgation of GIDC Act, 2015 and retained GIDC provision amounting to Rs. 592,125 in respect of captive power.

Further, the Company has also obtained ad-interim stay order against the GIDC Act, 2015 from the High Court of Sindh. This stay order has restrained Sui Southern Gas Company Limited (SSGCL) from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on this matter. However, based on prudence, the Company has recognized a further provision of Rs.262,028 (March 31, 2018: Rs. 258,447) pertaining to the period subsequent to the promulgation of GIDC Act, 2015.

13.2 During the year ended December 31, 2017, the Company had filed suits in the Sindh High Court (SHC), against the increase in tariff of natural gas sold to industries and captive power plants notified by Oil and Gas Regularity Authority (OGRA) vied SRO no. (1)/2016 dated December 30, 2016 whereby the Company the increase as illegal and unconstitutional. The SHC has granted an interim order in favour of the Company which is still operational. However, the Company has recognised a provision of Rs. 517,392 for the period from December 2017 to December 2018.

14. CONTINGENCIES AND COMMITMENTS

14.1 The Deputy Commissioner Inland Revenue (DCIR) through order dated January 8, 2016, raised a sales tax demand of Rs. 524,589 on account of alleged short payment of sales tax due on the finished products that would have been produced and sold from the excess wastage of raw material. The Company filed thereagainst before the Commissioner Inland Revenue Appeals [CIR(A)] on the grounds that the order passed against the Company was absolutely baseless as the DCIR had used inappropriate theoretical assumptions for calculating the sales tax liability. The CIR(A) through his order dated March 10, 2016, has decided the matter in favor of the Company. However, the department has challenged the said order of CIR(A) before Appellate Tribunal Inland Revenue (ATIR). No proceedings regarding this matter have been carried out by ATIR, till the year end. The management of the Company, based on the advice of its tax consultants, is confident of favorable outcome of this matter, accordingly, no provision has been made in this respect.

14.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Company as at March 31, 2019 amounts to Rs. 2,101,110 (December 31, 2018: Rs. 1,896,000). The amount utilized there against as at March 31, 2019 is Rs. 2,101,110 ([December 31, 2018: Rs. 1,856,000).

14.3 The facility for opening letters of credit as at March 31, 2019 aggregates to Rs. 20,300,000 (December 31, 2018: Rs. 15,800,000). The amount utilized thereagainst as at March 31, 2019: 6,476,000 (December 31, 2018: Rs. 6,453,000). These facilities carry commission at rates running between 0.05% and 0.1% (December 31, 2018: 0.05% and 0.1%).

14.4 The Company has entered into operating lease arrangements with Al-Rahim Trading Company (Private) Limited and Fatima Fertilizer Company Limited, for the storage and handling of Ethylene Di Chloride (EDC) and caustic soda, respectively. The total lease rentals due under these lease arrangements are payable in monthly installments till July 2019. The future aggregate lease payments under these arrangements are as follows:

	Unaudited March 31, 2019	Audited December 31, 2018
	----------------Rupees----------------	
Not later than 1 year	7,277	14,053

14.5 The Company has entered into various contracts with Engro Vopak Terminal Limited, a related party, for storage and handling of Ethylene, Vinyl Chloride Monomer (VCM) and Ethylene Di-Chloride (EDC) valid till March, 2026, December 2019 and December 2028 respectively. Annual fixed cost payable to Engro Vopak Terminal Limited, under these contracts, approximates to US $ 9,165.

	Unaudited	
	Quarter ended	
	March 31, 2019	March 31, 2018
	-----Rupees-----	

15. **CASH GENERATED FROM OPERATIONS**

Profit before taxation	1,521,624	2,033,014
Adjustments for non cash charges and other items:		
Provision for staff retirement and other service benefits	27,988	12,187
Provision for GIDC	262,028	258,447
Provision for net realizable value of stock-in-trade	7,914	(22,766)
Provision for doubtful debts	-	(618)
Depreciation	280,289	225,334
Amortization	3,939	3,143
Income on short term investments and bank deposits	(198,281)	(14,372)
Finance costs	248,305	157,600
Amortization of Sukuks	5,500	-
Gain on disposal of operating asset - note 5.2	(161)	
Working capital changes - note 15.1	(1,955,462)	(149,531)
	203,683	2,502,437

15.1 **WORKING CAPITAL CHANGES**

(Decrease) in current assets		
Stores, spares and loose tools	77,430	(204,458)
Stock-in-trade	(1,263,776)	(175,519)
Trade debts - considered good	(121,096)	113,403
Loans,advances,deposits,prepayments and other receivables	284,946	(175,734)
	(1,022,496)	(442,308)
(Decrease) / Increase in current liabilities		
Trade and other payables	(932,966)	292,777
	(1,955,462)	(149,531)

16. **CASH AND CASH EQUIVALENTS**

Cash and bank balances	74,116	313,865
Short term investments	6,993,801	2,586,541
	7,067,917	2,900,406

17. SEGMENT INFORMATION

17.1 The basis of segmentation and reportable segments presented in this consolidated condensed interim financial information are same as disclosed in the annual consolidated financial statements of the Company for the year ended December 31, 2018.

	Unaudited March 31, 2019				Unaudited March 31, 2018			
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Total	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Total
	Rupees							
Revenue	7,892,100	1,433,813	17,721	9,343,634	7,281,341	1,390,756	15,105	8,687,202
Cost of sales	(6,413,461)	(700,121)	(17,354)	(7,130,936)	(5,504,715)	(677,477)	(5,007)	(6,187,199)
Gross Profit	1,478,639	733,692	367	2,212,698	1,776,626	713,279	10,098	2,500,003
Distribution and marketing expenses	(228,647)	(98,191)	-	(326,838)	(267,260)	(100,359)	-	(367,619)
Administrative expenses	(161,189)	(22,474)	-	(183,663)	(153,079)	(9,758)	-	(162,837)
Other operating expenses	(89,338)	(35,310)	(17)	(124,665)	(157,641)	(30,859)	(505)	(189,005)
Other operating income	109,655	102,790	11	212,456	394,940	15,123	8	410,071
Finance costs	(266,252)	(2,086)	(26)	(268,364)	(156,490)	(1,098)	(12)	(157,600)
Taxation	(239,523)	(187,850)	(93)	(427,466)	(406,129)	(175,898)	(2,877)	(584,559)
Profit after taxation	603,345	490,571	242	1,094,158	1,030,967	410,430	6,712	1,448,110

	Unaudited March 31, 2019				Audited December 31, 2018			
	Poly Vinyl Chloride and Allied Chemicals	Caustic soda and Allied Chemicals	Power supply	Total	Poly Vinyl Chloride and Allied Chemicals	Caustic soda and Allied Chemicals	Power supply	Total
	Rupees							
Total segment assets	17,304,699	5,722,071	11,873	23,038,644	16,083,188	5,771,628	11,928	21,871,744
Unallocated assets				15,005,789				14,151,543
Total assets				38,044,433				36,023,287

17.2 Segment assets consist primarily of property, plant and equipment, stores & spares, stock-in-trade and trade debts.

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

18.1 Financial risk factors

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

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

19. TRANSACTIONS WITH RELATED PARTIES

19.1 Transactions with related parties other than those which have been disclosed elsewhere in this consolidated condensed interim financial information are as follows:

		Unaudited	
		Quarter ended	
		March 31, 2019	March 31, 2017
Nature of relationship	Nature of transactions	Rupees	
Holding company			
- Engro Corporation Limited	Reimbursement made	4,934	1,149
	Purchased services	67,213	49,760
	Life insurance contribution	183	144
	Medical contribution	58	56
Associated companies			
- Mitsubishi Coporation	Purchase of goods	22,451	703,586
Members of the Group			
- Engro Fertilizers Limited	Reimbursement received	207	1,460
	Sale of goods	3,809	5,526
	Sale of steam and electricity	27,029	25,953
	Reimbursement made	88	-
	Purchase of Land	722,122	56,400
- Engro Vopak Terminal Limited	Purchase of services	338,407	306,359
	Reimbursement made	2,902	3,027
	Reimbursement received	492	-
- Engro Digital Limited	Reimbursement made	32	-
- Engro Energy Limited	Reimbursement received	4,040	1,106
- Engro Powergen Thar (Private) Limited	Sale of goods	1,197	-
Directors	Fee	300	600
Key management personnel	Managerial remuneration	27,673	25,633
	Retirement benefits	5,090	3,974
	Bonus	9,638	8,234
	Other benefits	5,796	5,498
Contribution to staff retirement benefits	Managed & operated by the Holding Company		
	Provident fund	16,302	16,018
	Gratuity fund	11,739	12,433
	Pension fund	1,460	801

20. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standards 34 - 'Interim Financial Reporting', the consolidated condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceeding financial year, whereas, the consolidated condensed interim statement of profit or loss, the consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been compared with the balances of the comparable year-to-date period of the immediately preceeding financial year.

21. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorized for issue on April 23, 2019 by the Board of Directors of the Company.

Chief Executive | **Chief Financial Officer** | **Director**

ENGRO POLYMER & CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

(Amounts in thousand)

	Note	Unaudited March 31, 2019	Audited December 31, 2018
		----------Rupees----------	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	22,489,281	19,397,763
Intangible assets		102,834	106,773
Long term investment - at cost		50,000	50,000
Long term loans and advances		95,587	84,465
		22,737,702	19,639,001
Current Assets			
Stores, spares and loose tools		1,485,337	1,562,767
Stock-in-trade		4,837,249	3,581,387
Trade debts - considered good	6	551,496	430,400
Loans, advances, deposits, prepayments and other receivables	7	1,409,534	1,694,483
Short term investments		6,899,544	7,703,059
Cash and bank balances		68,883	1,359,208
		15,252,043	16,331,304
TOTAL ASSETS		37,989,745	35,970,305
EQUITY AND LIABILITIES			
Equity			
Share capital		9,089,233	9,089,233
Share premium		3,874,953	3,874,953
Unappropriated profits		4,599,182	3,779,400
		17,563,368	16,743,586
Non-Current Liabilities			
Long-term borrowings - Sukuks	8	8,607,040	7,500,000
Deferred tax	9	579,303	390,146
		9,186,343	7,890,146
Current Liabilities			
Service benefit obligations		27,988	55,354
Trade and other payables	10	5,502,108	6,435,073
Unclaimed dividend		23,601	25,683
Unpaid dividend	11	272,676	27,498
Accrued interest / mark-up		219,116	64,911
Taxes payable	12	293,690	89,227
Provisions	13	4,900,855	4,638,827
		11,240,034	11,336,573
Contingencies and Commitments	14		
TOTAL EQUITY AND LIABILITIES		37,989,745	35,970,305

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive	**Chief Financial Officer**	**Director**

ENGRO POLYMER & CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

[Amounts in thousand except for earnings per share]

	Quarter ended	
	March 31, 2019	**March 31, 2018**
	----Rupees----	
Net revenue	9,343,634	8,687,202
Cost of sales	(7,130,936)	(6,187,199)
Gross profit	2,212,698	2,500,003
Distribution and marketing expenses	(326,838)	(367,619)
Administrative expenses	(183,663)	(162,837)
Other operating expenses	(124,665)	(189,005)
Other income	210,456	408,923
Operating profit	1,787,988	2,189,465
Finance costs	(268,364)	(157,599)
Profit before taxation	1,519,624	2,031,866
Taxation	(427,166)	(584,560)
Profit for the period	1,092,458	1,447,306
		(Restated)
Earnings per share - basic and diluted	**1.20**	**2.07**

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive **Chief Financial Officer** **Director**

ENGRO POLYMER & CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

[Amounts in thousand]

	Quarter ended	
	March 31, 2019	March 31, 2018
	-----Rupees-----	
Profit for the period	1,092,458	1,447,306
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Deferred tax charge relating to revaluation of equity related items - share issuance cost	-	-
Total comprehensive income for the period	1,092,458	1,447,306

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive	Chief Financial Officer	Director

ENGRO POLYMER & CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

(Amounts in thousand)

		RESERVES			
		CAPITAL	REVENUE		
	Share capital	Share premium	Hedging reserve	Unappropriated profit / (accumulated losses)	Total
	--------------------------------Rupees--------------------------------				
Balance as at January 1, 2018 (Audited)	6,634,688	964,029	-	121,668	7,720,385
Total comprehensive income for the three months ended March 31, 2018	-	-	-	1,447,306	1,447,306
Final dividend for the year ended December 31, 2017 - Rs. 0.80 per share	-	-	-	(530,775)	(530,775)
Balance as at March 31, 2018 (Unaudited)	6,634,688	964,029	-	1,038,199	8,636,916
Transactions with owners					
Right shares issued during the year including share premium net of share issuance cost	2,454,545	2,910,924	-	-	5,365,469
Interim dividend for the year ended December 31, 2018 - Rs. 0.80 per share	-	-	-	(727,139)	(727,139)
	2,454,545	2,910,924	-	(727,139)	4,638,330
Total comprehensive income for the nine months ended December 31, 2018					
Profit for the nine months ended December 31, 2018	-	-	-	3,469,991	3,469,991
Other comprehensive loss for the nine months ended December 31, 2018	-	-	-	(1,651)	(1,651)
	-	-	-	3,468,340	3,468,340
Balance as at December 31, 2018 (Audited)	9,089,233	3,874,953	-	3,779,400	16,743,586
Total comprehensive income for the three months ended March 31, 2019	-	-	-	1,092,458	1,092,458
Final dividend for the year ended December 31, 2018 - Rs. 0.30 per share	-	-	-	(272,676)	(272,676)
Balance as at March 31, 2019 (Unaudited)	9,089,233	3,874,953	-	4,599,182	17,563,368

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive | Chief Financial Officer | Director

ENGRO POLYMER & CHEMICALS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

(Amounts in thousand)

	Note	Quarter ended March 31, 2019	Quarter ended March 31, 2018
		----------Rupees----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	203,687	2,501,196
Finance costs paid		(94,100)	(135,535)
Long term loans and advances		(11,122)	(9,459)
Retirement benefits paid		(55,354)	(38,147)
Income tax paid		(33,546)	(43,383)
Net cash generated from operating activities		9,565	2,274,672
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(3,371,850)	(307,314)
Proceeds from disposal of property, plant and equipment		204	-
Income on short term investments and bank deposits		196,281	14,372
Net cash utilized in investing activities		(3,175,365)	(292,941)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term borrowings		(7,500,000)	-
Proceed From issuance of Sukuk bonds -net of transaction cost		8,601,540	-
Dividend Payment		(29,580)	(5,340)
Net cash generated from / (utilized in) financing activities		1,071,960	(5,340)
Net increase in cash and cash equivalents		(2,093,840)	1,976,391
Cash and cash equivalents at beginning of the period		9,062,267	829,881
Cash and cash equivalents at end of the period	16	6,968,427	2,806,272

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive **Chief Financial Officer** **Director**

ENGRO POLYMER & CHEMICALS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

1.1 Engro Polymer and Chemicals Limited (the Company) was incorporated in Pakistan in 1997 under the repealed Companies Ordinance, 1984. The Company is listed on Pakistan Stock Exchange Limited.

1.2 The Company is a subsidiary of Engro Corporation Limited (the Holding Company) which is a subsidiary of Dawood Hercules Corporation (the Ultimate Parent Company). The Company's principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals. The Company is also engaged in the supply of surplus power generated from its power plants to Engro Fertilizers Limited (Related Party).

1.3 The geographical location and addresses of all business units of the Company are as follows:

Business unit	Geographical location
Head office	12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal, Karachi
Manufacturing plant	EZ/I/P-II-I Eastern Zone, Port Bin Qasim Industrial Area, Karachi, Pakistan
Regional sales unit	1st Floor, 38 Z Block, Commercial Area, Phase III, DHA, Lahore

2. BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for the interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (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. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended December 31, 2018.

3.2 **a) Standards, interpretations and amendments to published approved accounting standards that are effective for the year and are relevant to the Company.**

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2018 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

- 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 Company has assessed that significant performance obligation in contracts with customers is to deliver the products and is discharged at one point of time.

- IFRS 16 - 'Leases' replaces the previous standard: IAS 17 - Leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities on the statement of financial position for almost all leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

In light of the above requirements certain changes has been made in the accounting policy of the Company. However, based on Company's assessments there is no impact of these changes on these condensed interim financial statements.

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

- 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, not recycling.

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.

Securities and Exchange Commission of Pakistan through its S.R.O. No. 229 (1)/2019 dated February 14, 2019 has deferred application of the aforementioned standard. Accordingly, these condensed interim financial statements does not include the impacts of the aforementioned changes.

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

4. ACCOUNTING ESTIMATES

The preparation of this condensed interim financial information 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 Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

		Unaudited March 31, 2019	Audited December 31, 2018
		-----------Rupees-----------	
5.	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating assets, at net book value - notes 5.1 and 5.2	17,397,559	16,582,904
	Capital work-in-progress - note 5.3	5,027,930	2,751,087
	Capital spares	63,792	63,792
		22,489,281	19,397,783
5.1	Additions to operating assets during the period were as follows:		
	Leasehold land - note 5.1.1	910,428	-
	Building on leasehold land	1,000	4,926
	Plant and machinery	171,627	2,338,554
	Furniture, fixtures and equipment	10,321	51,377
	Vehicles	1,611	19,053
		1,094,987	2,413,910

5.1.1 In 2018, the Company had entered into an agreement with Engro Fertilizers Limited, a related party, for purchase of land at a total consideration of Rs. 720,000 against which the Company had made an advance payment of Rs. 14,400. During the period, the legal formalities in relation of the transfer were finalized and the physical possession of the land has been transferred in the name of the Company.

5.2 During the period, asset costing 812 (December 31, 2018: Rs. NIL), having net book value of 43 (December 31, 2018: Rs. NIL) was disposed off for Rs. 204 (December 31, 2018: Rs. NIL).

5.3 Movement in capital-work-progress during the period / year is as follows:

	Unaudited March 31, 2019	Audited December 31, 2018
	-----------Rupees-----------	
Balance as the beginning of the period / year	2,751,087	923,342
Add: Additions during the period / year	3,371,850	4,259,715
Less Transferred to operating assets during the period / year	(1,094,987)	(2,413,910)
Less Transferred to intangible assets during the period / year	-	(18,060)
Balance as the end of the period / year	5,027,930	2,751,087

6. **TRADE DEBTS - considered good**

		Unaudited March 31, 2019	Audited December 31, 2018
		-----------Rupees-----------	
	Secured	390,020	270,867
	Unsecured - note 6.1	161,476	159,533
		551,496	430,400
6.1	Includes amounts due from the following related parties:		
	- Engro Fertilizer Limited	2,291	-
		2,291	-

7. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

These include advances and receivables from the following related parties

	Unaudited March 31, 2019	Audited December 31, 2018
	---Rupees---	
Mitsubishi Corporation	8,589	-
Engro Vopak Terminal Limited	171	385
Engro Corporation Limited	10,140	1,590
Engro Foods Limited	5	5
Engro Powergen Qadirpur Limited	9	9
Engro Fertilizers Limited	7,315	118,613
Engro Engergy Limited	226	331
Engro Digital Limited	-	2,007
	17,866	122,940

8. LONG TERM BORROWINGS, Sukuks

During the period, the 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.

9. DEFERRED TAXATION

	Unaudited March 31, 2019	Audited December 31, 2018
	---Rupees---	
Credit balances arising due to:		
- accelerated tax depreciation	3,072,379	3,085,702
Debit balances arising due to:		
- recoupable carried forward tax losses	194,782	431,194
- recoupable minimum turnover tax	417,975	537,505
- recoupable alternative corporate tax	566,910	469,544
- unpaid liabilities	102,881	100,340
- provision against GIDC, custom duty and SED refundable	1,068,050	1,004,673
- provision for net realizable value of stocks	2,150	-
- provision for slow moving stores and spares	88,047	91,935
- provision bad debts	2,447	2,535
- share issuance cost, net to equity	49,854	57,830
	2,493,078	2,695,556
	579,303	390,146

10. TRADE & OTHER PAYABLES

	Unaudited March 31, 2019	Audited December 31, 2018
	----------Rupees----------	
Trade and other creditors - note 10.1	3,197,329	3,446,781
Accrued liabilities - note 10.1	1,911,724	1,857,567
Advances from customers	168,589	643,303
Retention money against project payments	1,545	1,545
Security deposits	24,910	24,710
Payable to provident fund	18,774	6,852
Payable to gratuity fund	-	576
Payable to pension fund	-	-
Workers Welfare Fund	82,755	65,871
Workers Profit Participation Fund	76,707	342,876
Withholding tax payable	12,970	9,016
Others	6,805	35,976
	5,502,108	6,435,073

10.1 Includes amounts due to the following related parties:

- Mitsubishi Corporation	-	344,807
- Engro Corporation Limited	67,213	40,545
- Engro Fertilizers Limited	-	43
- Engro Vopak Terminal Limited	114,253	119,241
	181,466	504,636

11. UNPAID DIVIDEND

Representing the final dividend for the year 2018, which was approved in the Annual General Meeting held on April 1, 2019. It includes amounts of Rs.153,220 and Rs. 30,016 which are payable to Engro Corporation Limited, the Holding Company and Mitsubishi Corporation, the Assocaite Company respectively.

12. TAXES PAYABLE

12.1 Tax year 2008

The Deputy Commissioner Inland Revenue (DCIR) through an order dated November 26, 2009 raised a tax demand of Rs. 213,172. The demand arose as a result of additions on account of trading liabilities of Rs. 47,582 under section 34(5) of the Income Tax Ordinance, 2001 (the Ordinance), disallowance of provision for retirement benefits of Rs. 5,899, addition of imputed interest on loans to employees and executives of Rs. 18,069 to income, disallowance of finance cost of Rs. 134,414 and disallowance of adjustment of minimum tax paid for tax years 2004 to 2007 against the above demand.

The Company filed an appeal against the aforesaid order before the Commissioner Inland Revenue Appeals [CIR(A)], but discharged the entire demand through adjustment against assessed refunds of Rs. 180,768 and payment of the balance of Rs. 32,404 'under protest'. Through his appellate order, the CIR(A) maintained certain additions aggregating Rs. 189,810 including finance cost amounting to Rs. 134,414 and remanded back the issue of imputed interest on loans to employees and executives and directed the DCIR to allow credit of the minimum tax charged for the period from tax years 2004 to 2007. An appeal against the said appellate order was filed by the Company before the Appellate Tribunal Inland Revenue (ATIR). The department also filed an appeal against the said appellate order challenging the actions of the CIR(A).

In 2013, the ATIR issued an order whereby the aforementioned appeal was disposed of by accepting Company's position except for additions on account of trading liabilities to the extent of Rs. 20,280 and minimum turnover tax for tax years 2004 and 2007 to the extent of Rs. 18,692 and Rs. 7,300 respectively, which were maintained.

The Company filed a reference with the High Court of Sindh against the additions maintained by ATIR. Likewise, the tax department has also filed reference with the High Court of Sindh against the order passed by the ATIR in favour of the Company. The management of the Company, based on the advice of its tax consultants, is confident that the ultimate outcome of the aforementioned matters would be favorable and, accordingly, has not recognized the effects for the same in the condensed interim financial information

12.2 **Tax year 2009**

The DCIR through his order dated November 30, 2010 raised a tax demand of Rs. 163,206. The demand arose as a result of disallowance of finance cost of Rs. 457,282, additions to income of trading liabilities of Rs. 21,859 under section 34(5) of the Ordinance, disallowance of provision for retirement benefits of Rs. 14,239, disallowance of provision against Special Excise Duty refundable of Rs. 36,687, addition of imputed interest on loans to employees and executives of Rs. 20,599 and not considering net loss.

The entire demand of Rs. 163,206 was adjusted against assessed tax refunds and an appeal was filed by the Company before the CIR(A). Through his appellate order, the CIR(A) maintained certain additions aggregating to Rs. 493,971 (including disallowance of finance cost amounting to Rs. 457,282) and remanded back the issue of imputed interest on loans to employees and executives. An appeal against the said appellate order was filed before the ATIR. The department also filed an appeal against the said appellate order challenging the action of CIR(A), regarding deletion of addition on account of provision for the retirement benefits.

In 2013, the ATIR issued an order whereby the aforementioned appeal was disposed of by accepting Company's position except for additions on account of SED provision of Rs. 36,687 and imputed interest on loans to employees and executives to the extent of Rs. 17,430, which were maintained.

The Company filed a reference with the High Court of Sindh against the additions maintained by ATIR. Likewise, the tax department has also filed reference with the High Court of Sindh against the order passed by the ATIR in favour of the Company. The management of the Company, based on the advice of its tax consultants, is confident that the ultimate outcome of the aforementioned matters would be favorable and, accordingly, has not recognized the effects for the same in the condensed interim financial information.

13. PROVISIONS

	Unaudited March 31, 2019	Audited December 31, 2018
	----------------Rupees----------------	
Provision for Gas Infrastructure Development Cess - note 13.1	4,383,463	4,121,435
Provision for gas price revision - note 13.2	517,392	517,392
	4,900,855	4,638,827

13.1 **Provision for Gas Infrastructure Development Cess (GIDC)**

Under the Gas Infrastructure Development Cess Act, 2011, the Government of Pakistan levied Gas Infrastructure Development Cess (GIDC) on all industrial gas consumers at the rate of Rs. 13 per MMBTU. Subsequently, the GIDC rates were enhanced through notifications under OGRA Ordinance 2002, Finance Act, 2014 and GIDC Ordinance 2014 against which the Company has obtained ad-interim stay orders from the High Court of Sindh. However, on prudent basis the Company recognized a provision of Rs. 1,345,789 till May 21, 2015.

On May 22, 2015 the Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated whereby cess rate of Rs.100 per MMBTU and Rs.200 per MMBTU were fixed for industrial and captive power consumption, respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and the GIDC Ordinance, 2014.

The Company, based on the advice of its legal counsel, is of the view that as per GIDC Act, 2015, the uncollected portion of cess levied through GIDC Act, 2011 and GIDC Ordinance 2014, shall not be collected from the industrial sector. Therefore, the Company reversed the provision relating to industrial portion of GIDC amounting to Rs. 753,664 for the period prior to promulgation of GIDC Act, 2015 and retained GIDC provision amounting to Rs. 592,125 in respect of captive power.

Further, the Company has also obtained ad-interim stay order against the GIDC Act, 2015 from the High Court of Sindh. This stay order has restrained Sui Southern Gas Company Limited (SSGCL) from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on this matter. However, based on prudence, the Company has recognized a further provision of Rs.262,028 (March 31, 2018: Rs. 258,447) pertaining to the period subsequent to the promulgation of GIDC Act, 2015.

13.2 During the year ended December 31, 2017, the Company had filed suits in the Sindh High Court (SHC), against the increase in tariff of natural gas sold to industries and captive power plants notified by Oil and Gas Regularity Authority (OGRA) vied SRO no. (1)/2016 dated December 30, 2016 whereby the Company the increase as illegal and unconstitutional. The SHC has granted an interim order in favour of the Company which is still operational. However, the Company has recognised a provision of Rs. 517,392 for the period from December 2017 to December 2018.

14. CONTINGENCIES AND COMMITMENTS

14.1 The Deputy Commissioner Inland Revenue (DCIR) through order dated January 8, 2016, raised a sales tax demand of Rs. 524,589 on account of alleged short payment of sales tax due on the finished products that would have been produced and sold from the excess wastage of raw material. The Company filed thereagainst before the Commissioner Inland Revenue Appeals [CIR(A)] on the grounds that the order passed against the Company was absolutely baseless as the DCIR had used inappropriate theoretical assumptions for calculating the sales tax liability. The CIR(A) through his order dated March 10, 2016, has decided the matter in favor of the Company. However, the department has challenged the said order of CIR(A) before Appellate Tribunal Inland Revenue (ATIR). No proceedings regarding this matter have been carried out by ATIR, till the year end. The management of the Company, based on the advice of its tax consultants, is confident of favorable outcome of this matter, accordingly, no provision has been made in this respect.

14.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Company as at March 31, 2019 amounts to Rs. 2,101,110 (December 31, 2018: Rs. 1,896,000). The amount utilized there against as at March 31, 2019 is Rs. 2,101,110 ((December 31, 2018: Rs. 1,858,000).

14.3 The facility for opening letters of credit as at March 31, 2019 aggregates to Rs. 20,300,000 (December 31, 2018: Rs. 15,800,000). The amount utilized thereagainst as at March 31, 2019: 6,476,000 (December 31, 2018: Rs. 6,453,000). These facilities carry commission at rates running between 0.05% and 0.1% (December 31, 2018: 0.05% and 0.1%).

14.4 The Company has entered into operating lease arrangements with Al-Rahim Trading Company (Private) Limited and Fatima Fertilizer Company Limited, for the storage and handling of Ethylene Di Chloride (EDC) and caustic soda, respectively. The total lease rentals due under these lease arrangements are payable in monthly installments till July 2019. The future aggregate lease payments under these arrangements are as follows:

	Unaudited March 31, 2019	Audited December 31, 2018
	----------Rupees----------	
Not later than 1 year	7,277	14,053

14.5 The Company has entered into various contracts with Engro Vopak Terminal Limited, a related party, for storage and handling of Ethylene, Vinyl Chloride Monomer (VCM) and Ethylene Di-Chloride (EDC) valid till March, 2026, December 2019 and December 2026 respectively. Annual fixed cost payable to Engro Vopak Terminal Limited, under these contracts, approximates to US $ 9,165.

		Unaudited	
		Quarter ended	
		March 31, 2019	March 31, 2018
		----Rupees----	
15.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	1,519,624	2,031,866
	Adjustments for non cash charges and other items:		
	Provision for staff retirement and other service benefits	27,988	12,187
	Provision for GIDC	262,028	258,447
	Provision for net realizable value of stock-in-trade	7,914	(22,766)
	Provision for doubtful debts	-	(618)
	Depreciation	280,289	225,334
	Amortization	3,939	3,143
	Income on short term investments and bank deposits	(196,281)	(14,372)
	Finance costs	248,305	157,599
	Amortization of Sukuks	5,500	-
	Gain on disposal of operating asset - note 5.2	(161)	
	Working capital changes - note 15.1	(1,955,458)	(149,623)
		203,687	2,501,196
15.1	**WORKING CAPITAL CHANGES**		
	(Increase) in current assets		
	Stores, spares and loose tools	77,430	(204,458)
	Stock-in-trade	(1,263,776)	(175,519)
	Trade debts - considered good	(121,096)	113,403
	Loans,advances,deposits,prepayments and other receivables	284,949	(175,859)
		(1,022,493)	(442,433)
	(Decrease) / Increase in current liabilities		
	Trade and other payables	(932,965)	292,811
		(1,955,458)	(149,623)
16.	**CASH AND CASH EQUIVALENTS**		
	Cash and bank balances	68,883	310,385
	Short term investments	6,899,544	2,495,887
		6,968,427	2,806,272

(Amounts in thousand)

17. SEGMENT INFORMATION

17.1 The basis of segmentation and reportable segments presented in this condensed interim financial information are same as disclosed in the annual financial statements of the Company for the year ended December 31, 2018.

	Unaudited March 31, 2019				Unaudited March 31, 2018			
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Total	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Total
	Rupees							
Revenue	7,892,100	1,433,813	17,721	9,343,634	7,281,341	1,390,756	15,105	8,687,202
Cost of sales	(6,413,461)	(700,121)	(17,354)	(7,130,936)	(5,504,715)	(677,477)	(5,007)	(6,187,199)
Gross Profit	1,478,639	733,692	367	2,212,698	1,776,626	713,279	10,098	2,500,003
Distribution and marketing expenses	(228,647)	(98,191)	-	(326,838)	(267,260)	(100,359)	-	(367,619)
Administrative expenses	(161,189)	(22,474)	-	(183,663)	(153,079)	(9,758)	-	(162,837)
Other operating expenses	(89,338)	(35,310)	(17)	(124,665)	(157,641)	(30,859)	(505)	(189,005)
Other operating income	107,655	102,790	11	210,456	393,791	15,123	8	408,922
Finance costs	(266,252)	(2,086)	(26)	(268,364)	(156,489)	(1,098)	(12)	(157,599)
Taxation	(239,223)	(187,850)	(93)	(427,166)	(405,784)	(175,898)	(2,877)	(584,559)
Profit after taxation	601,645	490,571	242	1,092,458	1,030,164	410,429	6,713	1,447,306

	Unaudited March 31, 2019				Audited December 31, 2018			
	Poly Vinyl Chloride and Allied Chemicals	Caustic soda and Allied Chamicals	Power supply	Total	Poly Vinyl Chloride and Allied Chemicals	Caustic soda and Allied Chemicals	Power supply	Total
	Rupees							
Total segment assets	17,304,699	5,722,071	11,873	23,038,644	16,088,188	5,771,628	11,928	21,871,744
Unallocated assets				14,951,101				14,098,561
Total assets				37,989,745				35,970,305

17.2 Segment assets consist primarily of property, plant and equipment, stores & spares, stock-in-trade and trade debts.

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

18.1 Financial risk factors

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

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

19. TRANSACTIONS WITH RELATED PARTIES

19.1 Transactions with related parties other than those which have been disclosed elsewhere in this condensed interim financial information are as follows:

Nature of relationship	Nature of transactions	Unaudited Quarter ended March 31, 2019	Unaudited Quarter ended March 31, 2017
		Rupees	
Holding company			
- Engro Corporation Limited	Reimbursement made	4,934	1,149
	Purchased services	67,213	49,760
	Life insurance contribution	183	144
	Medical contribution	58	56
Associated companies			
- Mitsubishi Coporation	Purchase of goods	22,451	703,586
Members of the Group			
- Engro Fertilizers Limited	Reimbursement received	207	1,460
	Sale of goods	3,809	5,526
	Sale of steam and electricity	27,029	25,953
	Reimbursement made	88	-
	Purchase of Land	722,122	56,400
- Engro Vopak Terminal Limited	Purchase of services	338,407	306,359
	Reimbursement made	2,902	3,027
	Reimbursement received	492	-
- Engro Digital Limited	Reimbursement made	32	-
- Engro Energy Limited	Reimbursement received	4,040	1,106
- Engro Powergen Thar (Private) Limited	Sale of goods	1,197	-
Directors	Fee	300	600
Key management personnel	Managerial remuneration	27,673	25,633
	Retirement benefits	5,090	3,974
	Bonus	9,638	8,234
	Other benefits	5,796	5,498
Contribution to staff retirement benefits	Managed & operated by the Holding Company		
	Provident fund	16,002	16,018
	Gratuity fund	11,739	12,433
	Pension fund	1,460	801

20. CORRESPONDING FIGURES

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 preceeding financial year, whereas, the condensed interim statement of profit or loss, 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 have been compared with the balances of the comparable year-to-date period of the immediately preceeding financial year.

21. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 23, 2019 by the Board of Directors of the Company.

Chief Executive **Chief Financial Officer** **Director**

اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ

31 مارچ 2019 کو اختتام پذیر ہونے والی سہ ماہی کے غیر تنقیح شدہ (unaudited) مالیاتی گوشواروں پر شیئر ہولڈرز کے لیے ڈائریکٹرز کا تبصرہ

اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے ہم کمپنی کی 31 مارچ 2019 کو اختتام پذیر ہونے والی سہ ماہی کی غیر تنقیح شدہ (unaudited) مالیاتی معلومات پیش کرتے ہیں۔

کاروبار کا جائزہ

اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ ہیلتھ سیفٹی اینڈ انوائرمنٹ (HSE) پر عملدرآمد کو یقینی بنانے کے لیے سخت پالیسیاں بناتا رہے گا اور ان پر عمل پیرا رہے گا تاکہ کام کرنے کے محفوظ ماحول کی مستقل فراہمی یقینی بنائی جا سکے۔ اس سہ ماہی میں معمول کی مینٹیننس کے دوران آتشزدگی کا ایک واقعہ پیش آیا تھا، تاہم، لیکن پیداوار کا کوئی نقصان نہیں ہوا اور تمام ہنگامی ضابطۂ عمل (protocols) پر عملدرآمد کیا گیا۔

آپریشنل محاذ پر، کمپنی نے اپنے آپریشنز اس سہ ماہی میں معتبر خم (reliable curve) پر معمول کی مینٹیننس سرگرمی کے ساتھ جاری رکھے۔

2019 کی پہلی سہ ماہی کے دوران، کمپنی نے گزشتہ سال اسی عرصے کو دوران ہونے والی 8687 ملین روپے کی آمدنی کے مقابلے میں 9344 ملین روپے کی آمدنی ریکارڈ کی ہے اور گزشتہ سال کے 1447 ملین روپے کا منافع بعد از ٹیکس (Profit After Tax) جس سے مراد 2.07 روپے فی حصص کے حساب سے فی حصص منافع (Earning Per Share) کے مقابلے میں 1094 ملین روپے کا منافع بعد از ٹیکس (Profit After Tax) ظاہر کیا ہے جس سے مراد 1.20 روپے فی حصص کے حساب سے فی حصص منافع (Earning Per Share) ہے۔

اس سہ ماہی کے دوران PVC کی بین الاقوامی قیمتیں خطے میں معتدل طلب کے بعد چین امریکا تجارتی خلل کی وجہ سے کی وجہ سے نرم رہیں، کلیدی منڈیوں میں انتخابات کے موسم کے وجہ سے جنوبی ایشیا میں بھی طلب کم رہی۔

سہ ماہی کے آغاز میں خطے میں کم مال کی وجہ سے Ethylene کی قیمتیں اضافے کی طرف مائل رہیں، تاہم کلیدی مقامی پلیئرز کی وجہ سے بڑھتی ہوئی spot رسد اور کم ہوتی ہوئی طلب نے قیمت کے عنصر کو مرطوب کر دیا نتیجتاً core delta کی حمایت میں۔

منصوبوں کی اپڈیٹ

توسیع اور آپریشنل لیاقت کے جاری رہنے والے تمام منصوبے کلیدی فوکس میں ہیں اور امکان ہے کہ اعلان شدہ وقت اور capex میں مکمل ہو جائیں گے۔

ہمیں یہ اعلان کرتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی نے caustic flakes پلانٹ کے تجارتی آپریشنز کا آغاز کر دیا ہے، بعد از بیلنس شیٹ تاریخ۔ مذکورہ پیداواری سہولت میں 20,000 MT سالانہ پیداوار دینے کی صلاحیت ہے۔ کمپنی کی موجودہ فہرست مصنوعات میں caustic soda flakes کے اضافے سے Chlor-Alkali سیگمنٹ میں کمپنی کی پوزیشن میں اور مضبوطی آئے گی اور اس سے کمپنی کو جنوبی مقامی منڈی اور برآمدات کے میدانوں میں مزید فوائد حاصل ہوں گے۔

مستقبل کے امکانات

PVC اور ethylene کی بین الاقوامی قیمتیں عالمی معاشی صورتحال اور طلب کی حرکیات پر منحصر رہیں گی۔ مقامی منڈی فی الحال بہاؤ کے زیر اثر ہے اور اس میں نئی معاشی پالیسیوں، macroeconomic indicators اور دیگر کلیدی variables کا فیصلہ ہونے کے بعد ہی بہتری آئے گی۔ ہمیں امید ہے کہ امسال بعد میں معاشی صورتحال میں بہتری کا تعمیری شعبے پر مثبت اثر پڑے گا جس کے مثبت نتائج PVC پر پڑیں گے۔ Caustic Soda کی مارکیٹ کے مستحکم رہنے کے امکانات ہیں۔

engro polymer & chemicals
Head Office: 12th Floor, Ocean Tower, G-3,
Block 9, Clifton, Khayaban-e-Iqbal,
Karachi-75600, Pakistan.
UAN: +111 411 411
Fax: +92-21-35166865
Website: www.engropolymer.com