



**Title:** "ENGRO CORPORATION"

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**Key words:** Fertilizers, PVC, Resin, EDC, VCM, Caustic Soda.

**Abstract:**

Engro Corporation Limited engages in the manufacture and marketing of fertilizers in Pakistan. It offers nitrogenous, phosphatic, and blended fertilizers, as well as micro nutrients, such as zinc sulphate. The company, through its joint venture interests/subsidiaries, also engages in chemical terminal and storage, PVC resin manufacturing and marketing, and industrial control and automation businesses. In addition, Engro manufactures, processes, and sells dairy food products, as well as engages in the power generation business. It offers food products under Olper, Olwell, Tarang, and Tarka brands. The company was formerly known as Engro Chemical Pakistan Limited and changed its name to Engro Corporation Limited in January 2010. Engro Corporation Limited was incorporated in 1965 and is headquartered in Karachi, Pakistan. Engro Corporation Limited is a former subsidiary of Exxon Mobil Chemical Company.

**PRODUCTS:**

- Engro fertilizers limited
- Engro foods limited
- Engro powergen limited
- Engro vopak terminal limited
- Engro eximp private limited
- Engro polymer and chemicals limited
- Avanceon limited

**Engro fertilizers limited:** Engro Fertilizers Limited, a wholly owned Engro subsidiary, is a premier fertilizer manufacturing and marketing company with products that focus on balanced crop nutrition and increased yield. The company markets primary and secondary fertilizers like Engro Urea, Engro DAP, Engro Zorawar, Engro Zarkhez and Zingro.

Additionally, the company sells phosphate fertilizers for balanced fertility and improved farm yields. Engro's share of Pakistan's phosphates market mirrors or exceeds its urea market share.

**ENGRO FOODS LIMITED:** Engro Foods Limited was officially launched as a fully owned subsidiary of Engro in 2004. Using dairy as a stepping stone to enter into the food business, the Company has established state-of-the-art processing units in Sukkur and

Sahiwal, along with an ice cream production facility in Sahiwal.



Top quality brands like Olper's, Olwell, Tarang, Omore Owsum and Olfrute have been successfully launched under the helm of Company's dairy products.

**ENGRO POWERGEN LIMITED:** Engro Powergen was incorporated in 2008, as a fully owned subsidiary, to develop power projects in Pakistan so as to help reduce the power shortage in the country and earn a competitive return for shareholders.

**ENGRO POLYMER AND CHEMICAL LIMITED:** Engro Polymer & Chemicals Limited, an Engro subsidiary, is Pakistan's leading manufacturer and marketer of PVC (polyvinyl chloride) resin, with an annual PVC production of 150,000 tons. The Company markets its products under the brand name of SABZ. Following recent expansion, the Company now has an integrated facility with the capability to manufacture EDC, VCM, Chlorine and Caustic soda.

**ENGRO EXIMP PRIVATE LIMITED:** Engro EXIMP Private Limited, established in 2003. The Company trades in commodity fertilizers such as DAP, MAP, MOP and SOP, and micro-nutrients like Zinc Sulphate. It supplies these fertilizers as raw materials to Engro Fertilizer's Zarkhez plant for manufacturing blended compound fertilizers. In addition, the Company also directly markets them locally. Engro EXIMP has been the largest importer of phosphates and potash fertilizers in Pakistan over the last five years. It has also recently expanded into regional trade of fertilizers.

**ENGRO VOPAK TERMINAL LIMITED:** A breakthrough in chemical and LPG storage, Engro Vopak Terminal Limited, is a joint venture of Royal Vopak of the Netherlands and Engro. It has been providing world class services to the growing chemical and petrochemical industry of Pakistan. The Company offers storage and handling solutions for liquid and gaseous chemicals, oil products, petrochemicals, bio-fuels, vegetable oils and Liquefied Natural Gas (LNG).

**AVANCEON LIMITED:** Avanceon Limited, an Engro subsidiary, is a leading global automation business, providing process and control solutions, with subsidiaries operating in UAE and the United States. The Company also offers power and energy management integrated solutions, as well as high end software that integrate production and business applications.

## FINANCIAL PERFORMANCE:

Year over year, Engro Corporation Limited has seen their bottom line shrink from 4.1B to 3.8B despite an increase in revenues from 41.0B to 58.2B. An increase in the percentage of sales devoted to cost of goods sold from 73.67% to 76.83% was a key component in the falling bottom line in the face of rising revenues

Currency in Millions of Pakistan Rupees	As of:	Dec 31 2006	Dec 31 2007	Dec 31 2008	Dec 31 2009
		Reclassified PKR	PKR	PKR	PKR
TOTAL REVENUES		20,240.0	34,120.6	40,973.0	58,152.4
Cost of Goods Sold		15,113.8	26,168.5	30,183.2	44,680.9
GROSS PROFIT		5,126.2	7,952.1	10,789.8	13,471.5
OTHER OPERATING EXPENSES, TOTAL		2,602.0	3,989.9	4,616.3	6,619.2
OPERATING INCOME		2,524.2	3,962.2	6,173.5	6,852.3
NET INTEREST EXPENSE		-368.3	-490.4	-1,431.5	-2,040.1
NET INCOME		2,106.9	2,876.5	4,125.8	3,806.9

**CONCLUSION:** Engro corporation is one of the Pakistan's largest conglomerates with business ranging from fertilizers to power generation. Engro supports a range of partnership with government, nonprofit organizations, and other industry players, to enhance the scale of their investment.