



engro polymer & chemicals

**FINANCIAL STATEMENTS FOR THE
PERIOD ENDED JUNE 30, 2021**

CONTENTS

Company's information	3
Directors' review on unaudited consolidated condensed interim financial statements	4
Auditors' report to the members on review of consolidated condensed interim financial statements	5
Unaudited consolidated condensed interim financial statements	6-25
Auditors' report to the members on review of condensed interim financial statements	26
Unaudited condensed interim financial statements	27-45
Directors' review on unaudited consolidated condensed interim financial statements (in Urdu)	46-47

COMPANY INFORMATION

Chairman	Mr. Ghias Khan
Chief Executive Officer	Mr. Jahangir Piracha
Directors	Mr. Eram Hasan Mr. Feroz Rizvi Mr. Rizwan Masood Raja Mr. Nadir Salar Quershi Mr. Nazoor Ali Baig Mr. Hideki Adachi Ms. Ayesha Aziz
Chief Financial Officer	Ms. Rabia Wafah Khan
Company Secretary	Mr. Khawaja Haider Abbas
Corporate Audit Manager	Mr. Kalimuddin A. Khan
Bankers / Lenders	Allied Bank Ltd Askari Bank Ltd Al Baraka Bank (Pakistan) Ltd Bank Alfalah Ltd Bank Al Habib Ltd Bank Islami Pakistan Ltd Dubai Islamic Bank Pakistan Ltd Faysal Bank Ltd Habib Bank Ltd Habib Metropolitan Bank Ltd Industrial & Commercial Bank of China Ltd JS Bank Ltd MCB Bank Ltd MCB Islamic Bank Ltd Meezan Bank Ltd National Bank of Pakistan Standard Chartered Bank Pakistan Ltd Samba Bank Ltd The Bank of Punjab United Bank Ltd
Auditors	A. F. Ferguson & Company Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road, Karachi-74000, Pakistan. Tel: +92(21) 32426682-6 / 32426711-5 Fax: +92(21) 32415007 / 32427938
Registered Office	12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal. Karach
Plant	EZ/1/P-11-1, Eastern Zone, Bin Qasim, Karachi
Regional Sales Office	Office No. 601, 6th Floor, Haly Tower, Lalick Chowk, DHA, Lahore UAN: 111 211 211
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 LIMITED
 DIRECTOR'S REVIEW TO THE SHAREHOLDERS
 ON UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED JUNE 30, 2021

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 six months ended June 30, 2021

Business Review

Business's major challenge was COVID related turbulence in international as well as local market. PVC prices declined this quarter on the back of COVID related lockdowns specially in India, a major importer of PVC, followed by monsoon season. This dampened buying sentiment and PVC prices dropped. Ethylene prices, during the early part, demonstrated a sudden increase on account of high crude and naphtha prices and heavy turnaround season. However, later in the quarter, prices declined as plants resumed operations post scheduled maintenances.

On the domestic front, PVC sales showed growth of ~31% in Q2'2021 versus same period last year. The growth is attributed to lower sales last year, due to lockdown in Q2'2020. PVC demand remained slow in 2Q'2021 as the third wave of COVID-19 swept across the country and extended Eid holidays. In order to support the domestic industry, various incentives were offered to our customers, which allowed us to achieve a market share of 94% in Q2'2021. Our Chlor Alkali market also suffered, primarily due to a slowdown in textile exports, local challenges such as high cotton prices and issues of gas supply in June. In view of these challenges a major shift was done towards international market resulting in company exporting approximately 8KT PVC, 2KT Caustic Liquid and 1KT Caustic Flakes.

On the operational front, the Company announced commercial operation of 50 KT new VCM DBN capacity on June 25, 2021. This is in addition to the 100 KT PVC capacity announced in 1Q 2021. Latest updates on the other projects are as follows:

- Work on efficiency projects, including OVR and HTDC is underway, and they are expected to come online in late 2021 and 2022, respectively
- Hydrogen Peroxide is expected to achieve COD in 4Q'2022
- Company has decided to shelve LABSA project. The project was earlier put on hold due to COVID-19

The Company recorded an increase in revenue of Rs. 17,622 Million as compared to 1H 2020, an increase by 137% compared to same period last year. High PVC international prices, coupled with an increase in sales and exports compared with the same period last year were the main reasons for healthy growth this quarter. During 1H 2021, the Company recorded a Profit After Tax of Rs. 7,265 million translating into an Earnings Per Share of Rs. 7.99 Per share compared to a Profit After Tax of Rs. 223 million translating into Earnings Per Share of Rs. 0.24 for the same period last year.

Future Outlook

Going forward, we expect PVC prices to remain range-bound, with increasing demand from India and China and high exports from US as major plants resume operations post force majeure declared in Feb 2021. Ethylene prices will be impacted by both the crude oil prices, and OPEC+ decisions on global oil production. However, commodity markets, both domestic and global, will continue to be impacted by uncertainties caused due to rising cases of COVID-19.

Ensuring safe operations at our plant amidst the fourth COVID wave by following Government mandated SOPs, completing on-going projects safely and within communicated timelines, and maintaining the market share will be the key focus area for the next quarter.

**Chief Executive
 Jahangir Piracha**

**Director
 Feroz Rizvi**

**ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021**



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Engro Polymer and Chemicals Limited

Report on review of Consolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of Engro Polymer and Chemicals Limited and its subsidiaries (the Group) as at June 30, 2021 and the related consolidated condensed interim statement of profit or loss, 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, and notes to the consolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "consolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these consolidated condensed 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 consolidated condensed interim financial statements based on our review.

The figures of the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2021.

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 consolidated condensed 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 consolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the 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 Farrukh Rehman.


Chartered Accountants
Karachi
Date: August 27, 2021

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>


ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

(Amounts in thousand)

		(Unaudited) June 30, 2021	(Audited) December 31, 2020
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	38,434,995	37,614,314
Right-of-use asset		2,221,323	2,305,604
Intangible assets		102,386	101,971
Financial assets at amortized cost	6	3,677,333	4,660,833
Long-term loans and advances		<u>1,428</u>	<u>29,286</u>
		44,437,465	44,712,008
Current assets			
Stores, spares and loose tools	7	2,216,705	1,784,734
Stock-in-trade	8	9,196,855	6,194,509
Trade debts - considered good	9	1,935,675	586,212
Loans, advances, deposits, prepayments and other receivables	10	1,203,560	315,244
Income tax payments less provision		-	159,583
Financial assets at fair value through profit and loss		14,970,265	13,431,523
Current maturity of financial assets at amortized cost		1,877,810	964,120
Cash and bank balances		<u>1,286,350</u>	<u>945,728</u>
		32,687,220	24,381,653
TOTAL ASSETS		<u><u>77,124,685</u></u>	<u><u>69,093,661</u></u>
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital		9,089,233	9,089,233
Preference shares		3,000,000	3,000,000
Share premium		3,874,953	3,874,953
Unappropriated profit		<u>15,473,103</u>	<u>10,161,945</u>
		31,437,289	26,126,131
Non-current liabilities			
Long-term borrowings	11	18,315,304	19,790,152
Lease liabilities	12	3,114,150	3,614,312
Provisions	13	2,438,657	2,991,392
Deferred taxation - net	14	<u>1,656,722</u>	<u>1,183,219</u>
		25,524,833	27,579,075
Current liabilities			
Current portion of long term borrowings	11	3,647,000	1,836,333
Current portion of lease liabilities	12	1,112,676	1,080,561
Provisions	13	3,213,471	2,456,263
Service benefit obligations		69,990	79,539
Trade and other payables	15	10,582,399	9,482,498
Income taxes payable		1,077,650	-
Unclaimed dividend		27,604	28,149
Accrued interest / mark-up		<u>431,773</u>	<u>425,112</u>
		20,162,563	15,388,455
		45,687,396	42,967,530
Contingencies and commitments	16		
TOTAL EQUITY AND LIABILITIES		<u><u>77,124,685</u></u>	<u><u>69,093,661</u></u>

The annexed notes 1 to 26 form an integral part of these consolidated condensed interim financial statements.


Chief Executive
Jahangir Piracha


Chief Financial Officer
Rabia Wafah Khan


Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

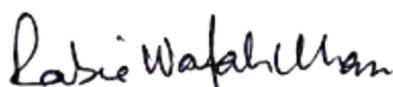
(Amounts in thousand except for earnings per share)

	Note	Quarter ended		Half year ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
-----Rupees-----					
Net revenue	17	14,824,639	5,816,352	30,496,098	12,874,294
Cost of sales		(9,606,580)	(5,162,020)	(19,042,334)	(10,968,700)
Gross profit		5,218,059	654,332	11,453,764	1,905,594
Distribution and marketing expenses		(76,595)	(40,878)	(168,540)	(113,203)
Administrative expenses		(169,954)	(133,058)	(336,458)	(246,983)
Other expenses		(588,208)	(101,905)	(711,116)	(640,188)
Other income		306,450	241,997	597,661	687,506
Operating profit		4,689,752	620,488	10,835,311	1,592,726
Finance costs		(512,039)	(599,221)	(914,546)	(1,366,881)
Profit for the period before taxation		4,177,713	21,267	9,920,765	225,845
Taxation		(1,055,339)	8,515	(2,655,421)	(3,224)
Profit for the period after taxation		3,122,374	29,782	7,265,344	222,621
Earnings per share - basic		3.44	0.03	7.99	0.24
Earnings per share - diluted		2.58	0.03	6.01	0.24

The annexed notes 1 to 26 form an integral part of these consolidated condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

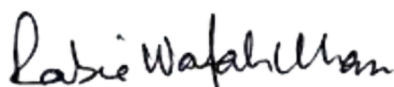
(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	-----Rupees-----			
Profit for the period after taxation	3,122,374	29,782	7,265,344	222,621
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>3,122,374</u>	<u>29,782</u>	<u>7,265,344</u>	<u>222,621</u>

The annexed notes 1 to 26 form an integral part of these consolidated condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2021

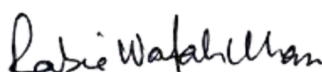
(Amounts in thousand)

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		RESERVES		Total
	Ordinary share capital	Preference shares	CAPITAL Share premium	REVENUE Unappropriated profit	
-----Rupees-----					
Balance as at January 1, 2020 (Audited)	9,089,233	-	3,874,953	4,811,970	17,776,156
Transaction with owners					
Final dividend for the year ended December 31, 2019 - Rs. 0.20 per share	-	-	-	(181,785)	(181,785)
Total comprehensive income for the half year ended June 30, 2020					
Profit for the half year ended June 30, 2020	-	-	-	222,621	222,621
Other comprehensive income for the half year ended June 30, 2020	-	-	-	-	-
	-	-	-	222,621	222,621
Balance as at June 30, 2020 (Unaudited)	9,089,233	-	3,874,953	4,852,806	17,816,992
Transaction with owners					
Preference shares issuance	-	3,000,000	-	-	3,000,000
Shares issuance cost	-	-	-	(198,476)	(198,476)
	-	3,000,000	-	(198,476)	2,801,524
Total comprehensive income for the half year ended December 31, 2020					
Profit for the half year ended December 31, 2020	-	-	-	5,507,615	5,507,615
Other comprehensive income for the half year ended December 31, 2020	-	-	-	-	-
	-	-	-	5,507,615	5,507,615
Balance as at December 31, 2020 (Audited)	9,089,233	3,000,000	3,874,953	10,161,945	26,126,131
Transaction with owners					
Final ordinary dividend for the year ended December 31, 2020 - Rs. 1.247 per share	-	-	-	(1,133,562)	(1,133,562)
Final preference dividend for the year ended December 31, 2020 - Rs. 0.042 per share	-	-	-	(12,485)	(12,485)
First interim ordinary dividend for the year ending December 31, 2021 - Rs. 0.80 per share	-	-	-	(727,139)	(727,139)
First interim preference dividend for the year ending December 31, 2021 - Rs. 0.27 per share	-	-	-	(81,000)	(81,000)
	-	-	-	(1,954,186)	(1,954,186)
Total comprehensive income for the half year ended June 30, 2021					
Profit for the half year ended June 30, 2021	-	-	-	7,265,344	7,265,344
Other comprehensive income for the half year ended June 30, 2021	-	-	-	-	-
	-	-	-	7,265,344	7,265,344
Balance as at June 30, 2021 (Unaudited)	9,089,233	3,000,000	3,874,953	15,473,103	31,437,289

The annexed notes 1 to 26 form an integral part of these consolidated condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

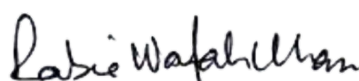
(Amounts in thousand)

	Note	Half year ended	
		June 30, 2021	June 30, 2020
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	18	6,900,537	4,698,621
Long-term loans and advances		27,858	35,454
Retirement benefits paid		(34,706)	(39,086)
Income tax paid		(944,686)	(453,567)
Net cash generated from operating activities		5,949,003	4,241,422
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(1,823,024)	(4,249,653)
Proceeds from disposal of property, plant and equipment		44	-
Proceeds from sale of Term Deposit Receipt		6,000	-
Investment in Term Deposit Receipt		(10,500)	-
Income on short-term investment and bank deposits		584,275	627,328
Net cash utilized in investing activities		(1,243,205)	(3,622,325)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Islamic Temporary Economic Finance Facility (ITERF) - net of transaction cost		485,741	-
Proceeds from loan under Diminishing Musharaka Agreement		36,367	-
Finance costs paid		(725,820)	(830,902)
Rentals paid during the period		(661,991)	(664,023)
Dividend payment		(1,954,731)	(183,829)
Net cash utilized in financing activities		(2,820,434)	(1,678,754)
Net increase / (decrease) in cash and cash equivalents		1,885,364	(1,059,657)
Cash and cash equivalents at the beginning of the period		14,371,251	8,029,074
Cash and cash equivalents at the end of the period	19	16,256,615	6,969,417

The annexed notes 1 to 26 form an integral part of these consolidated condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

- 1.1 The "Group" consists of Engro Polymer and Chemicals Limited and its wholly owned subsidiary companies, Think PVC (Private) Limited, Engro Peroxide (Private) Limited and Engro Plasticizer (Private) Limited.

Engro Polymer and Chemicals Limited (the Company) was incorporated in Pakistan in 1997 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). 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 registered office of the Company is situated at 12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal, Karachi. The plant is located at EZ/II-P-II-I Eastern Zone, Bin Qasim, Karachi, Pakistan, whereas, the Chlor-Vinyl facility is at Port Bin Qasim Industrial Area. The regional sales office of the Company is on the 6th Floor, Haly Tower Office, Lalik Chowk, Phase II, DHA, Lahore.
- 1.4 During the half year ended June 30, 2021, the PVC-III expansion project was completed which has increased the capacity by 100,000 MT per annum i.e from 195,000 MT per annum to 295,000 MT per annum. The commercial operation of PVC-III plant commenced from March 01, 2021.
- 1.5 During the half year ended June 30, 2021, the VCM Plant Debottlenecking project was completed which has increased the capacity by 50,000 MT per annum i.e from 204,000 MT per annum to 254,000 MT per annum. The commercial operation of this plant commenced from June 25, 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

(Amounts in thousand)

- 2.2 These consolidated condensed interim financial statements for the half year ended June 30, 2021 are unaudited. However, these have been subjected to limited scope review by the statutory auditors of the Company and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and section 237 of the Act.

These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2020.

- 2.3 These condensed interim financial statements denote the consolidated condensed interim financial statements of the Group. The unconsolidated condensed interim financial statements of the Company and its subsidiary companies have been presented separately.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES AND CHANGES THEREIN

- 3.1 The significant accounting policies and the methods of computation applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2020 except for the early adoption of an amendment as set out below:

- 3.2 In 2020, the International Accounting Standard Board (IASB) made an amendment - Proceeds before the intended use in IAS 16 - "Property, Plant and Equipment". As a result, the net proceeds received from selling the inventory produced during the testing phase, shall be recognized in the statement of profit or loss. Previously, such proceeds were deducted from the cost of the asset. This amendment shall be applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 2022 with an option of early adoption.

The Group has assessed its implication and decided to adopt the amendment early as permitted under the amendment and aligned with the accounting and reporting standards as applicable in Pakistan. The change in accounting policy has been made in accordance with the transitional provisions of the amendment. The net revenue is part of gross profit in the consolidated condensed interim statement of profit or loss and has a post tax impact of Rs. 278,700.

In addition to above, there are certain amendments to published International Financial Reporting Standards that are mandatory for the financial year beginning on January 1, 2021. These are considered not to have any significant effect on the Group's financial reporting and operations and are, therefore, not disclosed in these consolidated condensed interim financial statements.

- 3.3 The financial risk management objectives and policies of the Group are also consistent with those disclosed in the annual audited consolidated financial statements of the Group for the year ended December 31, 2020.
- 3.4 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. ACCOUNTING ESTIMATES

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 the management to exercise its judgments 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.

(Amounts in thousand)

The significant estimates, judgments and assumptions made by the management in the preparation of the consolidated condensed interim financial statements are the same as those that were applied in the annual audited consolidated financial statements of the Group as at and for the year ended December 31, 2020 except for the change in accounting estimate in relation to depreciation and useful life of property, plant and equipment as explained in note 5.3.

	Unaudited June 30, 2021	Audited December 31, 2020
	----- Rupees -----	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value - notes 5.1 and 5.2	31,606,030	19,286,318
Capital work-in-progress - note 5.4	6,616,130	18,264,204
Capital spares	212,835	63,792
	<u>38,434,995</u>	<u>37,614,314</u>
5.1 Additions to operating assets during the period / year were as follows:		
Leasehold land	-	18,524
Building on leasehold land	644,030	56,538
Plant and machinery	12,456,304	2,050,956
Pipeline - Ethylene Di Chloride (EDC)	-	1,999
Furniture, fixtures and equipment	25,864	145,885
Vehicles	68,870	4,989
	<u>13,195,068</u>	<u>2,278,891</u>
5.2 Disposals and write-offs of operating assets during the period / year were as follows:		
Cost		
- Furniture, fixtures and equipment	29,135	107,291
- Plant and machinery	200,054	-
- Pipelines - Ethylene	292	-
- Pipelines - water	993	-
- Vehicles	-	136
	<u>230,474</u>	<u>107,427</u>
Accumulated Depreciation		
- Furniture, fixtures and equipment	25,922	101,532
- Plant and machinery	127,089	-
- Pipelines - Ethylene	157	-
- Pipelines - water	802	-
- Vehicles	-	133
	<u>153,970</u>	<u>101,665</u>
5.3		
In order to align practice with the Holding Company, under the ONE SAP project, the Group is charging depreciation from the month following the month in which the asset is made available for use. The said change has resulted in the reduction in depreciation expense by Rs. 51,895.		

(Amounts in thousand)

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

	Unaudited June 30, 2021	Audited December 31, 2020
	----- Rupees -----	
Balance as at the beginning of the period / year	18,264,204	13,064,300
Add: Additions during the period / year	1,823,024	7,318,314
Add: Borrowing cost capitalized during the period / year	27,645	214,679
Less: Write-off of plant and machinery items	-	(6,000)
Less: Transferred to:		
- Operating assets - note 5.1	(13,195,068)	(2,278,891)
- Intangible assets	(14,476)	(48,198)
- Transfers to capital spares	(149,043)	-
- Right-of-use of asset	(140,156)	-
	<u>6,616,130</u>	<u>18,264,204</u>

6. FINANCIAL ASSETS AT AMORTIZED COST

Investment in Term Deposit Receipts - note 6.1	5,555,143	5,624,953
Less: current maturity shown under current assets	(1,877,810)	(964,120)
	<u>3,677,333</u>	<u>4,660,833</u>

6.1 This includes Term Deposits Receipts aggregating to USD 35,000 maintained with Dubai Islamic Bank Pakistan Limited (DIBPL). These carry profit at the rate of six months LIBOR plus 0.89% per annum and are due to mature in six equal semi-annual installments of USD 5,833 starting from July 15, 2021 and ending on January 15, 2024.

7. STORES, SPARES AND LOOSE TOOLS

7.1 During the period, the Company has written off stores and spares amounting to Rs. 414 (December 31, 2020: Rs. 57,302).

7.2 During the period, the Company has written off provision for slow moving stores and spares amounting to Rs. 26 (December 31, 2020: Rs. 8,701).

8. STOCK-IN-TRADE

8.1 This includes stock held at Engro Vopak Terminal Limited, a related party as at June 30, 2021 amounting to Rs. 1,219,314 (December 31, 2020: Rs. 659,703).

(Amounts in thousand)

- 8.2 During the period, the Company has written off stock-in-trade amounting to Rs. 1,665 (December 31, 2020: Rs. 99,704).

Unaudited June 30, 2021	Audited December 31, 2020
----- Rupees -----	

9. TRADE DEBTS - CONSIDERED GOOD

These include unsecured receivables from the following related parties:

- Engro Fertilizers Limited	17,162	15,273
- Engro Energy Services Limited	402	-
	<u>17,564</u>	<u>15,273</u>

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

These include unsecured receivables from the following related parties:

- Engro Eximp FZE	597	-
- Sindh Engro Coal Mining Company Limited	478	-
- Engro Energy Limited	-	505
	<u>1,075</u>	<u>505</u>

11. LONG-TERM BORROWINGS

- Sukuk certificates - note 11.1	8,656,653	8,645,597
- Loan from International Finance Corporation (IFC) - note 11.2	5,471,959	5,539,605
- Bilateral Loan - note 11.3	5,421,500	5,421,500
- Islamic Long Term Financing Facility (ILTFF) - note 11.4	1,926,451	1,925,517
- Loan under diminishing musharaka agreement - note 11.5	-	94,266
- Islamic Temporary Economic Refinance Facility (ITERF) - notes 11.6 and 11.7	485,741	-
	<u>21,962,304</u>	<u>21,626,485</u>

Less: Current portion shown under current liabilities

- Loan from International Finance Corporation (IFC) - note 11.2	1,839,833	932,750
- Bilateral Loan - note 11.3	1,807,167	903,583
	<u>3,647,000</u>	<u>1,836,333</u>
	<u>18,315,304</u>	<u>19,790,152</u>

- 11.1 In 2019, the Company issued sukuk bonds of Rs. 8,750,000 to eligible institutional and other investors by way of private placement. These are repayable over a period of 7.5 years in five equal annual installments of Rs. 1,750,000 each with the first repayment commencing in July 2024. These are secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), which shall rank pari passu with the charges created in favor of the existing creditors.

(Amounts in thousand)

- 11.2 In 2018, the Company had entered into a financing agreement with IFC for a total of US Dollars 35,000 the draw down of which was made in December 2019. The principal is repayable in six equal semi-annual installments commencing from July 2021 and carries markup at the rate of six months LIBOR plus 3.25% per annum, payable semi annually.

The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), which shall rank pari passu with the charges created in favor of the existing creditors. Further, prior to Project Financial Completion Date, dividends shall not exceed 80% of annual net income of the year to which the annual dividend relates.

On June 29, 2021, the Company had entered into a financing agreement with IFC for a total of US Dollars 15,000 the draw down of which has not been made till reporting date. The loan carries markup at the rate of six months LIBOR plus 3.25% per annum, payable semi annually.

- 11.3 In 2019, the Company entered into a musharaka agreement with DIBPL. The principal is repayable in six equal semi-annual installments commencing from July 2021 and carries a markup at a rate of six months KIBOR plus 0% per annum, payable semi annually.

The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), ranking subordinate and subservient to the charges created in favour of the existing creditors, and a lien and a right of set-off over the Term Deposit Receipt maintained with DIBPL as referred to in note 6.

- 11.4 In 2020, the Company obtained Islamic Long Term Financing Facility (ILTFF) of the State Bank of Pakistan (SBP) through Musharaka agreement entered with financial institutions to finance its PVC-III expansion project. The amount is repayable over 10 years in equal quarterly installments of Rs. 60,938 each with the first payment commencing from December 2022 and carries markup at SBP LTFF rate plus 1.2% per annum, payable quarterly. The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), which shall rank pari passu with the charges created in favor of the existing creditors.

- 11.5 In 2020, the Company entered into a Diminishing Musharaka Agreement for procurement of locally assembled / imported private vehicles under car monetization policy. The facility amounted to Rs. 200,000. The rental payments are to be made in monthly installments for five years and are calculated at the rate of six months KIBOR plus 0.8% per annum. The entire amount of drawdown under this agreement i.e. Rs. 130,633 has been transferred to lease liabilities during the period.

- 11.6 During the half year ended June 30, 2021, the Company obtained Islamic Temporary Economic Refinance Facility (ITERF) of SBP through Musharaka agreement entered with financial institutions amounting to Rs. 500,000 to finance its capital expenditure.

The amount is repayable over 10 years including 2 years grace period, in 32 quarterly installments of Rs. 11,519 each with the first payment commencing from December 2022 and carries markup at SBP Refinance Rate plus 0.75% to 1% per annum, payable quarterly. The borrowing is secured by the way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), which shall rank pari passu with the charges created in favor of existing creditors.

- 11.7 During the half year ended June 30, 2021, Engro Peroxide (Private) Limited has entered into a Musharaka Agreement with financial institutions for Rs. 650,000 under ITERF of SBP.

The amount is repayable over 10 years including 2 years grace period, in 32 quarterly installments of Rs. 3,847 each with the first payment commencing from June 2023 and carries markup at SBP Refinance Rate plus 1.25% per annum, (subject to approval by SBP) payable quarterly. The borrowing is secured by the way of hypothecation charge of present and future fixed assets of Engro Peroxide (Private) Limited (excluding land and building), which shall rank pari passu with the charges created in favor of its existing creditors.

(Amounts in thousand)**12. LEASE LIABILITIES**

These include lease liability outstanding under the storage arrangements with Engro Vopak Terminal Limited, a related party amounted to Rs. 4,064,614 (December 31, 2020: Rs. 4,644,821).

	Unaudited June 30, 2021	Audited December 31, 2020
----- Rupees -----		

13. PROVISIONS

Provision for Gas Infrastructure Development Cess (GIDC)	5,134,736	4,930,263
Provision for gas price revision	517,392	517,392
	<u>5,652,128</u>	<u>5,447,655</u>
Less: current portion of provision of GIDC and gas price revision	<u>(3,213,471)</u>	<u>(2,456,263)</u>
	<u><u>2,438,657</u></u>	<u><u>2,991,392</u></u>

14. DEFERRED TAXATION - NET

Credit balances arising due to:		
- accumulated depreciation	3,972,800	3,508,219
Debit balances arising due to:		
- recoupable alternate corporate tax	-	45
- recoupable carried forward tax losses	34,586	16,408
- unpaid liabilities	156,364	145,728
- leases recognized	575,780	685,820
- provision for GIDC and Special Excise Duty	1,491,519	1,419,169
- shares issuance cost, net to equity	57,829	57,830
	<u>2,316,078</u>	<u>2,325,000</u>
	<u><u>1,656,722</u></u>	<u><u>1,183,219</u></u>

15. TRADE AND OTHER PAYABLES

Include amounts due to the following related parties:

- Engro Corporation Limited	127,730	43,866
- Engro Fertilizers Limited	46,616	32,151
- Engro Powergen Thar (Private) Limited	65	613
- Engro Powergen Qadirpur Limited	89	-
- Engro Vopak Terminal Limited	148,023	139,179
	<u>322,523</u>	<u>215,809</u>

- 15.1 On June 4, 2021, the Sindh High Court (SHC) through its judgment upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Cess) promulgated retrospectively with effect from July 1, 1994 as valid and declaring it within the competence of provincial legislature. The Group maintains adequate provision in these consolidated condensed interim financial statements and is in the process of filing petition against the judgment before the Honorable Supreme Court of Pakistan challenging the SHC judgement. As at June 30, 2021, the Group is carrying a provision is Rs. 941,802 (December 31, 2020: Rs. 855,861) in respect of the Cess.

(Amounts in thousand)**16. CONTINGENCIES AND COMMITMENTS**

- 16.1 There has been no material change in the contingencies from those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2020.
- 16.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Company as at June 30, 2021 amount to Rs. 3,848,000 (December 31, 2020: Rs. 3,248,000). The amount utilized there against as at June 30, 2021 is Rs. 3,075,679 (December 31, 2020: Rs. 3,017,021).
- 16.3 The facility for opening letters of credit as at June 30, 2021 aggregates to Rs. 22,297,495 (December 31, 2020: Rs. 28,463,787). The amount utilized thereagainst as at June 30, 2021 was Rs. 6,588,516 (December 31, 2020: Rs. 3,547,197).
- 16.4 The Company has entered into operating lease arrangements with Al-Rahim Trading Company (Private) Limited for the storage and handling of EDC and Caustic Soda in respect of which future lease commitments aggregate to Rs. 4,755 (December 31, 2020: Rs 5,710) and Rs. 5,500 (December 31, 2020: Rs. 6,000) respectively.
- 16.5 Commitments in respect of rentals of storage tanks at EVTL for the handling of Ethylene aggregate to USD 26,568 valid till March 31, 2026 and Ethylene Di Chloride (EDC) aggregate to USD 2,250 and are valid till December 31, 2028.
- 16.6 In 2019, Engro Peroxide (Private) Limited entered into a contract with Chematur Engineering AB to establish a plant of Hydrogen Peroxide at a consideration of EUR 6,993. As at June 30, 2021, outstanding commitment for civil works and equipment procurement under this contract amounts to EUR 439 (December 31, 2020: EUR 1,090).
- 16.7 During the half year ended June 30, 2021, Engro Peroxide (Private) Limited entered into a contract with China National Air Separation Engineering Company Limited for design, procurement and engineering services for Hydrogen Peroxide Plant at a consideration of CNY 104,400. As at June 30, 2021, outstanding commitment for civil works and equipment procurement under this contract amounts to CNY 104,400 (December 31, 2020: Nil).
- 16.8 As at June 30, 2021, the outstanding bank guarantees of Engro Peroxide (Private) Limited amounted to Rs. 255,853 (December 31, 2020: Rs. 3,500). The aggregate facilities amounting to Rs. 50,000 (December 31, 2020: Rs. 50,000) have been extended in favor of the Company, Engro Peroxide (Private) Limited and Engro Plasticizer (Private) Limited collectively.

	Unaudited June 30, 2021	Audited December 31, 2020
	----- Rupees -----	
16.9 Commitments in respect of capital and other operational items - note 16.9.1	<u>1,517,493</u>	<u>888,048</u>
16.9.1 This includes Rs. 183,717 (December 31, 2020: Rs. 16,388) in respect of commitments against intangible assets to Engro Corporation Limited.		

(Amounts in thousand)

Unaudited	
Half year ended	
June 30,	June 30,
2021	2020
----- Rupees -----	

17. NET REVENUE

Gross local sales - note 17.1	33,880,488	15,385,770
Less:		
- Sales tax	4,864,485	2,201,773
- Discounts	566,247	369,246
	5,430,732	2,571,019
	28,449,756	12,814,751
Export sales	2,004,674	21,801
Supply of electricity - note 17.2	41,668	37,742
	30,496,098	12,874,294

17.1 Include sales of trading goods Rs. 62,090 (June 30, 2020: Rs. 95,405).

17.2 This represents revenue against supply of surplus power to Engro Fertilizers Limited, a related party.

Unaudited	
Half year ended	
June 30,	June 30,
2021	2020
----- Rupees -----	

18. CASH GENERATED FROM OPERATIONS

18.1 Profit for the period before taxation	9,920,765	225,845
Adjustments for non-cash charges and other items:		
Provision for staff retirement and other service benefits	25,157	26,292
Depreciation on operating assets	799,049	576,808
Write-off of operating assets	76,460	11,440
Depreciation on right-of-use asset	224,240	207,982
Amortization on intangible asset	14,061	12,358
Provision against GIDC	-	365,127
Unwinding of remeasurement gain on provision against GIDC	149,961	-
Write-off of trade debts	-	331
Provision for net realizable value of stock-in-trade, net	-	9,078
Write-off of stores and spares	414	4,330
Write-off of stock-in-trade	1,665	-
Income on bank deposits and short-term investments	(580,965)	(627,328)
Gain on derivative financial instrument	-	(154)
Exchange (gain) / loss on revaluation of financial asset and liabilities	(70,542)	447,940
Amortization of transaction cost on sukuks, ILTFF and IFC loan	21,344	21,498
Interest expense on lease liabilities	133,853	157,475
Default surcharge on GIDC	54,512	-
Finance costs	704,837	1,162,488
Loss on disposal of operating assets	-	322
Working capital changes - note 18.2	(4,574,274)	2,096,789
	6,900,537	4,698,621

(Amounts in thousand)

	Unaudited	
	Half year ended	
	June 30,	June 30,
	2021	2020
	----- Rupees -----	
18.2 Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(432,385)	26,312
Stock-in-trade	(3,004,011)	95,535
Trade debts - considered good	(1,349,463)	78,040
Loans, advances, deposits, prepayments and other receivables - net	(888,316)	(464,574)
	<u>(5,674,175)</u>	<u>(264,687)</u>
Increase in current liabilities		
Trade and other payables	1,099,901	2,361,476
	<u>(4,574,274)</u>	<u>2,096,789</u>
19. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,286,350	554,286
Financial assets at fair value through profit and loss	14,970,265	9,478,913
Short-term borrowings	-	(3,063,782)
	<u>16,256,615</u>	<u>6,969,417</u>

(Amounts in thousand)**20. SEGMENT INFORMATION**

20.1 The basis of segmentation and reportable segments presented in these consolidated condensed interim financial statements are same as disclosed in the annual audited consolidated financial statements of the Group for the year ended December 31, 2020.

	June 30, 2021(Unaudited)				June 30, 2020 (Unaudited)			
	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								
At a point in time	27,497,821	2,894,519	-	30,392,340	10,957,451	1,784,056	-	12,741,507
Over time	-	-	41,668	41,668	-	-	37,742	37,742
	<u>27,497,821</u>	<u>2,894,519</u>	<u>41,668</u>	<u>30,434,008</u>	<u>10,957,451</u>	<u>1,784,056</u>	<u>37,742</u>	<u>12,779,249</u>
Cost of sales	(16,886,342)	(2,496,375)	(27,598)	(19,410,315)	(9,662,927)	(1,613,391)	(32,561)	(11,308,879)
Distribution and marketing expenses	(121,348)	(46,578)	-	(167,926)	(88,444)	(23,792)	-	(112,236)
Administrative expenses	(325,619)	(15,097)	-	(340,716)	(225,529)	(25,671)	-	(251,200)
Other operating expenses	(676,692)	(77,594)	(928)	(755,214)	(182,946)	(22,202)	(425)	(205,573)
Other operating income	314,595	282,333	733	597,661	384,572	301,511	1,423	687,506
Finance costs	(755,255)	(25,020)	(418)	(780,693)	(1,203,043)	(6,231)	(132)	(1,209,406)
Taxation	(2,460,051)	(90,502)	(3,007)	(2,553,560)	27,857	(68,179)	(1,661)	(41,983)
Profit after tax	<u>6,587,109</u>	<u>425,686</u>	<u>10,450</u>	<u>7,023,245</u>	<u>6,991</u>	<u>326,101</u>	<u>4,386</u>	<u>337,478</u>
Others, net of tax				3,965				(17,643)
Impact of IFRS 16 (post tax)				238,134				(97,214)
Profit after tax	<u>6,587,109</u>	<u>425,686</u>	<u>10,450</u>	<u>7,265,344</u>	<u>6,991</u>	<u>326,101</u>	<u>4,386</u>	<u>222,621</u>

	June 30, 2021 (Unaudited)				December 31, 2020 (Audited)			
	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
Total segment assets - note 20.2	43,947,734	9,834,547	26,378	53,808,659	38,320,683	9,059,981	26,766	47,407,430
Unallocated assets	-	-	-	23,316,026	-	-	-	21,686,231
Total assets				<u>77,124,685</u>				<u>69,093,661</u>
Total segment liabilities	20,926,593	2,688,941	44,738	23,660,272	19,939,452	3,212,463	9,209	23,161,124
Unallocated liabilities	-	-	-	22,027,124	-	-	-	19,806,406
Total liabilities				<u>45,687,396</u>				<u>42,967,530</u>

20.2 Segment assets consist primarily of property, plant and equipment, right-of-use assets, stores, spares and loose tools, stock-in-trade and trade debts.

20.3 The segment results for the period are prepared in line with basis of allocation adopted in the annual audited consolidated financial statements for the year ended December 31, 2020.

(Amounts in thousand)**21. TRANSACTIONS WITH RELATED PARTIES**

21.1 Transactions with related parties, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

		Unaudited	
		Half year ended	
		June 30, 2021	June 30, 2020
----- Rupees -----			
Nature of relationship	Nature of transactions		
Holding Company			
- Engro Corporation Limited	Reimbursements made	273,414	176,602
	Reimbursements received	6,808	21,804
	Intangible asset - software	74,731	156,240
Associated Companies			
- Mitsubishi Corporation	Purchase of goods	-	80,593
Members of the Group			
- Engro Fertilizers Limited	Sale of steam and electricity	85,449	58,185
	Reimbursement received	2,339	1,863
	Reimbursement made	1,417	5,464
	Purchase of services	21,756	40,198
- Engro Vopak Terminal Limited	Purchase of services	812,547	812,112
	Reimbursement made	11,912	4,756
- Engro Energy Limited	Reimbursement received	-	1,596
- Engro Digital Limited	Purchase of services	-	3,108
- Engro Energy Services Limited	Reimbursement received	571	-
	Sale of goods	1,371	-
- Engro Foundation	Donation	35,018	-
- Engro Powergen Thar (Private) Limited	Sale of goods	-	1,277
- Sindh Engro Coal Mining Company Limited	Reimbursements received	-	549
Directors	Fee	1,300	750
Contribution to staff retirement benefits	Managed and operated by the Holding Company		
	- Provident fund	42,146	35,475
	- Gratuity fund	32,671	37,186
	- Pension fund	1,617	1,524
Key management personnel	Managerial remuneration	71,516	170,711
	Retirement benefit funds	10,060	8,885
	Bonus	27,403	23,504
	Other benefits	12,424	12,184

(Amounts in thousand)**22. FAIR VALUE MEASUREMENT**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the consolidated condensed interim financial statements approximate their fair values.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within the 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).

As at June 30, 2021	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial assets at fair value through profit or loss				
- Pakistan investment bonds	-	14,970,265	-	14,970,265
	-	14,970,265	-	14,970,265

As at December 31, 2020	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial assets at fair value through profit or loss				
- Treasury bills	-	2,024,761	-	2,024,761
- Pakistan investment bonds	-	11,400,762	-	11,400,762
- Term deposit	-	6,000	-	6,000
	-	13,431,523	-	13,431,523

For the remaining assets and liabilities, the fair values are considered not to be materially different from their respective carrying amounts since the instruments are either short-term in nature or are periodically re-priced.

23. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, for the purposes of better comparison.

Following is the major reclassification that have been made during the period:

Description	Reclassified		Amount
	From	To	
Sales tax condonation	Other Income	Cost of Sales	83,360

(Amounts in thousand)

24. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

- 24.1 The Board of Directors in its meeting held on August 10, 2021 has approved an interim cash dividend of Rs. 7.00 per share for the period ended June 30, 2021 amounting to Rs. 6,362,463. These consolidated condensed interim financial statements do not include the effect of the said interim dividend.
- 24.2 The Board of Directors in its meeting held on August 10, 2021 has approved an interim cash dividend for preference shareholders of Rs. 0.27 per share for the period ended June 30, 2021 amounting to Rs. 81,000. These consolidated condensed interim financial statements do not include the effect of the said interim dividend.

25. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on August 10, 2021 by the Board of Directors of the Company.

26. GENERAL

Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.



**Chief Executive
Jahangir Piracha**



**Chief Financial Officer
Rabia Wafah Khan**



**Director
Feroz Rizvi**

**ENGRO POLYMER AND CHEMICALS LIMITED
UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021**



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Engro Polymer and Chemicals Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Engro Polymer and Chemicals Limited as at June 30, 2021 and the related unconsolidated condensed interim statement of profit or loss, 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 "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed 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 unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2021.


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 unconsolidated condensed 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 unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the 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 Farrukh Rehman.


Chartered Accountants
Karachi
Date: August 27, 2021

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

ENGRO POLYMER AND CHEMICALS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

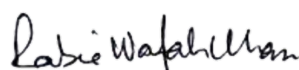
(Amounts in thousand)

	Note	(Unaudited) June 30, 2021	(Audited) December 31, 2020
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	36,783,880	36,186,640
Right-of-use asset		2,221,323	2,305,604
Intangible assets		102,386	101,971
Long-term investments		1,625,000	1,625,000
Financial assets at amortized cost	6	3,677,333	4,660,833
Long-term loans and advances		1,428	29,286
		<u>44,411,350</u>	<u>44,909,334</u>
Current assets			
Stores, spares and loose tools	7	2,216,705	1,784,734
Stock-in-trade	8	9,196,855	6,194,509
Trade debts - considered good	9	1,935,675	586,212
Loans, advances, deposits, prepayments and other receivables	10	924,861	310,892
Subordinated loan to subsidiary company	11	303,572	-
Income tax payments less provision		-	159,818
Financial assets at fair value through profit and loss		14,845,206	13,180,573
Current maturity of financial assets at amortized cost		1,877,810	964,120
Cash and bank balances		1,278,005	940,920
		<u>32,578,689</u>	<u>24,121,778</u>
TOTAL ASSETS		<u><u>76,990,039</u></u>	<u><u>69,031,112</u></u>
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital		9,089,233	9,089,233
Preference shares		3,000,000	3,000,000
Share premium		3,874,953	3,874,953
Unappropriated profit		15,441,734	10,106,711
		<u>31,405,920</u>	<u>26,070,897</u>
Non-current liabilities			
Long-term borrowings	12	18,195,615	19,790,152
Lease liabilities	13	3,114,150	3,614,312
Provisions	14	2,438,657	2,991,392
Deferred taxation - net	15	1,691,251	1,199,672
		<u>25,439,673</u>	<u>27,595,528</u>
Current liabilities			
Current portion of long term borrowings	12	3,647,000	1,836,333
Current portion of lease liabilities	13	1,112,676	1,080,561
Provisions	14	3,213,471	2,456,263
Service benefit obligations		69,990	79,539
Trade and other payables	16	10,566,325	9,458,730
Income taxes payable		1,075,607	-
Unclaimed dividend		27,604	28,149
Accrued interest / mark-up		431,773	425,112
		<u>20,144,446</u>	<u>15,364,687</u>
		45,584,119	42,960,215
Contingencies and commitments	17		
TOTAL EQUITY AND LIABILITIES		<u><u>76,990,039</u></u>	<u><u>69,031,112</u></u>

The annexed notes 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



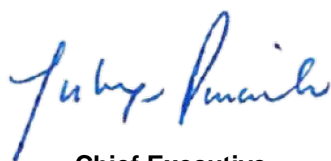
Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

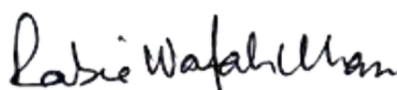
(Amounts in thousand except for earnings per share)

	Note	Quarter ended		Half year ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
-----Rupees-----					
Net revenue	18	14,822,863	5,816,352	30,494,322	12,874,294
Cost of sales		(9,605,116)	(5,162,020)	(19,040,870)	(10,968,700)
Gross profit		5,217,747	654,332	11,453,452	1,905,594
Distribution and marketing expenses		(73,170)	(35,062)	(147,621)	(90,910)
Administrative expenses		(169,832)	(132,936)	(336,214)	(246,774)
Other expenses		(559,692)	(100,775)	(682,485)	(638,968)
Other income		306,522	214,763	588,056	617,007
Operating profit		4,721,575	600,322	10,875,188	1,545,949
Finance costs		(512,024)	(599,221)	(914,531)	(1,366,876)
Profit for the period before taxation		4,209,551	1,101	9,960,657	179,073
Taxation		(1,067,748)	10,898	(2,671,448)	874
Profit for the period after taxation		3,141,803	11,999	7,289,209	179,947
Earnings per share - basic		3.46	0.01	8.02	0.20
Earnings per share - diluted		2.60	0.01	6.03	0.20

The annexed notes 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

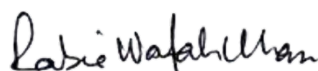
(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	-----Rupees-----			
Profit for the period after taxation	3,141,803	11,999	7,289,209	179,947
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>3,141,803</u>	<u>11,999</u>	<u>7,289,209</u>	<u>179,947</u>

The annexed notes 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

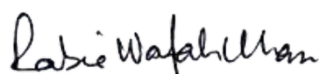
ENGRO POLYMER AND CHEMICALS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2021

(Amounts in thousand)

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		RESERVES		Total
	Ordinary share capital	Preference shares	CAPITAL Share premium	REVENUE Unappropriated profit	
	-----Rupees-----				
Balance as at January 1, 2020 (Audited)	9,089,233	-	3,874,953	4,766,837	17,731,023
Transaction with owners					
Final dividend for the year ended December 31, 2019 - Rs. 0.20 per share	-	-	-	(181,785)	(181,785)
Total comprehensive income for the half year ended June 30, 2020					
Profit for the half year ended June 30, 2020	-	-	-	179,947	179,947
Other comprehensive income for the half year ended June 30, 2020	-	-	-	-	-
	-	-	-	179,947	179,947
Balance as at June 30, 2020 (Unaudited)	9,089,233	-	3,874,953	4,764,999	17,729,185
Transaction with owners					
Preference shares issuance	-	3,000,000	-	-	3,000,000
Shares issuance cost	-	-	-	(190,586)	(190,586)
	-	3,000,000	-	(190,586)	2,809,414
Total comprehensive income for the half year ended December 31, 2020					
Profit for the half year ended December 31, 2020	-	-	-	5,532,298	5,532,298
Other comprehensive income for the half year ended December 31, 2020	-	-	-	-	-
	-	-	-	5,532,298	5,532,298
Balance as at December 31, 2020 (Audited)	9,089,233	3,000,000	3,874,953	10,106,711	26,070,897
Transaction with owners					
Final ordinary dividend for the year ended December 31, 2020 - Rs. 1.247 per share	-	-	-	(1,133,562)	(1,133,562)
Final preference dividend for the year ended December 31, 2020 - Rs. 0.042 per share	-	-	-	(12,485)	(12,485)
First interim ordinary dividend for the year ending December 31, 2021 - Rs. 0.80 per share	-	-	-	(727,139)	(727,139)
First interim preference dividend for the year ending December 31, 2021 - Rs. 0.27 per share	-	-	-	(81,000)	(81,000)
	-	-	-	(1,954,186)	(1,954,186)
Total comprehensive income for the half year ended June 30, 2021					
Profit for the half year ended June 30, 2021	-	-	-	7,289,209	7,289,209
Other comprehensive income for the half year ended June 30, 2021	-	-	-	-	-
	-	-	-	7,289,209	7,289,209
Balance as at June 30, 2021 (Unaudited)	9,089,233	3,000,000	3,874,953	15,441,734	31,405,920

The annexed notes 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive
Jahangir Piracha


Chief Financial Officer
Rabia Wafah Khan


Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

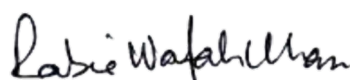
(Amounts in thousand)

	Note	Half year ended	
		June 30, 2021	June 30, 2020
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	19	7,231,816	4,454,754
Long-term loans and advances		27,858	35,454
Retirement benefits paid		(34,706)	(39,086)
Income tax paid		(944,444)	(452,496)
Net cash generated from operating activities		6,280,524	3,998,626
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(1,599,339)	(3,801,969)
Proceeds from disposal of property, plant and equipment		44	-
Disbursement of subordinated loan to subsidiary company		(300,000)	-
Proceeds from sale of Term Deposit Receipt		6,000	-
Investment in Term Deposit Receipt		(10,500)	-
Income on short-term investment and bank deposits		571,098	556,829
Net cash utilized in investing activities		(1,332,697)	(3,245,140)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Islamic Temporary Economic Finance Facility (ITERF) - net of transaction cost		366,052	-
Proceeds from loan under Diminishing Musharaka Agreement		36,367	-
Finance costs paid		(725,806)	(830,902)
Rentals paid during the period		(661,991)	(664,023)
Dividend payment		(1,954,731)	(183,829)
Net cash utilized in financing activities		(2,940,109)	(1,678,754)
Net increase / (decrease) in cash and cash equivalents		2,007,718	(925,268)
Cash and cash equivalents at the beginning of the period		14,115,493	6,661,300
Cash and cash equivalents at the end of the period	20	16,123,211	5,736,032

The annexed notes 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

ENGRO POLYMER AND CHEMICALS LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

(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 (now the Companies Act, 2017). 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 registered office of the Company is situated at 12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal, Karachi. The plant is located at EZ/II/P-II-I Eastern Zone, Bin Qasim, Karachi, Pakistan, whereas, the Chlor-Vinyl facility is at Port Bin Qasim Industrial Area. The regional sales office of the Company is on the 6th Floor, Haly Tower Office, Lalik Chowk, Phase II, DHA, Lahore.
- 1.4 During the half year ended June 30, 2021, the PVC-III expansion project was completed which has increased the capacity by 100,000 MT per annum i.e from 195,000 MT per annum to 295,000 MT per annum. The commercial operation of PVC-III plant commenced from March 01, 2021.
- 1.5 During the half year ended June 30, 2021, the VCM Plant Debottlenecking project was completed which has increased the capacity by 50,000 MT per annum i.e from 204,000 MT per annum to 254,000 MT per annum. The commercial operation of this plant commenced from June 25, 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

- 2.2 These unconsolidated condensed interim financial statements for the half year ended June 30, 2021 are unaudited. However, these have been subjected to limited scope review by the statutory auditors of the Company and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and section 237 of the Act.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2020.

(Amounts in thousand)

- 2.3 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiary companies namely Think PVC (Private) Limited, Engro Peroxide (Private) Limited and Engro Plasticizer (Private) Limited have been accounted for at cost less accumulated impairment losses, if any. The consolidated condensed interim financial statements of the Company and its subsidiary companies have been presented separately.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES AND CHANGES THEREIN

- 3.1 The significant accounting policies and the methods of computation applied in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2020 except for the early adoption of an amendment as set out below:
- 3.2 In 2020, the International Accounting Standard Board (IASB) made an amendment - Proceeds before the intended use in IAS 16 - "Property, Plant and Equipment". As a result, the net proceeds received from selling the inventory produced during the testing phase, shall be recognized in the statement of profit or loss. Previously, such proceeds were deducted from the cost of the asset. This amendment shall be applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 2022 with an option of early adoption.

The Company has assessed its implication and decided to adopt the amendment early as permitted under the amendment and aligned with the accounting and reporting standards as applicable in Pakistan. The change in accounting policy has been made in accordance with the transitional provisions of the amendment. The net revenue is part of gross profit in the unconsolidated condensed interim statement of profit or loss and having post tax impact of Rs. 278,700.

In addition to above, there are certain amendments to published International Financial Reporting Standards that are mandatory for the financial year beginning on January 1, 2021. These are considered not to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these unconsolidated condensed interim financial statements.

- 3.3 The financial risk management objectives and policies of the Company are also consistent with those disclosed in the annual audited financial statements of the Company for the year ended December 31, 2020.
- 3.4 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. ACCOUNTING ESTIMATES

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgments 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.

The significant estimates, judgments and assumptions made by the management in the preparation of the unconsolidated condensed interim financial statements are the same as those that were applied in the annual audited financial statements of the Company as at and for the year ended December 31, 2020, except for the change in accounting estimate in relation to depreciation and useful life of property, plant and equipment as explained in note 5.3.

(Amounts in thousand)

	Unaudited June 30, 2021	Audited December 31, 2020
	----- Rupees -----	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value - notes 5.1 and 5.2	31,605,213	19,285,257
Capital work-in-progress - note 5.4	4,965,832	16,837,591
Capital spares	212,835	63,792
	<u>36,783,880</u>	<u>36,186,640</u>
5.1 Additions to operating assets during the period / year were as follows:		
Leasehold land	-	18,524
Building on leasehold land	644,030	56,538
Plant and machinery	12,456,304	2,050,956
Pipeline - Ethylene Di Chloride (EDC)	-	1,999
Furniture, fixtures and equipment	25,864	145,239
Vehicles	68,870	4,989
	<u>13,195,068</u>	<u>2,278,245</u>
5.2 Disposals and write-offs of operating assets during the period / year were as follows:		
Cost		
- Furniture, fixtures and equipment	29,135	107,291
- Plant and machinery	200,054	-
- Pipelines - Ethylene	292	-
- Pipelines - water	993	-
- Vehicles	-	136
	<u>230,474</u>	<u>107,427</u>
Accumulated Depreciation		
- Furniture, fixtures and equipment	25,922	101,532
- Plant and machinery	127,089	-
- Pipelines - Ethylene	157	-
- Pipelines - water	802	-
- Vehicles	-	133
	<u>153,970</u>	<u>101,665</u>
5.3		
In order to align practice with the Holding Company, under the ONE SAP project, the Company is charging depreciation from the month following the month in which the asset is made available for use. The said change has resulted in the reduction in depreciation expense by Rs. 51,895 in the current period.		

(Amounts in thousand)

Unaudited June 30, 2021	Audited December 31, 2020
----- Rupees -----	

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

Balance as at the beginning of the period / year	16,837,591	12,695,993
Add: Additions during the period / year	1,599,339	6,259,362
Add: Borrowing cost capitalized during the period / year	27,645	214,679
Less: Write-off of plant and machinery items	-	(6,000)
Less: Transferred to:		
- Operating assets - note 5.1	(13,195,068)	(2,278,245)
- Intangible assets	(14,476)	(48,198)
- Transfers to capital spares	(149,043)	-
- Right of use of asset	(140,156)	-
	<u>4,965,832</u>	<u>16,837,591</u>

6. FINANCIAL ASSETS AT AMORTIZED COST

Investment in Term Deposit Receipts - note 6.1	5,555,143	5,624,953
Less: current maturity shown under current assets	(1,877,810)	(964,120)
	<u>3,677,333</u>	<u>4,660,833</u>

6.1 This includes Term Deposits Receipts aggregating to USD 35,000 maintained with Dubai Islamic Bank Pakistan Limited (DIBPL). These carry profit at the rate of six months LIBOR plus 0.89% per annum and are due to mature in six equal semi-annual installments of USD 5,833 starting from July 15, 2021 and ending on January 15, 2024.

7. STORES, SPARES AND LOOSE TOOLS

7.1 During the period, the Company has written off stores and spares amounting to Rs. 414 (December 31, 2020: Rs. 57,302).

7.2 During the period, the Company has written off provision for slow moving stores and spares amounting to Rs. 26 (December 31, 2020: Rs. 8,701).

8. STOCK-IN-TRADE

8.1 This includes stock held at Engro Vopak Terminal Limited, a related party as at June 30, 2021 amounting to Rs. 1,219,314 (December 31, 2020: Rs. 659,703).

8.2 During the period, the Company has written off stock-in-trade amounting to Rs. 1,665 (December 31, 2020: Rs. 99,704)

(Amounts in thousand)

	Unaudited June 30, 2021	Audited December 31, 2020
----- Rupees -----		
9. TRADE DEBTS - CONSIDERED GOOD		
These include unsecured receivables from the following related parties:		
- Engro Fertilizers Limited	17,162	15,273
- Engro Energy Services Limited	402	-
	<u>17,564</u>	<u>15,273</u>
10. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
These include unsecured receivables from the following related parties:		
- Think PVC (Private) Limited	-	374
- Engro Eximp FZE	597	-
- Engro Plasticizer (Private) Limited	-	65
- Engro Peroxide (Private) Limited	4,396	10,995
- Sindh Engro Coal Mining Company Limited	478	-
- Engro Energy Limited	-	505
	<u>5,471</u>	<u>11,939</u>
11. SUBORDINATED LOAN TO SUBSIDIARY COMPANY		
On May 6, 2021, the Company has provided a short term loan to Engro Peroxide (Private) Limited, a wholly-owned subsidiary company for the purpose of issuing bank guarantees. The principal is recoverable in six months from the date of agreement and carries markup at a rate of six months KIBOR plus 0.1% recoverable on quarterly basis. The repayment of interest and principal under this agreement by Engro Peroxide (Private) Limited shall be subordinated to the finances provided by its existing lenders.		
	Unaudited June 30, 2021	Audited December 31, 2020
----- Rupees -----		
12. LONG-TERM BORROWINGS		
- Sukuk certificates - note 12.1	8,656,653	8,645,597
- Loan from International Finance Corporation (IFC) - note 12.2	5,471,959	5,539,605
- Bilateral Loan - note 12.3	5,421,500	5,421,500
- Islamic Long Term Financing Facility (ILTFF) - note 12.4	1,926,451	1,925,517
- Loan under diminishing musharaka agreement - note 12.5	-	94,266
- Islamic Temporary Economic Refinance Facility (ITERF) - note 12.6	366,052	-
	<u>21,842,615</u>	<u>21,626,485</u>
Less: Current portion shown under current liabilities		
- Loan from International Finance Corporation (IFC) - note 12.2	1,839,833	932,750
- Bilateral Loan - note 12.3	1,807,167	903,583
	<u>3,647,000</u>	<u>1,836,333</u>
	<u>18,195,615</u>	<u>19,790,152</u>

(Amounts in thousand)

12.1 In 2019, the Company issued sukuk bonds of Rs. 8,750,000 to eligible institutional and other investors by way of private placement. These are repayable over a period of 7.5 years in five equal annual installments of Rs. 1,750,000 each with the first repayment commencing in July 2024. These are secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), which shall rank pari passu with the charges created in favor of the existing creditors.

12.2 In 2018, the Company had entered into a financing agreement with IFC for a total of US Dollars 35,000 the draw down of which was made in December 2019. The principal is repayable in six equal semi-annual installments commencing from July 2021 and carries markup at the rate of six months LIBOR plus 3.25% per annum, payable semi annually.

The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), which shall rank pari passu with the charges created in favor of the existing creditors. Further, prior to Project Financial Completion Date, dividends shall not exceed 80% of annual net income of the year to which the annual dividend relates.

On June 29, 2021, the Company had entered into a financing agreement with IFC for a total of US Dollars 15,000 the draw down of which has not been made till reporting date. The loan carries markup at the rate of six months LIBOR plus 3.25% per annum payable semi annually.

12.3 In 2019, the Company entered into a musharaka agreement with DIBPL. The principal is repayable in six equal semi-annual installments commencing from July 2021 and carries a markup at a rate of six months KIBOR plus 0% per annum, payable semi annually.

The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), ranking subordinate and subservient to the charges created in favour of the existing creditors, and a lien and a right of set-off over the Term Deposit Receipt maintained with DIBPL as referred to in note 6.

12.4 In 2020, the Company obtained Islamic Long Term Financing Facility (ILTFF) of the State Bank of Pakistan (SBP) through Musharaka agreement entered with financial institutions to finance its PVC-III expansion project. The amount is repayable over 10 years in equal quarterly installments of Rs. 60,938 each with the first payment commencing from December 2022 and carries markup at SBP LTFF rate plus 1.2% payable quarterly. The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), which shall rank pari passu with the charges created in favor of the existing creditors.

12.5 In 2020, the Company entered into a Diminishing Musharaka Agreement for procurement of locally assembled / imported private vehicles under car monetization policy. The facility amounted to Rs. 200,000. The rental payments are to be made in monthly installments for five years and are calculated at the rate of six months KIBOR plus 0.8% per annum. The entire amount of drawdown under this agreement i.e. Rs. 130,633 has been transferred to lease liabilities during the period.

12.6 During the period, the Company obtained Islamic Temporary Economic Refinance Facility (ITERF) of SBP through Musharaka agreement entered with financial institutions amounting to Rs. 500,000 to finance its capital expenditure.

The amount is repayable over 10 years including 2 years grace period, in 32 quarterly installments of Rs. 11,519 each with the first payment commencing from December 2022 and carries markup at SBP Refinance Rate plus 0.75% to 1% per annum, payable quarterly. The borrowing is secured by the way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), which shall rank pari passu with the charges created in favor of existing creditors.

(Amounts in thousand)**13. LEASE LIABILITIES**

These include lease liability outstanding under the storage arrangements with Engro Vopak Terminal Limited, a related party amounted to Rs. 4,064,614 (December 31, 2020: Rs. 4,644,821).

Unaudited	Audited
June 30,	December 31,
2021	2020

----- Rupees -----

14. PROVISIONS

Provision for Gas Infrastructure Development Cess (GIDC)	5,134,736	4,930,263
Provision for gas price revision	517,392	517,392
	<u>5,652,128</u>	<u>5,447,655</u>
Less: current portion of provision of GIDC and gas price revision	<u>(3,213,471)</u>	<u>(2,456,263)</u>
	<u><u>2,438,657</u></u>	<u><u>2,991,392</u></u>

15. DEFERRED TAXATION - NET

Credit balances arising due to:

- accumulated depreciation	3,972,743	3,508,219
----------------------------	-----------	-----------

Debit balances arising due to:

- unpaid liabilities	156,364	145,728
- leases recognized	575,780	685,820
- provision for GIDC and Special Excise Duty	1,491,519	1,419,169
- shares issuance cost, net to equity	57,829	57,830
	<u>2,281,492</u>	<u>2,308,547</u>

	<u><u>1,691,251</u></u>	<u><u>1,199,672</u></u>
--	-------------------------	-------------------------

16. TRADE AND OTHER PAYABLES

Include amounts due to the following related parties:

- Engro Corporation Limited	127,730	42,733
- Engro Fertilizers Limited	46,616	32,151
- Engro Powergen Thar (Private) Limited	65	613
- Engro Powergen Qadirpur Limited	89	-
- Engro Vopak Terminal Limited	148,023	139,179
	<u>322,523</u>	<u>214,676</u>

- 16.1 On June 4, 2021, the Sindh High Court (SHC) through its judgment upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Cess) promulgated retrospectively with effect from July 1, 1994 as valid and declaring it within the competence of provincial legislature. The Company maintains adequate provision in these unconsolidated condensed interim financial statements and is in the process of filing petition against the judgment before the Honorable Supreme Court of Pakistan challenging the SHC judgement. As at June 30, 2021, the Company is carrying a provision is Rs. 939,887 (December 31, 2020: Rs. 854,698) in respect of the Cess.

(Amounts in thousand)**17. CONTINGENCIES AND COMMITMENTS**

- 17.1 There has been no material change in the contingencies from those disclosed in the annual audited financial statements for the year ended December 31, 2020.
- 17.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Company as at June 30, 2021 amount to Rs. 3,848,000 (December 31, 2020: Rs. 3,248,000). The amount utilized there against as at June 30, 2021 is Rs. 3,075,679 (December 31, 2020: Rs. 3,017,021).
- 17.3 The facility for opening letters of credit as at June 30, 2021 aggregates to Rs. 18,400,000 (December 31, 2020: Rs. 23,943,186). The amount utilized thereagainst as at June 30, 2021 was Rs. 3,875,554 (December 31, 2020: Rs. 3,247,361).
- 17.4 The Company has entered into operating lease arrangements with Al-Rahim Trading Company (Private) Limited for the storage and handling of EDC and Caustic Soda in respect of which future lease commitments aggregate to Rs. 4,755 (December 31, 2020: Rs 5,710) and Rs. 5,500 (December 31, 2020: Rs. 6,000) respectively.
- 17.5 Commitments in respect of rentals of storage tanks at EVTL for the handling of Ethylene aggregate to USD 26,568 valid till 31 March 2026 and Ethylene Di Chloride (EDC) aggregate to USD 2,250 and are valid till 31 December 2028.

Unaudited	Audited
June 30,	December 31,
2021	2020

----- Rupees -----

- | | | |
|--|-----------|---------|
| 17.6 Commitments in respect of capital and other operational items - note 17.6.1 | 1,517,493 | 888,048 |
| 17.6.1 This includes Rs. 183,717 (December 31, 2020: Rs. 16,388) in respect of commitments against intangible assets to Engro Corporation Limited. | | |

Unaudited	
Half year ended	
June 30,	June 30,
2021	2020

----- Rupees -----

18. NET REVENUE

Gross local sales - note 18.1	33,878,712	15,385,770
Less:		
- Sales tax	4,864,485	2,201,773
- Discounts	566,247	369,246
	5,430,732	2,571,019
	28,447,980	12,814,751
Export sales	2,004,674	21,801
Supply of electricity - note 18.2	41,668	37,742
	30,494,322	12,874,294

- 18.1 Include sales of trading goods Rs. 62,090 (June 30, 2020: Rs. 95,405).
- 18.2 This represents revenue against supply of surplus power to Engro Fertilizers Limited, a related party.

(Amounts in thousand)

		Unaudited	
		Half year ended	
		June 30,	June 30,
		2021	2020
		----- Rupees -----	
19.	CASH GENERATED FROM OPERATIONS		
19.1	Profit for the period before taxation	9,960,657	179,073
	Adjustments for non-cash charges and other items:		
	Provision for staff retirement and other service benefits	25,157	26,292
	Depreciation on operating assets	798,805	576,599
	Write-off of operating assets	76,460	11,440
	Depreciation on Right-of-use asset	224,240	207,982
	Amortization on intangible asset	14,061	12,358
	Provision against GIDC	-	365,127
	Unwinding of remeasurement gain on provision against GIDC	149,961	-
	Write-off of trade debts	-	331
	Provision for net realizable value of stock-in-trade, net	-	9,078
	Write-off of stores and spares	414	4,330
	Write-off of stock in trade	1,665	-
	Income on bank deposits and short-term investments	(567,788)	(556,829)
	Interest income on subordinated loan to subsidiary company	(3,572)	-
	Gain on derivative financial instrument	-	(154)
	Exchange (gain)/loss on revaluation of financial asset and liabilities	(70,542)	447,940
	Amortization of transaction cost on sukuks, ILTFF and IFC loan	21,344	21,498
	Interest expense on lease liabilities	133,853	157,475
	Default surcharge on GIDC	54,512	-
	Finance costs	704,822	1,162,488
	Loss on disposal of operating assets	-	322
	Working capital changes - note 19.2	(4,292,233)	1,829,404
		<u>7,231,816</u>	<u>4,454,754</u>
19.2	Working capital changes		
	(Increase) / decrease in current assets		
	Stores, spares and loose tools	(432,385)	26,312
	Stock-in-trade	(3,004,011)	95,535
	Trade debts - considered good	(1,349,463)	78,040
	Loans, advances, deposits, prepayments and other receivables - net	(613,969)	(733,636)
		<u>(5,399,828)</u>	<u>(533,749)</u>
	Increase in current liabilities		
	Trade and other payables	1,107,595	2,363,153
		<u>(4,292,233)</u>	<u>1,829,404</u>

(Amounts in thousand)

Unaudited	
Half year ended	
June 30, 2021	June 30, 2020
----- Rupees -----	

20. CASH AND CASH EQUIVALENTS

Cash and bank balances	1,278,005	545,816
Financial assets at fair value through profit and loss	14,845,206	8,253,998
Short-term borrowings	-	(3,063,782)
	<u>16,123,211</u>	<u>5,736,032</u>

21. SEGMENT INFORMATION

21.1 The basis of segmentation and reportable segments presented in these unconsolidated condensed interim financial statements are same as disclosed in the annual audited financial statements of the Company for the year ended December 31, 2020.

	June 30, 2021 (Unaudited)				June 30, 2020 (Unaudited)			
	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								
At a point in time	27,496,045	2,894,519	-	30,390,564	10,957,451	1,784,056	-	12,741,507
Over time	-	-	41,668	41,668	-	-	37,742	37,742
	<u>27,496,045</u>	<u>2,894,519</u>	<u>41,668</u>	<u>30,432,232</u>	<u>10,957,451</u>	<u>1,784,056</u>	<u>37,742</u>	<u>12,779,249</u>
Cost of sales	(16,884,878)	(2,496,375)	(27,598)	(19,408,851)	(9,662,927)	(1,613,391)	(32,561)	(11,308,879)
Distribution and marketing expenses	(100,429)	(46,578)	-	(147,007)	(66,151)	(23,792)	-	(89,943)
Administrative expenses	(325,619)	(14,853)	-	(340,472)	(225,529)	(25,462)	-	(250,991)
Other operating expenses	(676,089)	(49,566)	(928)	(726,583)	(182,751)	(21,177)	(425)	(204,353)
Other operating income	313,373	273,950	733	588,056	378,754	236,830	1,423	617,007
Finance costs	(755,254)	(25,006)	(418)	(780,678)	(1,203,041)	(6,228)	(132)	(1,209,401)
Taxation	(2,465,910)	(100,670)	(3,007)	(2,569,587)	22,253	(58,477)	(1,661)	(37,885)
Profit after tax	<u>6,601,239</u>	<u>435,421</u>	<u>10,450</u>	<u>7,047,110</u>	<u>18,059</u>	<u>272,359</u>	<u>4,386</u>	<u>294,804</u>
Others, net of tax	-	-	-	3,965	-	-	-	(17,643)
Impact of IFRS 16 (post tax)	-	-	-	238,134	-	-	-	(97,214)
Profit after tax	<u>6,601,239</u>	<u>435,421</u>	<u>10,450</u>	<u>7,289,209</u>	<u>18,059</u>	<u>272,359</u>	<u>4,386</u>	<u>179,947</u>

	June 30, 2021 (Unaudited)				December 31, 2020 (Audited)			
	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
Total segment assets - note 21.2	44,002,734	10,061,400	26,378	54,090,512	38,375,683	9,202,307	26,766	47,604,756
Unallocated assets	-	-	-	22,899,527	-	-	-	21,426,356
Total assets				<u>76,990,039</u>				<u>69,031,112</u>
Total segment liabilities	20,926,593	2,569,252	44,738	23,540,583	19,939,452	3,212,462	9,209	23,161,123
Unallocated liabilities	-	-	-	22,043,536	-	-	-	19,799,092
Total liabilities				<u>45,584,119</u>				<u>42,960,215</u>

(Amounts in thousand)

21.2 Segment assets consist primarily of property, plant and equipment, right-of-use assets, stores and spares, stock-in-trade and trade debts.

21.3 The segment results for the period are prepared in line with basis of allocation adopted in the annual audited financial statements for the year ended December 31, 2020.

22. TRANSACTIONS WITH RELATED PARTIES

22.1 Transactions with related parties, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

		Unaudited	
		Half year ended	
		June 30, 2021	June 30, 2020
		----- Rupees -----	
Nature of relationship	Nature of transactions		
Holding Company			
- Engro Corporation Limited	Reimbursements made	271,964	176,602
	Reimbursements received	6,808	21,804
	Intangible asset - software	74,731	156,240
Subsidiary Company			
- Think PVC (Private) Limited	Expenses incurred on behalf of subsidiary company	13,983	14,515
- Engro Plasticizer (Private) Limited	Expenses incurred on behalf of subsidiary company	254	190
- Engro Peroxide (Private) Limited	Expenses incurred on behalf of subsidiary company	52,909	249,730
Associated Companies			
- Mitsubishi Corporation	Purchase of goods	-	80,593
Members of the Group			
- Engro Fertilizers Limited	Sale of steam and electricity	85,449	58,185
	Reimbursement received	2,339	1,863
	Reimbursement made	1,417	5,464
	Purchase of services	21,756	40,198
- Engro Vopak Terminal Limited	Purchase of services	812,547	812,112
	Reimbursement made	11,912	4,756
- Engro Energy Limited	Reimbursement received	-	1,596
- Engro Digital Limited	Purchase of services	-	3,108
- Engro Energy Services Limited	Reimbursement received	571	-
	Sale of goods	1,371	-
- Engro Foundation	Donation	35,018	-
- Engro Powergen Thar (Private) Limited	Sale of goods	-	1,277
- Sindh Engro Coal Mining Company Limited	Reimbursements received	-	549

(Amounts in thousand)

		Unaudited	
		Half year ended	
Nature of relationship	Nature of transactions	June 30, 2021	June 30, 2020
		----- Rupees -----	
Directors	Fee	1,300	750
Contribution to staff retirement benefits	Managed and operated by the Holding Company		
	- Provident fund	42,146	35,475
	- Gratuity fund	32,671	37,186
	- Pension fund	1,617	1,524
Key management personnel	Managerial remuneration	71,516	170,711
	Retirement benefit funds	10,060	8,885
	Bonus	27,403	23,504
	Other benefits	12,424	12,184

23. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the unconsolidated condensed interim financial statements approximate their fair values.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within the 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).

As at June 30, 2021	Level 1	Level 2	Level 3	Total
-----Rupees-----				
Financial assets at fair value through profit or loss				
- Pakistan investment bonds	-	14,845,206	-	14,845,206
	-	14,845,206	-	14,845,206
As at December 31, 2020	Level 1	Level 2	Level 3	Total
-----Rupees-----				
Financial assets at fair value through profit or loss				
- Treasury bills	-	1,972,636	-	1,972,636
- Pakistan investment bonds	-	11,201,937	-	11,201,937
- Term deposit	-	6,000	-	6,000
	-	13,180,573	-	13,180,573

For the remaining assets and liabilities, the fair values are considered not to be materially different from their respective carrying amounts since the instruments are either short-term in nature or are periodically re-priced.

(Amounts in thousand)

24. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

- 24.1 The Board of Directors in its meeting held on August 10, 2021 has approved an interim cash dividend of Rs. 7.00 per share for the period ended June 30, 2021 amounting to Rs. 6,362,463 These unconsolidated condensed interim financial statements do not include the effect of the said interim dividend.
- 24.2 The Board of Directors in its meeting held on August 10, 2021 has approved an interim cash dividend for preference shareholders of Rs. 0.27 per share for the period ended June 30, 2021 amounting to Rs. 81,000. These unconsolidated condensed interim financial statements do not include the effect of the said interim dividend.

25. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 10, 2021 by the Board of Directors of the Company.

26. GENERAL

Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.



Chief Executive
Jahangir Piracha



Chief Financial Officer
Rabia Wafah Khan



Director
Feroz Rizvi

اینٹروپولیمر اینڈ کیمیکلز لمیٹڈ

غیر آڈٹ شدہ عبوری مالی کوشواروں پر حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

برائے ششماہی مہتممہ 30 جون 2021

اینٹروپولیمر اینڈ کیمیکلز لمیٹڈ کے بورڈ آف ڈائریکٹرز کے ایماء پر، ہم کمپنی کی 30 جون 2021 کو ختم ہونے والی ششماہی کی غیر آڈٹ شدہ مالی معلومات پیش کرنا چاہتے ہیں
کاروباری جائزہ / تجزیہ

برنس کا سب سے بڑا چیلنج بین الاقوامی اور علاقائی مارکیٹ میں کووڈ سے پیدا شدہ ہنگامہ خیزی تھی۔ اس سہ ماہی کے دوران پی وی سی کی قیمتوں میں، کووڈ سے متعلقہ لاک ڈاؤن اور بعد میں آنے والے مومن سون سیزن کی بناء پر کمی واقع ہوئی، بالخصوص بھارت میں، جو کہ پی وی سی کا ایک اہم درآمد کنندہ ہے۔ اس سے خریداری کی حوصلہ شکنی ہوئی اور پی وی سی کی قیمتیں گر گئیں۔ ابتداء میں، بیشتر پلانٹس میں جاری میٹھینس اور نیفٹھا اور خام کی قیمتوں میں اچانک اضافے کی بناء پر۔ تھما گلین کی قیمتوں میں اضافہ دیکھنے میں آیا۔ بہر حال سہ ماہی کے آخری حصے میں، میٹھینس کے بعد پلانٹس کے آپریشنز بحال ہونے پر قیمتوں میں کمی واقع ہوئی۔

2021 کی دوسری سہ ماہی کے دوران علاقائی طور پر، پی وی سی کی قیمتوں میں، گذشتہ سال اسی عرصے کے مقابلے میں سیزن میں 31 فیصد اضافہ ہوا۔ اس اضافہ کا تعلق 2020 کی دوسری سہ ماہی میں لاک ڈاؤن کی بناء پر سیزن میں واقع ہونے والی کمی سے ہے۔ 2021 کی دوسری سہ ماہی کے دوران، کووڈ 19 کے ملک بھر کو اپنی لپیٹ میں لینے اور عید کی چھٹیوں میں اضافے کی بناء پر، پی وی سی کی طلب میں سست روی برقرار رہی۔ قومی انڈسٹری کی معاونت کے لیے، صارفین کو ہم نے بے شمار مراعات پیش کیں، جس کی بناء پر 2021 کی دوسری سہ ماہی میں ہمارا مارکیٹ شیئر 94 فیصد رہا۔ بنیادی طور پر ٹیکسٹائل کی برآمدات میں کمی، علاقائی چیلنجز جیسا کہ کپاس کی زیادہ قیمتیں، اور جون کے مہینے میں گیس سپلائی کے مسائل کی بناء پر ہماری کلور الکل مارکیٹ بھی متاثر ہوئی۔ ان چیلنجز کے تناظر میں بین الاقوامی مارکیٹ کے حوالے سے ایک بڑی تبدیلی کی گئی جس کے نتیجے میں کمپنی کی برآمدات تقریباً 8KT پی وی سی، 2KT کاسٹک لیکو بیڈ، اور 1KT کاسٹک فلیکس رہیں۔

آپریشنل محاذ پر، کمپنی نے 25 جون 2021 کو نئی VCM DBN 50KT گنجائش کا اعلان کیا۔ یہ 2021 کی پہلی سہ ماہی میں اعلان کردہ 100KT PVC گنجائش کے علاوہ ہے۔ دیگر پراجیکٹس کے حوالے سے تازہ ترین تفصیلات درج ذیل ہیں:

﴿ کارکردگی کے حامل پراجیکٹس، بشمول OVR اور HTDC پر کام جاری ہے، اور توقع ہے کہ یہ بالترتیب 2021 کے اواخر اور 2022 میں آن لائن ہو جائیں گے۔

﴿ 2022 کی چوتھی سہ ماہی میں ہائیڈروجن پراجیکٹ کی COD کا حصول متوقع ہے۔

﴿ کمپنی نے LABSA پراجیکٹ کو معطل کرنے کا فیصلہ کیا ہے۔ اس سے قبل مذکورہ پراجیکٹ کو 19 کی بناء پر روک دیا گیا تھا۔

کمپنی نے 2020 کی پہلی ششماہی کے مقابلے میں آمدن میں 17.622 ملین روپے کا اضافہ ریکارڈ کیا، جو کہ گذشتہ سال اسی عرصے کے مقابلے میں 137% ہے۔ پی وی سی کی زیادہ بین الاقوامی قیمتیں اور اس کے ساتھ ساتھ گذشتہ سال اسی عرصے کے مقابلے میں سیلز اور برآمدات میں اضافہ، اس سہ ماہی کے دوران حوصلہ افزاء نمونہ کی اہم وجوہات ہیں۔ 2021 کی پہلی ششماہی کے دوران، کمپنی نے 7,265 ملین روپے کا بعد از ٹیکس منافع ریکارڈ کیا، جو 7.99 روپے فی شیئر بنتا ہے، جبکہ گذشتہ سال اسی عرصے کے دوران بعد از ٹیکس منافع 223 ملین روپے تھا جو کہ 0.24 روپے فی شیئر بنتا ہے۔

مستقبل کا منظر نامہ

آگے بڑھتے ہوئے، ہم توقع رکھتے ہیں کہ امریکہ میں فروری 2021 میں پیش آنے والی غیر یقینی صورتحال کے بعد زیادہ تر پلانٹس کے آپریشنز کی بحالی، بھارت اور چائینہ کی طرف سے طلب میں اضافے کے بعد پی وی سی کی قیمتیں حد کے اندر رہیں گی۔ ایتھانکلمین کی قیمتیں، خام تیل کی قیمتوں اور اوپیک کے تیل کی عالمی پیداوار کے حوالے سے فیصلوں کی بناء پر متاثر ہوں گی۔ بہر حال کووڈ 19 کے بڑھتے ہوئے کیسز کی بناء پر پیدا ہونے والی غیر یقینی صورتحال کی بناء پر علاقائی اور عالمی سطح پر اجناس کی مارکیٹیں متاثر رہیں گی۔

کووڈ کی چوتھی لہر کے دوران، حکومت کی طرف سے نافذ کردہ ایس او پیز پر عمل کرتے ہوئے، اپنے پلانٹ پر محفوظ آپریشنز کو یقینی بنانا، جاری پراجیکٹس کو محفوظ طریقے سے، اور طے کردہ اوقات کار میں مکمل کرنا اور اپنے مارکیٹ شیئر کو برقرار رکھنا، اگلے سہ ماہی میں ہماری توجہ کا اصل مرکز رہے گا۔



فیروز رضوی

ڈائریکٹر



جہانگیر پراچہ

سی ای او