

# Engro Corporation (ENGRO)

Invests US\$21.4mn in Siddiqsons Energy Limited

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- Engro Corporation (ENGRO) has notified exchange regarding equity investment of US\$21.4mn in Siddiqsons Energy Limited, a Special Purpose Vehicle (SPV) to set up 330MW of Thar coal fired power plant in Block II district Tharparkar.
- As per our working total project will cost ~US\$500mn with debt-equity ratio of 75%:25%. We estimate Engro's equity share in SPV would be around 17%.
- The project is likely to commence operations in Jun-2021 and will have minimal impact of around Rs1-1.4 per share to bottomline of the company. Along with this, the core objective of the company is to bring more players on Thar coal platform.
- To note, company was carrying cash amount of ~Rs65bn (~USD 565mn) as of Mar 2018 and it has also applied for "Letter of intent and rights" to develop 350MW of wind and solar power plant in Balochistan. Moreover, management is also considering to invest in logistics, ecommerce and transmission business.