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# enabling growth for Pakistan



second quarter  
accounts  
**2023**



# company information

## board of directors

**Chief Executive Officer**  
Mr. Ghias Khan

**Company Secretary**  
Mr. Mohammad Yasir Khan\*

**Chief Financial Officer**  
Mr. Farooq Barkat Ali\*

**Mr. Hussain Dawood**  
Chairman

**Mr. Abdul Samad Dawood**  
Non-Executive Director

**Ms. Sabrina Dawood**  
Non-Executive Director

**Mr. Mazhar Abbas Hasnani\***  
Non-Executive Director

**Mr. Muhammad Abdul Aleem**  
Independent Director

**Mr. Rizwan Diwan**  
Independent Director

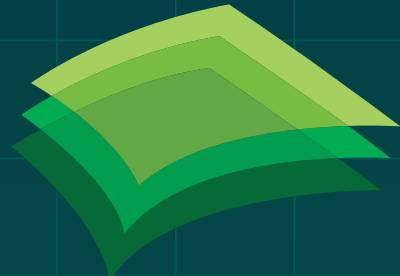
**Ms. Henna Inam**  
Independent Director

**Mr. Shabbir Hussain Hashmi\*\***  
Independent Director

**Mr. Khawaja Iqbal Hassan**  
Independent Director

**Mr. Ghias Khan**  
President & CEO

\* Appointed on August 18, 2023  
\*\* Appointed on August 21, 2023



engro corp

## bankers

Allied Bank Ltd  
Askari Bank Ltd  
Bank Al-Falah Ltd  
Bank Al-Habib Ltd  
Citi Bank N.A  
Faysal Bank Ltd  
Habib Bank Ltd  
Habib Metropolitan Bank Ltd  
JS Bank Ltd  
MCB Bank Ltd  
Meezan Bank Ltd  
National Bank of Pakistan Ltd  
Soneri Bank Ltd  
Standard Chartered Bank (Pakistan) Ltd  
United Bank Ltd

## shares registrar

FAMCO Associates (Private) Limited  
8-F, Near Faran Hotel, Nursery, Block-6 PECHS,  
Shahrah-e-Faisal, Karachi

## registered office

8<sup>th</sup> Floor, The Harbour Front Building,  
HC # 3, Marine Drive, Block 4, Clifton, Karachi-75600, Pakistan  
Tel: +92(21) 35297501 – 35297510, Fax: +92(21) 35810669  
e-mail: info@engro.com, website: www.engro.com

## auditors

A.F. Ferguson & Co 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

Engro's investments in food & agri, petrochemicals, telecommunication infrastructure, and energy & related infrastructure are designed to enable nutrition, prosperity, connectivity, and progress for Pakistan.

#### About Us

Engro Corporation Limited is one of Pakistan's largest conglomerates with a business portfolio spanning across four verticals including food & agriculture, energy & related infrastructure, petrochemicals, and telecommunication infrastructure. At Engro, our ambition is to become the premier Pakistani enterprise with a global reach.

The management team at Engro is responsible for conceptualizing and articulating goals that bring our people together in pursuit of our objectives. It leads the Company with a firm commitment to the values and spirit of Engro. In our journey to become more growth-oriented and sustainable, our management structure has evolved to create a more transparent and accessible organization.

Our growth is driven by our people. Our culture is dynamic and energetic, with emphasis on our core values and loyalty of our employees. Our work environment promotes leadership, integrity, teamwork, diversity, and excellence.

#### Our History

Today, Engro is one of Pakistan's most progressive, growth-oriented organizations, managed under a holding structure that works towards better management and oversight of subsidiaries and affiliates that are part of Engro's capital investments in Pakistan.

The Company is also defined by its history, which reflects a rich legacy of innovation and growth. The seeds for the Company were sown following the discovery of the Mari gas field by Esso/Mobil in 1957. Esso proposed the establishment of a urea plant, and the Esso Pakistan Fertilizer Company Limited was established in 1965 with production beginning in 1968. At US \$43 million with an annual production capacity of 173,000 tons, this was the single largest foreign investment by a multinational corporation in Pakistan at the time. As the nation's first fertilizer brand, the Company also pioneered the education of farmers in Pakistan, helping to modernize traditional farming practices to boost farm yields, directly impacting the quality of life for farmers and the Nation.

In 1978, Esso was renamed Exxon, globally, and the Company became Exxon Chemical Pakistan Limited. The business continued to prosper as it relentlessly pursued

productivity gains and strived to attain professional excellence. In 1991, following a decision by Exxon to divest its fertilizer business on a global basis, the employees of Exxon Chemical Pakistan Limited decided to buy out Exxon's share. This was, and perhaps still is, the most successful employee buy-out in the corporate history of Pakistan. Renamed Engro Chemical Pakistan Limited, the company continued to go from strength-to-strength, reflected in its consistent financial performance, growth, and diversification.

In 2009, a decision was made to demerge the fertilizer business into an independent operating company to ensure undivided focus on the business's expansion and growth. In the best interests of a multi category business, expansion strategy, and growth vision, the management decided that the various businesses would be better served if the Company was converted to a holding company; Engro Corporation Limited.

From its inception as Esso Pakistan Fertilizer Company Limited in 1965 to Engro Corporation Limited in 2010, Engro has come a long way and will continue working towards its vision of becoming a premier Pakistani company with a global reach.

#### Engro Corporation Limited

Engro Corporation Limited is a holding company, created following the conversion of Engro Chemical Pakistan Limited on January 1, 2010. Engro Corp is one of Pakistan's largest conglomerates with the Company's business portfolio in four verticals, which include food & agri, petrochemicals, energy & related infrastructure and telecom infrastructure.

#### Engro Fertilizers Limited

Engro Fertilizers Limited – a 56% owned subsidiary of Engro Corporation – is a premier fertilizer manufacturing and marketing company having a portfolio of fertilizer products with significant focus on balanced crop nutrition and increased yield. As one of the 50 largest fertilizer manufacturers of the world, we have close to 6 decades of operations as a world-class facility with a wide range of fertilizer brands, besides urea, which include some of the most trusted brand names by Pakistani farmers. These include brands like Engro Zarkhez, Zingro, and Engro DAP, amongst others.

#### Engro Polymer & Chemicals Limited

Engro Polymer & Chemicals Limited – a 56% owned subsidiary of Engro – is the only fully integrated chlor-vinyl chemical complex in Pakistan and produces poly-vinyl chloride (PVC), caustic soda, sodium hypochlorite, hydrochloric acid and other chlorine by-products. The business was set up as a state-of-the-art plant in 1997, as a 50:50 joint venture, with Mitsubishi and Asahi Glass with Asahi subsequently divesting its shareholding in 2006.

#### Engro Energy Limited

Engro Energy Limited is a wholly-owned subsidiary of Engro Corporation and it owns and operates Engro Powergen Qadirpur Limited, a 224-megawatt power plant and the group's first initiative in the power sector of Pakistan. Engro Powergen Qadirpur Limited was listed on the Karachi Stock Exchange in October 2014 where 25% of the shares were offered to the public. As of now, Engro Powergen Qadirpur Limited is 69% owned by Engro Energy Limited. Engro Energy Limited is also involved in the Thar Coal project. The project operates a coal mine under Sindh Engro Coal Mining Company (SECMC) and operations of two 330MW mine mouth power plants under Engro Powergen Thar Limited in the first phase. SECMC is a joint venture company formed in 2009 between the Government of Sindh (GoS) and Engro Energy Limited & Affiliates. SECMC's shareholders include Government of Sindh, Engro Energy Limited, Thal Limited, Habib Bank Ltd, CMEC Thar Mining Investment Limited, Huolinhe Open Pit Coal Investment Company Limited, and Hub Power Company Limited (HUBCO). The Sindh Coal Authority has awarded a 95.5 square kilometer area of the coalfield, known as Block II, to SECMC for exploration and development of coal deposits. Within this block, there is an estimated amount of exploitable lignite coal reserves of 1.57 billion tons. In 2010, SECMC completed the Bankable Feasibility Study for Thar Block II Coal Mining Project by engaging internationally renowned Consultants such as RWE-Germany, Sinocoal-China, SRK-UK, and HBP Pakistan, meeting all national/international standards. Thar Coal Project achieved its Commercial Operations Date (COD) in July 2019 and has since been providing low cost electricity to the national grid.

#### Elengy Terminal Pakistan Limited

Elengy Terminal Pakistan Limited (ETPL) is a 56% owned subsidiary of Engro Corporation. The Company won the contract to handle liquefied natural gas (LNG) and thereafter acquired FSRU vessel on lease from a US-based company - Excelerate Energy. Engro Elengy Terminal Limited, a wholly owned subsidiary of ETPL, set up a state-of-the-art LNG

terminal, at Port Qasim. The terminal – which is also one of the most cost-efficient terminals in the region – has a capacity for regasification of up to 600 mmcf/d.

#### Engro Vopak Terminal Limited

Engro Vopak is a joint venture with Royal Vopak of the Netherlands – the world's largest bulk liquid chemical handling company. The business is engaged in handling, storage, and regasification of liquid & gaseous chemicals, Liquefied Petroleum Gas (LPG), petrochemicals, and bio-fuels. Engro Vopak's terminal is Pakistan's first cryogenic facility that handles 70% of all liquid chemical imports into Pakistan, including Paraxylene (PX), Acetic Acid (AA), Vinyl Chloride Monomer (VCM), Ethylene Dichloride (EDC), Mono Ethylene Glycol (MEG), Ethylene along with Phosphoric Acid (PA) imports, which are pumped directly to customers' facilities.

#### FrieslandCampina Engro Pakistan

FrieslandCampina Engro Pakistan Limited is a 40% owned associated company engaged in the manufacturing, processing, and marketing of dairy products and frozen desserts. The business owns two milk processing plants in Sukkur and Sahiwal and operates a dairy farm in Nara, Sindh. In its continued efforts to 'elevate consumer delight worldwide', the business has established several brands that have already become household names in Pakistan, such as Olper's (UHT milk, low-fat milk, and cream), Omoré (frozen desserts), Tarang (tea whitener), and Dairy Omung (UHT dairy liquid and dessert cream).

#### Engro Enfrashare (Private) Limited

Engro Enfrashare is a wholly-owned subsidiary of Engro Connect, with a purpose to make connectivity more accessible and affordable for everyone. By aiding increased efficiency for network users, and already partnered with all of the Country's major Mobile Network Operators, Engro Enfrashare aims to help facilitate financial and social inclusion. While its expertise and investment in connectivity infrastructure allow mobile operators to reduce cost of access to consumers, Engro Enfrashare aims to engage with all stakeholders in the telecom ecosystem in order to realize a larger goal of digitizing Pakistan.

#### Engro Eximp Agri Products (Private) Limited

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

# directors' report

The Directors of Engro Corporation Limited would like to express their deepest sorrow and heartfelt condolences on the untimely demise of Mr. Shahzada Dawood, our esteemed Vice Chairman, and his beloved son, Mr. Suleman Dawood.

Mr. Dawood's contributions to Engro Corporation were exceptional, as he had served on the Board since 2003. Over his remarkable 20-year tenure, he was immensely pleased with the work Engro was doing to contribute in solving Pakistan's most pressing issues. He strongly believed that companies that nurture a partnership between management led by professionals and shareholders with a long-term vision are geared for success and outperform other businesses by unlocking substantial value for all stakeholders. He cared deeply for Engro's employees and our colleagues who had the privilege to work with him can attest to his humility, approachability, and eagerness to embrace fresh ideas. Mr. Dawood also made substantial efforts to help Engro expand its horizon and develop a global mindset that would lead towards creating an international footprint.

Mr. Shahzada's legacy will forever inspire us, and his contributions to Engro Corporation and the larger community will be remembered with utmost respect.

The Directors of Engro Corporation Limited hereby submit their report, along with the condensed interim financial statements of the Company for the half year ended June 30, 2023.

The global economy continues to gradually recover from the pandemic and the conflict between Russia and Ukraine. Global growth remained meager in the second quarter of 2023, albeit showed signs of resilience amid ease of global commodity prices and supply chain disruptions from the 2022 peak. However, inflation remained elevated, prompting central banks to implement policy rate hikes as a measure to combat inflation and mitigate the risk of a global recession, while also ensuring financial stability.

Pakistan's economy continues to struggle with soaring inflation driven by a surge in energy prices, sharp depreciation of the Pak Rupee, and an ongoing foreign exchange crisis. Businesses continued to face challenges on account of varying concerns, including import restrictions and foreign services procurement.

In response to significant inflationary pressures, State Bank of Pakistan (SBP) continued to tighten the monetary policy by 600 bps (16% to 22%) during the first half of 2023. In addition, the Government of Pakistan (GoP) took austerity measures in the budget 2023-24 to secure the IMF bailout package. As a result, additional super tax was increased to 10% prospectively, with

the imposition of a one-time super tax of 6% on 2022 earnings, in addition to the 4% applied last year.

The applicability of additional taxes in various forms is creating an adverse impact on the formalized corporate sector of the country as the disparity between the formal and informal sector continues to grow substantially. In frontier and emerging markets, it is critical for corporations and industrial houses to accumulate capital for funding future growth and industrialization. The same becomes challenging under high taxation regimes which hamper productivity, thereby adversely impacting the investment capability of the country. Funds that are generated through positive economic activity are heavily taxed and utilized for managing the operational expenses budgeted by the government. These funds are critical for generating further economic activity and can help in Pakistan's growth.

In light of the above, the Company had challenged multiple taxation of inter-corporate dividend (ICD) at Sindh High Court (SHC). During the period, the SHC adversely decided the matter which was subsequently challenged before the Supreme Court of Pakistan (SCP). A stay order has been granted to the Company against this matter.

Relief from multiple taxation of ICD was introduced in Pakistan as part of a larger reform to promote best global practices in the corporate sector via formation of 'holding company' structures. During this period, Engro, like various other business groups in Pakistan, transformed itself into the holding company structure with separate subsidiaries for each business segment.

Removal of ICD relief has an adverse impact on the Group's cashflows and its enterprise value, therefore, the Company is actively pursuing resolution of this matter through engagement with various stakeholders directly and through different business forums, highlighting global precedence, significance of the matter and its adverse impact on corporatization and new investments in Pakistan.

In a commendable move to address the pressing economic issues, the GoP has successfully secured a 9-month IMF Stand-By Arrangement (SBA) of USD 3 billion. The immediate disbursement of USD 1.2 billion from this package has forestalled the looming threat of default by providing much needed relief in the short term. Post the IMF-deal, import restrictions have been eased thus enabling businesses to effectively meet consumer demands.

Engro Corporation Limited's strategic presence in critical sectors of the economy has enabled our portfolio to be resilient in these

challenging times, which is partially hedged against volatility in foreign exchange and interest rates. The Company will continue to contribute towards the recovery of our economy at this pivotal juncture.

## Business Review

On a standalone basis, Engro Corporation Limited posted a Profit-After-Tax (PAT) of PKR 9,451 million against PKR 12,481 million for the comparative period, translating into an EPS of PKR 17.09. The 24% decrease in profitability is attributable to lower dividends from Engro Polymer & Chemicals Limited and Engro Fertilizers Limited as a result of the additional super tax on both businesses and the reversal of commodity cycle in the polymer business, partly offset by lower research and business development expenses in the current year.

On a consolidated basis, the Company's revenue grew by 14% to PKR 202,482 million against PKR 177,455 million for the comparative period. The consolidated PAT for first half of the year was PKR 21,474 million, while PAT attributable to the shareholders is PKR 10,574 million against PKR 7,414 million in the comparative period, resulting in an Earnings per Share (EPS) of PKR 19.12 compared to PKR 12.87 in the same period last year. Major variance is attributable to higher earnings from dollar denominated businesses, a one-off tariff true-up adjustment last year and higher costs incurred on research and business development last year, which has been partially offset by reversal of the commodity cycle.

A brief review of our business segments is as follows:

### Fertilizers

The Fertilizers business showed strong performance and recorded a revenue of PKR 82,366 million compared to PKR 75,136 million in H1 2022, primarily driven by an increase in urea price. The Company's PAT stood at PKR 5,464 million versus PKR 5,413 million in the same period last year.

Urea sales during the period stood at 1,034 KT vs 1,098 KT, translating to a market share of 33%. Phosphate sales stood at 109 KT vs 154 KT during the same period in 2022.

International urea prices witnessed a massive decrease, falling to USD 260/ton (landed equivalent PKR 3,706/bag) amidst lower energy prices by the end of June 2023, as compared to USD 436/T (landed cost equivalent to PKR

4,898/bag) at the start of the year. International phosphate prices decreased to USD 480/T on the back of a decline in global crop prices. In the midst of global commodity price volatility, the local fertilizer industry ensured availability of locally produced urea to farmers at a significant discount of ~41% over international prices. This enabled import substitution to the tune of USD 1 billion in the H1, wherein Engro Fertilizers' contribution stood at USD 346 million.

### Petrochemicals

The Polymer business recorded a revenue of PKR 37,022 million compared to revenue of PKR 45,404 million in the same period last year. The Company's PAT stood at PKR 2,745 million against PKR 7,052 million in the same period last year, mainly attributable to commodity cycle reversal and lower margins on exports.

The business recorded domestic sales of 92 KT, translating to a market share of 91% versus 121 KT and a market share of 96% in the same period last year. As a result, the business has enabled import substitution of USD 45 million. Post serving the local PVC demand, the business's export sales stood at 21 KT, including caustic soda exports of 12 KT, generating foreign exchange of USD 12 million for the period.

### Telecommunication Infrastructure

Enfrashare continued to expand its national footprint and achieved a scale of 3,644 tower sites by the end of June 2023 (vs 2,937 sites in June 2022) with a 1.18x tenancy ratio, catering to all four Mobile Network Operators (MNOs) in Pakistan. The business captured a market share of 60% in Built-to-Suit (B2S) towers rollout during the period.

The growth potential in the business is further demonstrated by the colocation opportunities witnessed during the H1, with total colocation tenants of 88 in June 2023, representing a market share of 74%. Resultantly, revenue increased by 83% in comparison to H1 2022. The business is well positioned to capture the growth expected in the sector, driven by increase in data usage, localization of smart phone assembly and other policy-level interventions made by the Government of Pakistan.

### Energy

**Coal Mine:** Mining operations continued smoothly, supplying coal to Engro Powergen Thar, Thar Energy and ThalNova Power. To meet the potential increase in demand for energy, the Management has committed to initiate Phase III of the expansion

to enhance capacity to 11.4 million tons per year, approval for which has been sought from the Government of Sindh.

**Thar Power Plant:** Engro Powergen Thar Limited achieved a collection of 91% from inception to date, bringing it at par with other coal IPPs. During the first half, the Plant achieved availability of 74%, dispatching 1,464 GWH to the national grid as compared to 1,504 GWH in the same period last year. Plant availability remained low, primarily due to a major planned maintenance and inspection activity which typically occurs once every five years and is necessary to ensure its safety, reliability, and efficiency.

**Qadirpur Power Plant:** During the period, the Plant dispatched a Net Electrical Output of 496 GWH to the national grid, compared to 331 GWH in the same period last year, due to outage for scheduled major inspection. The business posted a PAT of PKR 1,221 million for the current period, as compared to PKR 406 million in the same period last year, due to higher capacity payments on the back of improved period weighing factor and efficiencies on higher dispatch.

#### Foods & Rice

FrieslandCampina Engro Pakistan demonstrated a topline growth of 53%, reporting a revenue of PKR 47,015 million against PKR 30,771 million in the same period last year due to price increases and growth in sales volumes.

The business recorded a PAT growth of 41% amounting to PKR 1,326 million in H1 2023 versus PKR 938 million for the comparative period. The Company took multiple business initiatives across its portfolio, including the expansion of its distribution network, cost optimization and strategic price increases, resulting in high profitability.

Engro Eximp Agriproducts recorded basmati rice exports of 5.4 KT during the first half versus 25.6 KT in the same period last year due to reduced procurement during the season. Resultantly, the rice business generated revenue of USD 7.4 million through export versus USD 21 million in H1 2022.

#### Terminal Operations

The LNG terminal handled 37 cargoes, in line with H1 2022, delivering 110 bcf re-gasified LNG in to the SSGC network, accounting for ~15% of the total gas supply of the Country. The chemical terminal handled 451 KT against 720 KT during the same period last year. The decrease is mainly attributable to chemical volumes due to slowdown in economic activity pertaining to LC opening issues.

#### Shares Buyback

The Company announced the closure of the purchased period on July 25, 2023, in relation to the buyback of shares, as approved by its Members vide Special Resolution dated January 26, 2023.

During the purchase period from February 03, 2023, to July 25, 2023, the Company purchased an aggregate of 39,536,762 shares representing 6.86% of the issued and paid-up capital of the Company for a total value of PKR 11,610 million at an average purchase price of PKR 293.6/- per share (Dividend adjusted price of PKR 253.6/- per share).

#### Distribution to Shareholders

The Board of Directors of Engro Corporation Limited endeavors to maximize total shareholder returns and is pleased to propose an interim cash dividend of PKR 2.00 per share for the second quarter ended on June 30, 2023. This is in addition to the interim cash dividend of PKR 40.00 per share given during the first quarter of 2023. The dividend for the second quarter 2023 will take the total interim cash dividend to PKR 42.00 per share for the year ending December 31, 2023.

#### Near-Term Outlook

In 2023, we are committed to expanding our business operations across the four key verticals and explore new opportunities for growth, with a focus on creating sustainable value and maintaining a resilient and agile business model.

#### Fertilizers

Agriculture in Pakistan is facing significant challenges due to a combination of climate change and political and economic uncertainty. As the economy relies on agricultural output heavily, the obstacles expected in the upcoming months are significant. Right government interventions and assistance from relevant agencies, we believe, can bring about a recovery. Our Company remains dedicated to playing its part by providing discounted prices on essential fertilizers from international markets.

#### Petrochemicals

The Polymer business plays a pivotal role in preserving foreign currency through import substitution, as well as generating foreign currency through exports. The business remains committed to serving as a key feedstock supplier to major Pakistani industries like construction and textile. Businesses operating in this sector are struggling as the demand has been adversely affected by the slowdown in construction and

economic activity; however, we expect a slow recovery in the second half due to IMF funding.

#### Telecommunication Infrastructure

The business outlook for Enfrashare remains strong owing to growing demand for mobile data usage and high-quality services, driving MNOs to enhance availability and quality through aggressive Built-to-Suit roll outs. The present macroeconomic situation will result in inflationary pressures, requiring further cost optimization for the business.

Engro Enfrashare will continue to maintain its market leadership as an Independent Tower Company through internal and external growth opportunities. It is on track to reach the earlier-set goal of becoming a 5,000+ Tower Company by the year 2024/2025.

#### Energy

Energy security remains one of the most pressing issues in Pakistan. Engro is using indigenous resources to help alleviate the energy crisis and uplift economic growth of the Country. To reduce Pakistan's reliance on imported fuels, our mining business is currently operating at a capacity of 7.6 million TPA and will continue to expand up to 11.4 million TPA by mid-2024. The Management is also collaborating with cement manufacturers and power producers, currently using imported coal, to optimize indigenous Thar coal.

The business is also evaluating various greenfield projects and opportunities in renewable energy and mining space.

#### Terminal Operations

The LNG terminal is working to alleviate energy shortages. As the market demand for energy grows, we will continue to

explore new opportunities to increase shareholder value.

Engro Vopak's unique position in the liquid chemicals handling industry allows it to remain a market leader in the chemical handling and storage business, with expectations to perform even better. However, marine LPG imports are expected to remain under pressure due to imports through the Taftan Border area.

#### Foods

The challenging macroeconomic circumstances may result in moderation in consumer discretionary spending and hamper our growth momentum. However, the Company will prioritize a consistent supply of nutritious and safe products. It will continue driving growth by proactively engaging with suppliers and distributors to ensure a seamless supply chain and focus on improving profitability.

#### Acknowledgment

The Directors would like to express their deep appreciation to our shareholders who have consistently demonstrated their confidence in the Company. We would also like to place on record our sincere appreciation for the commitment, dedication and innovative thinking put in by each member of the Engro family and are confident that they will continue to do so in the future.

Hussain Dawood  
Chairman

Ghias Khan  
President & CEO



# unconsolidated condensed interim financial statements (unaudited) for the half year ended june 30, 2023



A.F. FERGUSON & CO.

## INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Engro Corporation 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 Corporation Limited as at June 30, 2023 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of 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, unconsolidated condensed interim statement of comprehensive income and notes thereto for the quarters ended June 30, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2023.

### 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 Salman Hussain.

Chartered Accountants  
Karachi

Date: 28 August, 2023

UDIN: RR202310113bfC8ZQeT7

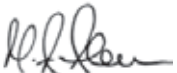
A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

KARACHI • LAHORE • ISLAMABAD

unconsolidated condensed interim statement of financial position  
as at june 30, 2023

(Amounts in thousand)	Note	(Unaudited) June 30, 2023	(Audited) December 31, 2022
		------(Rupees)-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,308,233	983,764
Right-of-use assets		1,090,564	970,153
Intangible assets		128,758	123,807
Long term investments		46,835,094	46,835,094
Long term loans and advances		4,768,974	5,372,573
Deferred taxation		80,001	475,159
		<u>54,211,624</u>	<u>54,760,550</u>
<b>Current assets</b>			
Loans, advances, deposits and prepayments	5	4,125,922	2,817,736
Receivables	6	1,308,426	1,316,708
Short term investments	7	19,870,447	47,604,776
Cash and bank balances		574,543	165,977
		<u>25,879,338</u>	<u>51,905,197</u>
		<u>80,090,962</u>	<u>106,665,747</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	5,366,265	5,761,633
Reserves		60,982,001	85,503,596
		<u>66,348,266</u>	<u>91,265,229</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Retirement and other service benefit obligations		84,345	43,345
Lease liabilities		1,053,039	937,359
		<u>1,137,384</u>	<u>980,704</u>
<b>Current liabilities</b>			
Trade and other payables		3,598,105	5,398,425
Current portion of lease liabilities		277,685	214,074
Taxes payable		8,494,567	8,571,977
Dividend payable		234,955	235,338
		<u>12,605,312</u>	<u>14,419,814</u>
<b>Total liabilities</b>		<u>13,742,696</u>	<u>15,400,518</u>
<b>Contingencies and commitments</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>80,090,962</u>	<u>106,665,747</u>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

  
Mohammad Abdul Aleem  
Director


  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President & CEO

unconsolidated condensed interim statement of profit or loss (unaudited)  
for the half year ended june 30, 2023

(Amounts in thousand except for earnings per share)	Note	Quarter ended		Half year ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		------(Rupees)-----			
Dividend income		5,376,041	8,210,884	11,282,601	15,913,782
Royalty income		441,326	352,528	902,288	688,980
		<u>5,817,367</u>	<u>8,563,412</u>	<u>12,184,889</u>	<u>16,602,762</u>
Administrative expenses		(723,425)	(950,841)	(1,769,859)	(1,344,876)
		<u>5,093,942</u>	<u>7,612,571</u>	<u>10,415,030</u>	<u>15,257,886</u>
Other income	10	1,524,002	1,761,700	3,490,179	3,088,037
Other operating expenses		(352,881)	(1,194,462)	(505,725)	(2,031,979)
<b>Operating profit</b>		<u>6,265,063</u>	<u>8,179,809</u>	<u>13,399,484</u>	<u>16,313,944</u>
Finance cost		(4,946)	(33,470)	(92,041)	(50,871)
<b>Profit before taxation</b>		<u>6,260,117</u>	<u>8,146,339</u>	<u>13,307,443</u>	<u>16,263,073</u>
Taxation	11	(2,848,567)	(2,539,255)	(3,856,893)	(3,782,335)
		<u>3,411,550</u>	<u>5,607,084</u>	<u>9,450,550</u>	<u>12,480,738</u>
<b>Profit for the period</b>		<u>3,411,550</u>	<u>5,607,084</u>	<u>9,450,550</u>	<u>12,480,738</u>
<b>Earnings per share - basic and diluted</b>	12	<u>6.35</u>	<u>9.73</u>	<u>17.09</u>	<u>21.66</u>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

  
Mohammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer


  
Ghias Khan  
President & CEO

unconsolidated condensed interim statement of  
comprehensive income (unaudited)  
for the half year ended June 30, 2023

(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- (Rupees) -----			
<b>Profit for the period</b>	3,411,550	5,607,084	9,450,550	12,480,738
<b>Other comprehensive loss for the period</b>				
Items that will be reclassified to profit or loss				
- Remeasurement of investments	(54,498)	(34,630)	(726,908)	(34,630)
<b>Total comprehensive income for the period</b>	<u>3,357,052</u>	<u>5,572,454</u>	<u>8,723,642</u>	<u>12,446,108</u>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

  
Mohammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer


  
Ghias Khan  
President & CEO

unconsolidated condensed interim statement of  
changes in equity  
for the half year ended June 30, 2023

(Amounts in thousand)

	Reserves							Sub-total	Total
	Share capital	Capital Reserve		Revenue Reserves			Unappropriated profit		
	Share premium	Capital repurchase reserve account	General reserve	Remeasurement of post employment benefits	Remeasurement of investments				
Balance as at January 01, 2022 (Audited)	5,761,633	13,068,232	-	4,429,240	(18,484)	-	67,294,008	84,772,996	90,534,629
Profit for the period	-	-	-	-	-	-	12,480,738	12,480,738	12,480,738
Other comprehensive loss	-	-	-	-	-	(34,630)	-	(34,630)	(34,630)
Total comprehensive income for the half year ended June 30, 2022	-	-	-	-	-	(34,630)	12,480,738	12,446,108	12,446,108
Transactions with owners									
Final cash dividend for the year ended December 31, 2021 @ Rs. 1.00 per share	-	-	-	-	-	-	(576,163)	(576,163)	(576,163)
1st interim cash dividend for the year ended December 31, 2022 @ Rs. 12.00 per share	-	-	-	-	-	-	(6,913,959)	(6,913,959)	(6,913,959)
	-	-	-	-	-	-	(7,490,122)	(7,490,122)	(7,490,122)
Balance as at June 30, 2022 (Unaudited)	5,761,633	13,068,232	-	4,429,240	(18,484)	(34,630)	72,284,624	89,728,982	95,490,615
Profit for the period	-	-	-	-	-	-	8,715,682	8,715,682	8,715,682
Other comprehensive loss for the half year ended December 31, 2022	-	-	-	-	(21,289)	(820,351)	-	(841,640)	(841,640)
	-	-	-	-	(21,289)	(820,351)	8,715,682	7,874,042	7,874,042
Transactions with owners									
Interim cash dividends for the year ended December 31, 2022:									
- 2nd interim @ Rs. 11.00 per share	-	-	-	-	-	-	(6,337,796)	(6,337,796)	(6,337,796)
- 3rd interim @ Rs. 10.00 per share	-	-	-	-	-	-	(5,761,632)	(5,761,632)	(5,761,632)
	-	-	-	-	-	-	(12,099,428)	(12,099,428)	(12,099,428)
Balance as at December 31, 2022 (Audited)	5,761,633	13,068,232	-	4,429,240	(39,773)	(854,981)	68,900,878	85,503,596	91,265,229
Profit for the period	-	-	-	-	-	-	9,450,550	9,450,550	9,450,550
Other comprehensive loss	-	-	-	-	-	(726,908)	-	(726,908)	(726,908)
Total comprehensive income for the half year ended June 30, 2023	-	-	-	-	-	(726,908)	9,450,550	8,723,642	8,723,642
Own shares purchased for cancellation (note 8.2)	(395,368)	-	395,368	-	-	-	(11,629,302)	(11,233,934)	(11,629,302)
Transactions with owners									
Final cash dividend for the year ended December 31, 2022 @ Rs. 1.00 per share	-	-	-	-	-	-	(546,244)	(546,244)	(546,244)
1st interim cash dividend for the year ending December 31, 2023 @ Rs. 40 per share	-	-	-	-	-	-	(21,465,059)	(21,465,059)	(21,465,059)
	-	-	-	-	-	-	(22,011,303)	(22,011,303)	(22,011,303)
Balance as at June 30, 2023 (Unaudited)	5,366,265	13,068,232	395,368	4,429,240	(39,773)	(1,581,889)	44,710,823	60,982,001	66,348,266

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

  
Mohammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President & CEO

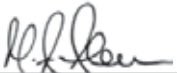


unconsolidated condensed interim statement of cash flows (unaudited)  
for the half year ended june 30, 2023

(Amounts in thousand)

	Note	Half year ended	
		June 30, 2023	June 30, 2022
------(Rupees)-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash utilized in operations	13	(3,489,240)	(4,146,195)
Royalty received		884,129	640,026
Taxes paid		(3,912,634)	(343,369)
Retirement and other service benefits paid		(40,968)	(33,302)
Long term loans and advances - net		3,599	5,594
<b>Net cash utilized in operating activities</b>		<b>(6,555,114)</b>	<b>(3,877,246)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received		11,282,601	15,913,782
Income on deposits and other financial assets including income earned on subordinated loan to subsidiaries		2,036,078	6,245,361
Loan disbursed to subsidiary companies		(3,450,000)	(15,400,000)
Repayment of loan by subsidiary companies		3,050,000	13,537,000
Purchase of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds		(11,862,124)	(434,069,833)
Proceeds from sale of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds		37,566,250	405,144,727
Purchases of property, plant and equipment		(485,441)	(139,694)
Sale proceeds on disposal of property, plant and equipment		48,281	13,134
Purchases of intangibles		(22,637)	(3,503)
<b>Net cash generated from / (utilized in) investing activities</b>		<b>38,163,008</b>	<b>(8,759,026)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of financial charges		(1,584)	(8,546)
Payments for own shares purchased for cancellation		(11,629,302)	-
Lease rentals paid		(191,111)	(133,777)
Dividends paid		(22,011,686)	(7,494,472)
<b>Net cash utilized in financing activities</b>		<b>(33,833,683)</b>	<b>(7,636,795)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,225,789)</b>	<b>(20,273,067)</b>
Cash and cash equivalents at beginning of the period		2,850,332	41,101,610
<b>Cash and cash equivalents at end of the period</b>	14	<b>624,543</b>	<b>20,828,543</b>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

  
Mohammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President & CEO

notes to the unconsolidated  
condensed interim financial statements (unaudited)  
for the half year ended june 30, 2023

(Amounts in thousand)

**1. LEGAL STATUS AND OPERATIONS**

Engro Corporation Limited (the Company), is a public listed company incorporated in Pakistan. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is a subsidiary of Dawood Hercules Corporation Limited (the Parent Company). The principal activity of the Company, is to manage investments in subsidiary companies, associated companies and joint venture, engaged in fertilizers, power generation, telecommunications infrastructure, petrochemicals, mining, food, LNG and chemical storages. The Company's registered office is situated at 8th floor, The Harbour Front Building, Plot Number HC # 3, Marine Drive, Block 4, Clifton, Karachi.

**2. BASIS OF PREPARATION**

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

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

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

2.2 These unconsolidated condensed interim financial statements represent the condensed interim financial statements of the Company on a standalone basis. The consolidated condensed interim financial statements of the Company and its subsidiary companies are presented separately. The cumulative figures for the half year ended June 30, 2023 presented in these unconsolidated condensed interim financial statements have been subjected to limited scope review by the auditors of the Company, as required under section 237 of the Act. These unconsolidated condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2022.

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

During the preparation of these unconsolidated condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to annual audited financial statements of the Company for the year ended December 31, 2022.

(Amounts in thousand)

### 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2022.
- 3.2 There are certain amendments to published International Financial Reporting Standards that are mandatory for the financial year beginning on January 1, 2023. 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 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss of the Company.

### 4. PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	----- (Rupees) -----	
Operating assets (note 4.1)	809,874	604,260
Capital work-in-progress (note 4.3)	498,359	379,504
	<u>1,308,233</u>	<u>983,764</u>
4.1 Following additions including transfers from CWIP were made to operating assets during the period / year:		
Furniture, fixtures and equipment	14,275	62,700
Vehicles	352,310	99,730
	<u>366,585</u>	<u>162,430</u>
4.2 Operating assets costing Rs. 86,497 (December 31, 2022: Rs. 94,297) having a net book value of Rs. 43,962 (December 31, 2022: Rs. 50,906), were disposed off during the period / year for Rs. 48,281 (December 31, 2022: Rs. 76,527).		
	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	----- (Rupees) -----	
4.3 Capital work-in-progress		
Balance at beginning of the period / year	379,504	67,053
Additions during the period / year	508,078	449,594
Reclassification	-	28,791
Transferred to:		
- operating assets	(366,585)	(162,430)
- intangible assets	(22,638)	(3,504)
Balance at end of the period / year	<u>498,359</u>	<u>379,504</u>

(Amounts in thousand)

### 5. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS

These primarily include loan to subsidiary companies and accrued interest due there on aggregating to Rs. 2,080,000 (December 31, 2022: Rs. 1,093,000) and Rs. 1,745,401 (December 31, 2022: Rs. 1,242,238) respectively. Significant movement in these loans during the period are as follows:

- outstanding loan amounting to Rs. 1,000,000 from Engro Fertilizers Limited, a subsidiary company, pursuant to agreement entered into on September 02, 2022, which carried mark-up at the rate of 3-month KIBOR plus 0.1%, was repaid during the period.
- loan amounting to Rs. 450,000 was disbursed to Engro Powergen Qadirpur Limited, an indirect subsidiary company, pursuant to agreement entered into on April 01, 2023. The loan carried mark-up at the rate of 1-month KIBOR plus 0.5% and the same was repaid during the period;
- loan to Engro Enfrashare (Private) Limited, an indirect subsidiary company, pursuant to agreement entered into on May 31, 2023, carries mark-up at the rate of 1-month KIBOR plus 0.5%. The balance outstanding as at June 30, 2023 aggregated to Rs. 2,000,000 (December 31, 2022: Nil).
- loan to Engro Infiniti (Private) Limited, a wholly owned subsidiary company, pursuant to agreement entered into on June 26, 2019, carries mark-up at the rate of 1-month KIBOR plus 0.5%. Out of the outstanding balance, Rs. 13,000 has been written off during the period against the provision already held. The balance outstanding as at June 30, 2023 aggregated to Rs. 80,000 (December 31, 2022: Rs. 80,000 - net of provision).

### 6. RECEIVABLES

This includes amount due from subsidiary companies aggregating to Rs. 1,087,127 (December 31, 2022: Rs. 1,059,984).

### 7. SHORT TERM INVESTMENTS

	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	----- (Rupees) -----	
Fair value through other comprehensive income		
- Pakistan Investment Bonds (notes 7.1 and 7.2)	10,100,036	29,380,322
Fair value through profit or loss		
- Mutual Fund Units (note 7.3)	182,199	3,078,051
Amortized cost		
- Treasury Bills (note 7.4)	9,536,048	14,799,413
- Fixed Income Placements (note 7.5)	52,164	346,990
	<u>9,588,212</u>	<u>15,146,403</u>
	<u>19,870,447</u>	<u>47,604,776</u>

(Amounts in thousand)

- 7.1 These Bonds carry yield of 12.75% to 13.40% (December 31, 2022: 12.75% to 17.56%) per annum and have maturity terms ranging between 5 to 10 years.
- 7.2 This amount is net of loss on remeasurement of Pakistan Investment Bonds amounting to Rs. 1,581,889 (December 31, 2022: Rs. 854,981).
- 7.3 This represents investment in Mutual Funds having cost amounting to Rs. 173,180 (December 31, 2022: Rs. 3,050,220).
- 7.4 These bills carry yield of 15.55% to 15.99% (December 31, 2022 14.75% to 16.87%) per annum and will mature by September 21, 2023.
- 7.5 This represent placement with bank and carries interest at 19.75% (December 31, 2022: 14.07% to 16.00%) per annum and will mature by July 2023.

## 8. SHARE CAPITAL

### 8.1 Authorized capital

(Unaudited) June 30, 2023	(Audited) December 31, 2022		(Unaudited) June 30, 2023	(Audited) December 31, 2022
------(Number of shares)-----			------(Rupees)-----	
700,000,000	700,000,000	Ordinary shares of Rs. 10 each	7,000,000	7,000,000

### 8.2 Issued, subscribed and paid-up capital

(Unaudited) June 30, 2023	(Audited) December 31, 2022		(Unaudited) June 30, 2023	(Audited) December 31, 2022
------(Number of shares)-----			------(Rupees)-----	
197,869,804	197,869,804	Ordinary shares of Rs. 10 each fully paid in cash	1,978,699	1,978,699
378,293,426	378,293,426	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	3,782,934 5,761,633	3,782,934 5,761,633
(39,536,762)	-	Ordinary shares of Rs. 10 each purchased and held for cancellation (note 8.2.1)	(395,368)	-
<u>536,626,468</u>	<u>576,163,230</u>		<u>5,366,265</u>	<u>5,761,633</u>

#### 8.2.1 Own shares purchased for cancellation

The Company, with the approval of the Company's shareholders in the extraordinary general meeting held on January 26, 2023, accorded to buy back upto to an aggregate number of 70,000,000 issued and paid-up ordinary shares of the Company at the spot / current price prevailing during the purchase period i.e. February 3, 2023 to July 25, 2023 or till such date that the Buy-back of shares is completed, whichever is earlier. During the period, the Company has purchased 39,536,762 own shares for cancellation.

## 9. CONTINGENCIES AND COMMITMENTS

### Contingencies

- 9.1 As at June 30, 2023, there is no material change in the status of matters reported as contingencies in note 19 of the audited annual financial statements of the Company for the year ended December 31, 2022, except as follows:
- 9.1.1 Standby Letter of Credit (Put Option SBLC) has been provided by Engro Energy Limited (EEL), a wholly owned subsidiary company, through Allied Bank Limited amounting to US Dollars 21,070 (December 31, 2022: US Dollars 21,070) in favour of the Put Option Fronting Bank (Habib Bank Limited). The Put Option SBLC has been furnished to meet sponsor obligations under Sponsor Support Agreement (Put Option SSA) and expires on earlier of (i) January 31, 2029; or (ii) fulfilment of sponsor obligations pursuant to Put Option SSA. This guarantee was secured by pledging Company's shares of Engro Fertilizer Limited (EFERT) and Friesland Campina Engro Pakistan Limited (FCEPL) of quantities 105,000,000 and 40,000,000 respectively.
- 9.1.2 Engro Elengy Terminal Pakistan Limited has issued SBLCs amounting to US Dollars 22,500 (December 31, 2022: US Dollars 22,500). This has been secured by pledging Company's shares of EFERT and Engro Polymer and Chemicals Limited (EPCL) of quantities 66,000,000 and 117,000,000 respectively.
- 9.1.3 On March 28, 2022, and as supplemented from time-to-time Allied Bank Limited and Faysal Bank Limited have committed to provide Payment Service Reserve Account (PSRA) SBLCs amounting to US Dollars 23,316 and Rs. 1,029,044 respectively on behalf of EEL, a wholly owned subsidiary, for its PSRA commitments related to Engro Powergen Thar (Private) Limited in favour of their project lenders. These SBLCs are partially secured by pledging 62,500,000, 78,800,000, 50,300,000 and 53,000,000 shares of EFERT, EPCL, FCEPL and Engro Powergen Qadirpur Limited (EPQL) respectively.

- 9.1.4 Updates in respect of tax related matters are disclosed in note 11.

### 9.2 Commitments

Commitments in respect of capital expenditure

	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees)-----	
	648,549	251,063

## 10. OTHER INCOME

### Financial assets

Income on bank deposits and other financial assets (note 10.1)

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- Rupees -----			
	1,520,954	1,749,095	3,484,703	3,075,602

### Non-financial assets

Gain on disposal of property, plant and equipment  
Others

	1,999	9,038	4,319	8,953
	1,049	3,567	1,157	3,482
	3,048	12,605	5,476	12,435
	<u>1,524,002</u>	<u>1,761,700</u>	<u>3,490,179</u>	<u>3,088,037</u>

(Amounts in thousand)

10.1 Includes Rs. 634,072 (June 30, 2022: Rs. 586,910) in respect of profit earned on subordinated loans to subsidiary companies.

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- Rupees -----			
11. TAXATION				
Current				
- for the period (note 11.2)	1,952,717	1,674,011	2,944,214	2,932,506
- for prior period (note 11.2)	891,010	864,601	891,010	864,601
	<u>2,843,727</u>	<u>2,538,612</u>	<u>3,835,224</u>	<u>3,797,107</u>
Deferred (note 11.3)	4,840	643	21,669	(14,772)
	<u>2,848,567</u>	<u>2,539,255</u>	<u>3,856,893</u>	<u>3,782,335</u>

11.1 As at June 30, 2023, following are the updates to taxation matters from those reported in note 26 to the audited annual financial statements of the Company for the year ended December 31, 2022:

11.1.1 During the period, in respect of the matter disclosed in note 26.1 of the audited annual financial statements of the Company for the year ended December 31, 2022, the Supreme Court of Pakistan (SCP) issued an interim order dated February 16, 2023 in respect of the petitions filed by the tax department against the High Court of Sindh (HCS) judgement dated December 22, 2022 in which the levy of super tax under section 4C inserted through Finance Act 2022 was decided in favor of the petitioners. The SCP in its interim order, while accepting the tax department's petition, gave directions to the Nazir of the HCS to encash the bank guarantees submitted by all petitioners including the Company to the extent of 4% of super tax liability.

11.1.2 During the period, in respect of tax year 2022, the Assistant Commissioner Inland Revenue (ACIR) has issued an amended order under section 4C of the Income Tax Ordinance, 2001 (the Ordinance) and has raised a demand of Rs. 251,746 mainly due to non-consideration of taxable loss while computing the 'income' for the purpose of super tax. The Company had filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who has maintained the said demand. The Company has filed an appeal with Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR(A). The Company, based on the advice of its tax consultant, is confident that the matter will ultimately be decided in its favor, hence, no provision has been made in this respect.

11.1.3 During the period, in respect of the matter disclosed in note 26.4 of the audited annual financial statements of the Company for the year ended December 31, 2022, the HCS has dismissed the petitions as well as stay applications filed by the Company challenging the imposition of tax on inter-corporate dividend (ICD) received from subsidiaries designated as Group under section 59B of the Ordinance in the tax years 2017 to 2021. The petitions pertaining to tax year 2022 and partially to tax year 2023 are still pending adjudication and hence stay is available. Consequent to the HCS decision, the Company received show cause notices from the tax department for recovery of tax on ICD pertaining to various tax years (2017 to 2023). Orders for the tax years 2017 to 2023 have been issued for the same raising an aggregate demand of Rs. 5,018,076 in respect of tax on ICD in the tax years 2017 to 2019 and 2023 which has been discharged under protest by the Company through cash payment as well as through adjustment of available prior period tax refunds. Further, the Company has also filed an appeal against the HCS decision before the SCP which is still pending.

11.1.4 During the period, the Additional Commissioner Inland Revenue initiated proceedings and further amended the order for tax year 2017 to raise demand of Rs. 19,687,430 mainly on account of tax levied on capital gains on disposal of shares of listed subsidiaries of Rs. 14,388,250 (including super tax) and tax on undistributed profits under section 5A of the Ordinance of Rs. 4,727,408.

(Amounts in thousand)

The HCS vide its order dated April 2, 2021 has already declared the levy on undistributed profits under section 5A as ultra vires to the Constitution. The Company has filed a rectification application with the ACIR to exclude tax on undistributed profits. Moreover, as normal recourse, the Company has contested this matter in the appeal filed before the CIR(A). The hearing before the CIR(A) is in progress. The Company, based on the advice of its tax consultant, is confident that the matter will ultimately be decided in its favor, hence, no provision has been made in this respect.

11.2 Section 4C 'Super tax on high earning persons' of the Ordinance introduced through the Finance Act, 2022 has been further amended through the Finance Act, 2023, whereby super tax rate has been increased to ten percent where the income exceeds Rs. 500,000. This is retrospectively applicable from tax year 2023 onwards. In previous year, the Company had already recognized super tax provision at 4% for tax year 2023 based on the rate applicable at December 31, 2022. Accordingly, during the current period, the Company has increased the super tax provision to 10% which has resulted in additional provision of Rs. 1,315,338, for prior tax year 2023. Further, this also includes super tax provision recognized at 10% for tax year 2024, amounting to Rs. 1,144,179.

11.3 Includes impact of higher deferred tax expense at the rate of 39% (including 10% super tax as explained in note 11.2 above) being the new rate substantively enacted at the balance sheet date and is expected to apply to the periods when the asset is realized or the liability is settled. Liability as at December 31, 2022 was recognized at 33% being the rate then enacted.

## 12. EARNINGS PER SHARE

As at June 30, 2023, there is no dilutive effect on the basic earnings per share of the Company, which is based on the following:

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- Rupees -----			
Profit for the period	<u>3,411,550</u>	<u>5,607,084</u>	<u>9,450,550</u>	<u>12,480,738</u>
	----- Number of shares (in thousand) -----			
Outstanding number of shares before impact of purchase of own shares for cancellation	539,413	576,163	576,163	576,163
Less: Impact of acquisition of own shares purchased and held for cancellation (note 8.2.1)	(2,202)	-	(23,146)	-
Weighted average number of ordinary shares	<u>537,211</u>	<u>576,163</u>	<u>553,017</u>	<u>576,163</u>

(Amounts in thousand)

	(Unaudited)	
	Half year ended	
	June 30, 2023	June 30, 2022
	------(Rupees)-----	
<b>13. CASH UTILIZED IN OPERATIONS</b>		
Profit before taxation	13,307,443	16,263,073
Adjustment for non-cash charges and other items:		
Depreciation	117,010	99,460
Amortization	17,686	25,391
Depreciation on right-of-use assets	159,534	109,439
Rent concession on lease liability	-	(12,729)
Provision for retirement and other service benefits	34,869	31,622
Dividend income	(11,282,601)	(15,913,782)
Royalty income	(902,288)	(688,980)
Income on bank deposits and other financial assets	(3,484,703)	(3,075,602)
Gain loss on disposal of property, plant and equipment	(4,319)	(8,953)
Financial charges	92,041	50,871
Working capital changes (note 13.1)	(1,543,912)	(1,026,005)
	<u>(3,489,240)</u>	<u>(4,146,195)</u>
<b>13.1 Working capital changes</b>		
Increase / (Decrease) in current assets		
- Loans, advances, deposits and prepayments	182,868	(59,771)
- Other receivables (net)	26,441	(240,595)
	<u>209,309</u>	<u>(300,366)</u>
Decrease in current liabilities		
- Trade and other payables including other service benefits (net)	(1,753,221)	(725,639)
	<u>(1,543,912)</u>	<u>(1,026,005)</u>
<b>14. CASH AND CASH EQUIVALENTS</b>		
Short term investments	50,000	20,171,748
Cash and bank balances	574,543	656,795
	<u>624,543</u>	<u>20,828,543</u>

## 15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 15.1 Financial risk factors

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

There have been no changes in the financial risk management policies of the Company during the period, consequently these unconsolidated condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

### 15.2 Fair value estimation

The table below analyses financial instruments carried at fair value using the fair value measurement method in accordance with IFRS 13. The different level have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

(Amounts in thousand)

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
As at June 30, 2023 (Unaudited)				
Financial assets at fair value through other comprehensive income - Pakistan Investment bonds	-	10,100,036	-	10,100,036
Financial assets at fair value through profit or loss - Mutual Funds Units	-	182,199	-	182,199
As at December 31, 2022 (Audited)				
Financial assets at fair value through other comprehensive income - Pakistan Investment Bonds	-	29,380,322	-	29,380,322
Financial assets at fair value through profit or loss - Mutual Funds Units	-	3,078,051	-	3,078,051

## 15.3 Valuation techniques used to determine fair values

Level 2 fair values have been determined using PKRV & PKFRV rates and closing Net Asset Values for government securities and mutual fund units, respectively.

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

## 15.4 Fair value of financial assets and liabilities

The carrying value of all other financial assets and liabilities reflected in these unconsolidated condensed interim financial statements approximate their fair values.

(Amounts in thousand)

## 16. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of parent company, subsidiaries, joint venture company, associated companies, retirement benefit funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

	(Unaudited)	
	Half year ended	
	June 30, 2023	June 30, 2022
	------(Rupees)-----	
<b>Parent Company</b>		
Dividend paid	8,793,262	2,788,108
Reimbursement to	79,434	7,380
Reimbursement from	1,067	-
Reimbursement under advisory agreement	-	14,617
<b>Subsidiary companies</b>		
Mark-up from subsidiaries	634,072	586,910
Disbursement of loan to subsidiaries	3,450,000	15,400,000
Repayment of loan by subsidiaries	3,050,000	13,537,000
Dividend income	10,675,101	15,391,332
Royalty income	902,288	688,980
Reimbursements from	2,188,155	1,270,671
Reimbursements to	714,777	351,952
Tax loss surrendered to EPCL	373,489	-
<b>Associated companies</b>		
Purchases and services	63,101	16,978
Contribution for Corporate Social Responsibility	175,000	-
Dividend paid	631,679	201,152
Reimbursements from	48,155	106,236
Reimbursements to	82,693	7,459
<b>Joint venture</b>		
Dividend income	607,500	522,450
Reimbursements from joint venture	96,505	63,320
Reimbursements to joint venture	4,161	9,504
<b>Others</b>		
Remuneration of key management personnel	289,266	366,235
Contribution to staff retirement benefit funds	129,503	109,775
Advisory agreement	51,000	58,484
Dividend paid to directors, KMP and others	1,568,656	473,320
Directors' Fee	42,189	53,377

(Amounts in thousand)

## 17. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

17.1 The Board of Directors of Engro Polymer and Chemicals Limited, a subsidiary company, in its meeting held on August 9, 2023 has proposed an interim cash dividend of Rs.1.5 per share for the year ending December 31, 2023, amounting to Rs. 1,363,385 of which the proportionate share of the Company amounts to Rs. 766,100.

17.2 The Board of Directors of Engro Fertilizers Limited, a subsidiary company, in its meeting held on July 26, 2023 has proposed an interim cash dividend of Rs. 3 per share for the year ending December 31, 2023, amounting to Rs. 4,005,898 of which the proportionate share of the Company amounts to Rs. 2,253,936.

17.3 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on August 10, 2023 has proposed an interim cash dividend of Rs. 6 per share for the year ending December 31, 2023, amounting to Rs. 540,000 of which the proportionate share of the Company amounts to Rs. 270,000.

These unconsolidated condensed interim financial statements do not include the effects of the aforementioned dividend income.

17.4 The Board of Directors of the Company in its meeting held on August 16, 2023 has proposed a interim cash dividend of Rs. 2 per share for the year ending December 31, 2023 amounting to Rs. 1,073,253. These unconsolidated condensed interim financial statements do not reflect the effect of dividend payable.

## 18. CORRESPONDING FIGURES

18.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.

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

## 19. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 16, 2023 by the Board of Directors of the Company.

Mohammad Abdul Aleem  
Director

Mazhar Abbas Hasnani  
Chief Financial Officer

Ghias Khan  
President & CEO



# consolidated condensed interim financial statements (unaudited) for the half year ended june 30, 2023



A.F.FERGUSON & CO.

## INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Engro Corporation 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 Corporation Limited and its subsidiaries (the Group) as at June 30, 2023 and the related consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of 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, consolidated condensed interim statement of comprehensive income and notes thereto for the quarters ended June 30, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2023.

### 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 Salman Hussain.

Chartered Accountants  
Karachi

Date: 28 August, 2023

UDIN: RR202310113JhxW0lsbn

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consolidated condensed interim statement of  
financial position (unaudited)  
as at June 30, 2023

(Amounts in thousand)	Note	(Unaudited) June 30, 2023	(Audited) December 31, 2022
------(Rupees)-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	363,762,702	329,877,228
Right-of-use assets		13,453,971	13,328,823
Intangible assets		2,104,349	2,274,561
Long term investments	7	36,453,037	36,081,246
Deferred taxation		80,001	101,660
Financial assets at amortized cost		2,815,942	3,783,265
Derivative financial instruments		1,066,621	737,319
Net investment in leases		62,016,476	52,160,406
Long term loans, advances, deposits and other receivables		4,301,887	3,816,788
		<b>486,054,986</b>	<b>442,161,296</b>
<b>Current assets</b>			
Stores, spares and loose tools		10,877,131	9,834,814
Stock-in-trade	8	35,769,771	30,242,789
Trade debts		78,065,690	71,195,463
Loans, advances, deposits and prepayments		10,732,188	6,849,714
Other receivables		41,964,075	35,962,591
Accrued income		2,627,022	2,269,306
Contract assets		13,817,606	14,124,293
Current portion of net investment in leases		7,579,441	5,683,292
Short term investments		46,311,009	86,105,467
Cash and bank balances		67,876,774	44,986,627
		<b>315,620,707</b>	<b>307,254,356</b>
Assets classified as held for sale	7.2	100	-
<b>TOTAL ASSETS</b>		<b>801,675,793</b>	<b>749,415,652</b>

consolidated condensed interim statement of  
financial position (unaudited)  
as at June 30, 2023

(Amounts in thousand)	Note	(Unaudited) June 30, 2023	(Audited) December 31, 2022
------(Rupees)-----			
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	5,366,264	5,761,632
Reserves		138,779,113	161,059,939
		<b>144,145,377</b>	<b>166,821,571</b>
Non-controlling interest		77,740,735	73,762,386
<b>Total Equity</b>		<b>221,886,112</b>	<b>240,583,957</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	10	166,591,300	156,173,794
Government grant		1,919,598	1,472,279
Deferred taxation		14,832,125	13,395,214
Lease liabilities		71,947,737	62,369,918
Deferred liabilities		4,229,336	3,633,893
Long term provisions		937,304	2,952,970
		<b>260,457,400</b>	<b>239,998,068</b>
<b>Current liabilities</b>			
Trade and other payables		156,819,134	125,775,973
Contract liabilities		15,220,763	12,980,370
Accrued interest / mark-up		3,102,204	2,764,706
Current portion of:			
- borrowings		33,382,552	27,699,919
- government grant		411,743	353,201
- lease liabilities		11,085,181	9,046,896
- deferred liabilities		396,839	577,116
- long term provisions		28,381,076	25,503,815
Taxes payable		17,930,857	18,188,222
Short term borrowings		39,030,868	32,984,960
Dividend payable		13,571,064	12,958,449
		<b>319,332,281</b>	<b>268,833,627</b>
<b>Total Liabilities</b>		<b>579,789,681</b>	<b>508,831,695</b>
Contingencies and commitments	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>801,675,793</b>	<b>749,415,652</b>

The annexed notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

  
Mohammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President & CEO




consolidated condensed interim statement of  
profit or loss (unaudited)  
for the half year ended June 30, 2023

(Amounts in thousand except for earnings per share)

Note	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees)		(Rupees)	
<b>CONTINUING OPERATIONS</b>				
Revenue	105,149,542	89,121,515	202,481,972	177,454,754
Cost of revenue	(69,495,938)	(62,166,307)	(141,265,444)	(123,281,911)
<b>Gross profit</b>	<b>35,653,604</b>	<b>26,955,208</b>	<b>61,216,528</b>	<b>54,172,843</b>
Selling and distribution expenses	(1,948,149)	(1,536,920)	(4,035,191)	(3,425,574)
Administrative expenses	(2,873,530)	(3,058,698)	(5,934,140)	(4,729,283)
Other income	6,895,660	5,637,410	13,751,246	9,623,415
Other operating expenses	(1,457,248)	(4,173,282)	(3,244,902)	(6,430,839)
Other losses:				
- Remeasurement loss on provision for GIDC	(384,890)	(644,915)	(585,398)	(1,001,520)
- Loss allowance on subsidy receivable from GoP	(71,896)	(303,595)	(504,345)	(389,173)
<b>Operating profit</b>	<b>35,813,551</b>	<b>22,875,208</b>	<b>60,663,798</b>	<b>47,819,869</b>
Finance cost	(11,391,261)	(6,874,272)	(22,496,085)	(12,001,936)
Share of income from joint venture and associates	1,729,042	283,790	1,605,232	1,272,119
<b>Profit before taxation</b>	<b>26,151,332</b>	<b>16,284,726</b>	<b>39,772,945</b>	<b>37,090,052</b>
Taxation	(13,473,753)	(14,369,687)	(18,298,594)	(20,277,549)
<b>Profit from continuing operations</b>	<b>12,677,579</b>	<b>1,915,039</b>	<b>21,474,351</b>	<b>16,812,503</b>
<b>DISCONTINUED OPERATIONS</b>				
Profit from discontinued operations (attributable to Owners of the Holding Company)	-	-	-	71
<b>Profit for the period</b>	<b>12,677,579</b>	<b>1,915,039</b>	<b>21,474,351</b>	<b>16,812,574</b>
<b>Profit attributable to:</b>				
- Owners of the Holding Company	5,926,724	(557,552)	10,574,077	7,413,968
- Non-controlling interest	6,750,855	2,472,591	10,900,274	9,398,606
	<b>12,677,579</b>	<b>1,915,039</b>	<b>21,474,351</b>	<b>16,812,574</b>
<b>Earnings per share - basic and diluted</b>				
- continuing operations	11.03	(0.97)	19.12	12.87
- discontinued operations	-	-	-	-
	<b>11.03</b>	<b>(0.97)</b>	<b>19.12</b>	<b>12.87</b>

The annexed notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

  
Mohammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President & CEO

consolidated condensed interim statement of  
comprehensive income (unaudited)  
for the half year ended June 30, 2023

(Amounts in thousand)

Note	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees)		(Rupees)	
Profit for the period	12,677,579	1,915,039	21,474,351	16,812,574
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
<b>Hedging reserve - cash flow hedges</b>				
Profit / (loss) arising during the period	112,774	(73,166)	329,302	-
Less: Reclassification adjustment for loss included in the statement of profit or loss	-	(218)	-	(433)
	112,774	(73,384)	329,302	(433)
<b>Revaluation reserve on business combination</b>				
Exchange differences on translation of foreign operations	216,599	341,699	802,439	355,861
Continuing operations' (loss) / gain on remeasurement of long-term investments classified at fair value through other comprehensive income	(55,748)	204,011	(741,407)	187,707
<b>Other comprehensive income for the period, net of tax</b>	<b>273,625</b>	<b>472,326</b>	<b>390,334</b>	<b>543,135</b>
<b>Total comprehensive income for the period</b>	<b>12,951,204</b>	<b>2,387,365</b>	<b>21,864,685</b>	<b>17,355,709</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Holding Company	6,200,349	(85,024)	10,964,411	7,957,238
- Non-controlling interest	6,750,855	2,472,389	10,900,274	9,398,471
	<b>12,951,204</b>	<b>2,387,365</b>	<b>21,864,685</b>	<b>17,355,709</b>
<b>Total comprehensive income attributable to:</b>				
- continuing operations	12,951,204	2,387,365	21,864,685	17,355,638
- discontinued operations	-	-	-	71
	<b>12,951,204</b>	<b>2,387,365</b>	<b>21,864,685</b>	<b>17,355,709</b>

The annexed notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

  
Mohammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer


  
Ghias Khan  
President & CEO

consolidated condensed interim  
statement of changes in equity  
for the half year ended june 30, 2023

(Amounts in thousand)

	Attributable to Owners of the Holding Company													Sub total	Non-controlling interest	Total
	Reserves						Revenue reserves									
	Capital reserves			Revenue reserves			Revenue reserves			Revenue reserves						
Share capital	Share premium	Capital repurchase reserve account	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Remeasurement of investments	Unappropriated profit	Remeasurement of post employment benefits	Rupees					
Balance as at January 1, 2022 (Audited)																
<b>Total comprehensive income for the half year ended June 30, 2022</b>	5,761,632	13,068,232	-	2,676	156,301	937,769	66,031	4,429,240	39,248	137,385,981	(108,064)	155,977,416	81,060,639	242,799,687		
Profit for the period	-	-	-	-	-	-	-	-	-	7,413,968	-	7,413,968	9,398,606	16,812,574		
Other comprehensive income / (loss)	-	-	-	-	355,861	(298)	-	-	187,707	-	-	187,707	(135)	543,135		
<b>Transactions with owners</b>																
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(11,769,289)	(11,769,289)		
Final cash dividend for the year ended December 31, 2021 @ Rs. 1.00 per share	-	-	-	-	-	-	-	-	-	(576,163)	-	(576,163)	-	(576,163)		
1st interim cash dividend for the year ended December 31, 2022 @ Rs. 12.00 per share	-	-	-	-	-	-	-	-	-	(6,813,959)	-	(6,813,959)	-	(6,813,959)		
<b>Balance as at June 30, 2022 (Unaudited)</b>	5,761,632	13,068,232	-	2,676	156,301	1,293,630	65,733	4,429,240	228,955	137,309,827	(108,064)	156,444,532	78,689,821	240,895,985		
<b>Total comprehensive income for the half year ended December 31, 2022</b>																
Profit for the period	-	-	-	-	-	-	-	-	-	16,918,084	-	16,918,084	12,380,619	29,298,703		
Other comprehensive income / (loss)	-	-	-	-	-	321,867	636,837	-	(1,093,769)	-	(68,184)	(203,249)	(7,896)	(211,145)		
<b>Transactions with owners</b>																
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(17,300,158)	(17,300,158)		
Interim cash dividends for the year ended December 31, 2022:																
- 2nd interim @ Rs. 11.00 per share	-	-	-	-	-	-	-	-	-	(6,337,796)	-	(6,337,796)	-	(6,337,796)		
- 3rd interim @ Rs. 10.00 per share	-	-	-	-	-	-	-	-	-	(5,761,632)	-	(5,761,632)	-	(5,761,632)		
<b>Balance as at December 31, 2022 (Audited)</b>	5,761,632	13,068,232	-	2,676	156,301	1,615,497	702,570	4,429,240	(866,814)	142,128,483	(176,248)	161,059,939	73,762,386	240,583,957		
<b>Total comprehensive income for the half year ended June 30, 2023</b>																
Profit for the period	-	-	-	-	-	-	-	-	-	10,574,077	-	10,574,077	10,900,274	21,474,351		
Other comprehensive income / (loss)	-	-	-	-	-	802,439	329,302	-	(741,407)	-	-	390,334	-	390,334		
Own shares purchased for cancellation (note 9.2)	(395,368)	-	395,368	-	-	-	-	-	-	10,574,077	-	10,964,411	10,900,274	21,864,685		
<b>Transactions with owners</b>																
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(6,921,925)	(6,921,925)		
Final cash dividend for the year ended December 31, 2022 @ Rs. 1.00 per share	-	-	-	-	-	-	-	-	-	(546,244)	-	(546,244)	-	(546,244)		
First interim cash dividend for the year ending December 31, 2023 @ Rs. 40.00 per share	-	-	-	-	-	-	-	-	-	(21,465,059)	-	(21,465,059)	-	(21,465,059)		
<b>Balance as at June 30, 2023 (Unaudited)</b>	5,366,264	13,068,232	395,368	2,676	156,301	2,417,936	1,031,872	4,429,240	(1,608,221)	119,061,955	(176,248)	138,779,113	77,740,735	221,886,112		

The annexed notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

  
Mohammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President & CEO

consolidated condensed interim  
statement of cash flows (unaudited)  
for the half year ended june 30, 2023

(Amounts in thousand)

Note	Half year ended	
	June 30, 2023	June 30, 2022
------(Rupees)-----		
<b>Cash flows from operating activities</b>		
Cash generated from operations	69,047,694	45,851,491
Retirement and other service benefits paid - net	(209,038)	(8,860)
Proceeds from net investment in leases	3,355,850	2,089,441
Finance income received on net investment in leases	3,832,433	2,941,811
Deferred incentive	263,169	286,887
Financial charges paid	(17,514,147)	(9,218,154)
Taxes paid	(17,097,389)	(4,669,289)
Long term loans and advances - net	70,488	(424,309)
Bank balance held as margin	(513,589)	(792,978)
<b>Net cash generated from operating activities</b>	<b>41,235,471</b>	<b>36,056,040</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	(17,602,653)	(17,702,380)
Sale proceeds on disposal of property, plant and equipment	209,580	70,202
Investments (made) / redeemed during the period - net	29,493,091	(34,630,080)
Income on deposits / other financial assets	7,831,317	4,661,704
Dividends received	1,284,786	522,450
<b>Net cash generated from / (utilized in) investing activities</b>	<b>21,216,121</b>	<b>(47,078,104)</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowings - net	(14,140,214)	(11,380,374)
Repayment of lease liability	(4,647,892)	(3,272,845)
Finance cost paid on lease liability	(2,797,318)	(1,073,185)
Payment for own shares purchased for cancellation	(11,629,302)	-
Dividends paid	(28,320,613)	(19,604,751)
<b>Net cash utilized in financing activities</b>	<b>(61,535,339)</b>	<b>(35,331,155)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>916,253</b>	<b>(46,353,219)</b>
Effect of exchange rate changes on cash and cash equivalents	3,049,600	1,183,744
<b>Cash and cash equivalents at beginning of the period</b>	<b>25,366,691</b>	<b>91,662,651</b>
<b>Cash and cash equivalents at end of the period</b>	<b>29,332,544</b>	<b>46,493,176</b>

The annexed notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

  
Mohammad Abdul Aleem  
Director

  
Mazhar Abbas Hasnani  
Chief Financial Officer

  
Ghias Khan  
President & CEO

# notes to the consolidated condensed interim financial statements (unaudited) for the half year ended june 30, 2023

(Amounts in thousand)

## 1. LEGAL STATUS AND OPERATIONS

1.1 Engro Corporation Limited (the Holding Company) is a public listed company incorporated in Pakistan and its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Holding Company is a subsidiary of Dawood Hercules Corporation Limited (the Parent Company). The principal activity of the Holding Company is to manage investments in subsidiary companies, associated companies and joint venture, engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, LNG terminals, telecommunications infrastructure and chemical terminal and storage businesses. The Holding Company's registered office is situated at 8th floor, The Harbour Front Building, Plot Number HC # 3, Marine Drive, Block 4, Clifton, Karachi.

1.2 The "Group" consists of:

**Holding Company** - Engro Corporation Limited

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

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

	Percentage of direct share holding	
	June 30, 2023	December 31, 2022
- Engro Energy Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Connect (Private) Limited	100	100
- Engro Infiniti (Private) Limited	100	100
- Engro Eximp FZE	100	100
- Engro Fertilizers Limited	56.27	56.27
- Engro Polymer and Chemicals Limited	56.19	56.19
- Elengy Terminal Pakistan Limited	56	56
<b>Joint Venture Company:</b>		
- Engro Vopak Terminal Limited	50	50
<b>Associated Company:</b>		
- FrieslandCampina Engro Pakistan Limited	39.9	39.9

## 2. BASIS FOR 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 applicable in Pakistan for interim financial reporting comprise of:

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

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

(Amounts in thousand)

2.2 The cumulative figures for the half year ended June 30, 2023 presented in these consolidated condensed interim financial statements have been subjected to limited scope review by the auditors of the Holding Company, as required under section 237 of the Act. These consolidated condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022.

## 3. BASIS OF CONSOLIDATION

3.1 The condensed interim financial statements / information of the subsidiary companies have been consolidated on a line by line basis. The carrying value of investments held by the Holding Company is eliminated against the subsidiaries' share capital and pre-acquisition reserves.

3.2 Non-controlling interest has been presented as a separate line item in these consolidated condensed interim financial statements. All material intercompany balances and transactions have been eliminated.

3.3 The Group's interest in joint venture and associated company has been accounted for using the equity method.

## 4. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

4.1 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 Holding Company for the year ended December 31, 2022.

There are certain amendments to published International Financial Reporting Standards (IFRSs) that are mandatory for the financial year beginning on January 1, 2023. These are considered not to have any significant effect on the Group's financial reporting and operations and have, therefore, not been disclosed in these consolidated condensed interim financial statements.

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

## 5. ACCOUNTING ESTIMATES

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

During the preparation of these consolidated condensed interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that were applied to the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022.

(Amounts in thousand)

	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees)-----	
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets, at net book value (notes 6.1 to 6.3)	327,148,732	300,654,940
Capital work in progress (CWIP) - Expansion and other projects (notes 6.4 and 6.5)	32,291,630	24,839,815
Capital spares and standby equipment	<u>4,322,340</u>	<u>4,382,473</u>
	<u>363,762,702</u>	<u>329,877,228</u>
6.1 Following additions, including transfers from CWIP, were made to operating assets during the period / year:		
Building	1,602,395	4,995,781
Pipelines	-	967
Plant and machinery - including capitalization of exchange differences (note 6.3)	29,508,104	37,705,769
Furniture, fixtures and equipment	2,834,958	9,735,236
Vehicles	716,220	683,386
Catalyst	728,839	402,520
Aircraft	-	2,634,870
Jetty	-	9,724
Dredging	-	369,996
	<u>35,390,516</u>	<u>56,538,249</u>
6.2 During the period, operating assets costing Rs. 328,284 (December 31, 2022: Rs. 2,570,359), having net book value of Rs. 151,677 (December 31, 2022: Rs. 719,577) were disposed / written off for Rs. 209,580 (December 31, 2022: Rs. 614,122).		
6.3 This includes Rs. 25,273,330 (December 31, 2022: Rs. 23,282,056) on account of capitalization of exchange differences.		
	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees)-----	
6.4 Capital work in progress - Expansion and other projects		
Balance at beginning of the period / year	24,839,815	20,265,122
Additions during the period / year	17,260,082	37,588,841
Borrowing cost capitalized during the period / year	52,866	42,669
Reclassification	-	28,791
Transferred to:		
- operating assets	(9,780,640)	(32,813,372)
- intangible assets	(45,160)	(261,360)
- capital spares	(35,333)	(10,876)
	<u>32,291,630</u>	<u>24,839,815</u>
6.5 Includes Rs. 1,140,386 (December 31, 2022: Rs. 636,268) paid as advance representing EFERT's share in respect of a joint operation arrangement being undertaken to ensure sustainable gas supplies and enhancement of delivery pressure at one of the gas supply sites.		

(Amounts in thousand)

	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees)-----	
<b>7. LONG TERM INVESTMENTS</b>		
Balance at beginning of the period / year	36,081,246	34,217,070
Add / (less):		
- Share of profit and other comprehensive income for the period / year (note 7.1)	1,605,232	3,174,081
- Provision adjustment against tax contingency	65,944	(290,269)
- Revaluation loss on investments and others	(14,499)	(51,924)
- Dividend received during the period / year	(1,284,786)	(932,500)
- Reversal of profits	-	(35,212)
- Investment classified as held for sale (note 7.2)	(100)	-
Balance at end of the period / year	<u>36,453,037</u>	<u>36,081,246</u>
7.1 Details of share of profit and other comprehensive income for the period / year are as follows:		
- Sindh Engro Coal Mining Company Limited (SECMC)	534,502	1,008,703
- FrieslandCampina Engro Pakistan Limited (FCEPL)	529,174	942,609
- Engro Vopak Terminal Limited (EVTL)	541,556	1,222,769
	<u>1,605,232</u>	<u>3,174,081</u>
7.2 The Board of Directors of Engro Energy Limited, a wholly owned subsidiary company, in its meeting held on February 10, 2023, has approved the disposal of Pakistan Energy Gateway Limited (PEGL) at a consideration equivalent to its carrying value of Rs. 100. Accordingly, the Group's investment has been classified as "Held for Sale".		
	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees)-----	
<b>8. STOCK-IN-TRADE</b>		
Raw and packaging materials (note 8.1)	12,086,669	9,894,583
Unprocessed rice	39,243	1,202,364
Fuel stock	618,496	537,232
Work-in-process	289,285	133,161
Finished goods:		
- own manufactured products (note 8.3)	12,364,045	9,469,340
- purchased and packaged products	10,812,869	9,313,718
	23,176,914	18,783,058
Less: Provision for impairment against stock-in-trade	(440,836)	(307,609)
	<u>35,769,771</u>	<u>30,242,789</u>
8.1 This includes stock held with Engro Vopak Terminal Limited, a joint venture company, amounting to Rs. 2,098,115 (December 31, 2022: Rs. 2,672,597) and goods in transit amounting to Rs. 1,532,712 (December 31, 2022: Nil).		
8.2 During the period, stock-in-trade amounting to Rs. 58,305 (December 31, 2022: Rs. 18,092) has been written-off against provision.		
8.3 Above includes stock-in-trade costing Rs. 1,342,352 (December 31, 2022: Rs. 4,079,147) carried at net realizable value, amounting to Rs. 1,241,854 (December 31, 2022: Rs. 3,651,147).		

(Amounts in thousand)

## 9. SHARE CAPITAL

9.1 Authorized capital	(Unaudited)	(Audited)		(Unaudited)	(Audited)
	June 30, 2023	December 31, 2022		June 30, 2023	December 31, 2022
	------(Number of shares)-----			------(Rupees)-----	
	700,000,000	700,000,000	Ordinary shares of Rs. 10 each	7,000,000	7,000,000
9.2 Issued, subscribed and paid-up capital	(Unaudited)	(Audited)		(Unaudited)	(Audited)
	June 30, 2023	December 31, 2022		June 30, 2023	December 31, 2022
	------(Number of shares)-----			------(Rupees)-----	
	197,869,804	197,869,804	Ordinary shares of Rs. 10 each fully paid in cash	1,978,699	1,978,699
	378,293,426	378,293,426	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	3,782,933	3,782,933
	576,163,230	576,163,230		5,761,632	5,761,632
	(39,536,762)	-	Ordinary shares of Rs. 10 each purchased and held for cancellation (note 9.2.1)	(395,368)	-
	536,626,468	576,163,230		5,366,264	5,761,632

### 9.2.1 Own shares purchased for cancellation

The Holding Company, with the approval of its shareholders in the extraordinary general meeting held on January 26, 2023, accorded to buy back upto an aggregate number of 70,000,000 issued and paid-up ordinary shares of the Holding Company at the spot / current price prevailing during the purchase period i.e. February 3, 2023 to July 25, 2023 or till such date that the buy-back of shares is completed, whichever is earlier. During the period, the Holding Company has purchased 39,536,762 own shares for cancellation.

## 10. BORROWINGS

As at June 30, 2023, there is no material change in the status of borrowings reported in note 23 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022, except as follows:

10.1 During the period, the Group has recorded exchange loss on revaluation of foreign currency borrowings amounting to Rs. 29,319,190 (December 31, 2022: Rs. 27,167,532).

### Engro Fertilizers Limited (EFERT)

10.2 During the period, EFERT made principal repayments of long term finances to MCB Bank Limited, Allied Bank Limited and Deutsche Investitions-und Entwicklungsgesellschaft amounting to Rs. 1,166,667, Rs. 605,398 and Rs. 480,332 respectively.

(Amounts in thousand)

10.3 During the period, EFERT repaid TERF loan to Habib Bank Limited, Allied Bank Limited and MCB Bank Limited amounting to Rs. 25,739, Rs. 4,946 and Rs. 209,210 respectively. These borrowings have the same charge as the borrowings from other Senior Lenders on operating assets. Mark-up is chargeable at concessional rates ranging from 1.5% to 2.00% per annum and is payable in quarterly or semi-annual installment starting from January 2023.

### Engro Powergen Thar (Private) Limited (EPTL)

10.4 During the period, EPTL made principal repayments amounting to Rs. 8,951,296 (December 31, 2022: Rs. 13,127,382).

### Engro Polymer and Chemicals Limited (EPCL)

10.5 During the period, further drawdown amounting to Rs. 1,150,303 was made against Islamic Temporary Economic Refinance Facility (ITERF). The impact of below market mark-up rate on this additional loan has been accounted for as government grant.

### Elengy Terminal Pakistan Limited (ETPL)

10.6 During the period, Engro Elengy Terminal (Private) Limited (EETPL) made principal repayment of long term finances to Allied Bank Limited amounting to Rs. 889,634 (December 31, 2022: Rs. 1,451,749).

## 11. CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

As at June 30, 2023, there is no material change in the status of matters reported as contingencies in note 33 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022, except as follows:

#### The Holding Company

11.1.1 Standby Letter of Credit (Put Option SBLC) has been provided by Engro Energy Limited (EEL), a wholly owned subsidiary company, through Allied Bank Limited amounting to USD 21,070 (December 31, 2022: USD 21,070) in favour of the Put Option Fronting Bank (Habib Bank Limited). The Put Option SBLC has been furnished to meet sponsor obligations under Sponsor Support Agreement (Put Option SSA) and expires on earlier of (i) January 31, 2029; or (ii) fulfilment of sponsor obligations pursuant to Put Option SSA. This guarantee was secured by pledging the Holding Company's shares of EFERT and FrieslandCampina Engro Pakistan Limited (FCEPL) of quantities 105,000,000 and 40,000,000, respectively.

11.1.2 EETPL has issued SBLCs amounting to USD 22,500 (December 31, 2022: USD 22,500). This has been secured by pledging the Holding Company's shares of EFERT and EPCL of quantities 66,000,000 and 117,000,000, respectively.

11.1.3 On March 28, 2022, and as supplemented from time-to-time, Allied Bank Limited and Faysal Bank Limited have committed to provide Payment Service Reserve Account (PSRA) SBLCs amounting to USD 23,316 (December 31, 2022: USD 23,316) and Rs. 1,029,044 (December 31, 2022: Rs. 1,029,044) respectively on behalf of EEL for its PSRA commitments related to EPTL in favour of their project lenders. These SBLCs are secured by pledging the Holding Company's shares of EFERT, EPCL, FCEPL and Engro Powergen Qadirpur Limited (EPQL), of quantities 62,500,000, 78,800,000, 50,300,000 and 53,000,000, respectively.

(Amounts in thousand)

## 11.2 Commitments

- 11.2.1 Commitments in respect of capital and operational expenditure contracted but not incurred amount to Rs. 57,739,718 (December 31, 2022: Rs. 43,204,163).
- 11.2.2 Engro Eximp Agriproducts (Private) Limited (EEAP) has entered into export selling contracts of 1,000 tons (December 31, 2022: 2,100 tons) of Super Basmati Finished Brown Rice to various parties on agreed terms for delivery on various dates subsequent to the period end. The sales value of these open commitments at period end exchange rate amounts to Rs. 75,815 (December 31, 2022: Rs. 619,103).
- 11.2.3 The aggregate facilities for issuance of performance guarantees by the banks on behalf of EPCL as at June 30, 2023 amount to Rs. 7,011,030 (December 31, 2022: Rs. 7,048,000). The amount utilized there against as at June 30, 2023 is Rs. 5,740,363 (December 31, 2022: Rs. 6,268,568).
- 11.2.4 The facility for opening letters of credit of EPCL and its subsidiary companies as at June 30, 2023 aggregates to Rs. 25,598,000 (December 31, 2022: Rs. 27,750,000). The amount utilized thereagainst as at June 30, 2023 was Rs. 13,446,490 (December 31, 2022: Rs. 8,631,302).
- 11.2.5 Commitments of EPCL in respect of rentals of storage tanks at EVTL for the handling of (i) Ethylene aggregate to USD 14,472 valid till March 31, 2026, (ii) Ethylene Di Chloride (EDC) aggregate to USD 11,026 valid till December 31, 2028 and (iii) Vinyl Chloride Monomer (VCM) aggregate to USD 620 valid till December 31, 2023.
- 11.2.6 EFERT has issued bank guarantees amounting to Rs. 7,670,623 (December 31, 2022: Rs. 9,117,070) in favour of third parties.
- 11.2.7 EETPL has provided bank guarantee amounting to Rs. 1,045,496 (December 31, 2022: Rs. 1,952,145) from MCB Bank Limited and Rs. 1,536,743 (December 31, 2022: Rs. 1,322,483) from Bank Alfalah Limited, in favor of Nazir of the Court to comply with the interim orders of the Court as explained in note 33.8.16 of the annual audited consolidated financial statements of the Holding Company.
- 11.2.8 EETPL has provided a Letter of Guarantee through National Bank of Pakistan amounting to Rs. 2,843,500 (December 31, 2022: Rs. 1,860,000) and Rs. 1,421,750 (December 31, 2022: Rs. 930,000) in favour of Sui Southern Gas Company Limited (SSGCL) to guarantee performance of its obligations under the LNG Operations and Services Agreement (LSA). The aforementioned guarantee is secured against project assets of EETPL and the Holding Company's corporate guarantee. Both of the guarantees in favour of SSGCL are valid till April 30, 2024 and are renewable annually.
- 11.2.9 Enfrashare has obtained letter of credit facility aggregating Rs. 2,000,000 (December 31, 2022: Nil) from MCB Bank Limited. The amount availed on the facility as at June 30, 2023 is Rs. 1,408,000 (December 31, 2022: Nil).
- 11.2.10 Commitments given by the associated companies and joint venture in respect of capital and operational expenditure including bank guarantees amount to Rs. 3,283,866 (December 31, 2022: Rs. 2,418,431).

(Amounts in thousand)

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
----- Rupees -----				
<b>12. REVENUE</b>				
Own manufactured products / sale of electricity (note 12.1)	65,401,706	62,526,100	134,101,705	139,562,013
Less:				
- Sales tax	(5,563,166)	(6,889,916)	(11,020,806)	(13,250,338)
- Discounts	(644,140)	(420,241)	(818,633)	(926,638)
	<u>59,194,400</u>	<u>55,215,943</u>	<u>122,262,266</u>	<u>125,385,037</u>
Purchased and packaged products	<u>37,038,330</u>	<u>28,095,961</u>	<u>62,697,336</u>	<u>41,101,342</u>
Services rendered	<u>10,627,603</u>	<u>7,522,486</u>	<u>20,960,680</u>	<u>13,909,280</u>
	<u>47,665,933</u>	<u>35,618,447</u>	<u>83,658,016</u>	<u>55,010,622</u>
Less: Sales tax	<u>(1,631,846)</u>	<u>(1,531,123)</u>	<u>(3,126,385)</u>	<u>(2,644,865)</u>
Less: Discounts	<u>(78,945)</u>	<u>(181,752)</u>	<u>(311,925)</u>	<u>(296,040)</u>
	<u>(1,710,791)</u>	<u>(1,712,875)</u>	<u>(3,438,310)</u>	<u>(2,940,905)</u>
	<u>105,149,542</u>	<u>89,121,515</u>	<u>202,481,972</u>	<u>177,454,754</u>

- 12.1 During the period, EPTL has reversed additional cost of revenue amounting to Rs. 1,686,767 based on certain clarifications that have been sought by SECMC from the Thar Coal Energy Board (TCEB) with respect to tariff components as approved by TCEB related to its Commercial Operations Date (COD) stage tariff for 3.8 mtpa (Phase I) on December 29, 2022. Resultantly, the Group has also accounted for consequential adjustment in revenue, contract liability and contract asset by the same amount.

## 13. TAXATION

As at June 30, 2023, following are the updates to taxation matters from those reported in note 42 to the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2022:

- 13.1 During the period, in respect of the matter disclosed in note 42.1 of the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2022, the Supreme Court of Pakistan (SCP) issued an interim order dated February 16, 2023 in respect of the petitions filed by the tax department against the High Court of Sindh (HCS) judgement dated December 22, 2022 in which the levy of super tax under section 4C inserted through Finance Act, 2022 was decided in favor of the petitioners. The SCP in its interim order, while accepting the tax department's petition, gave directions to the Nazir of the HCS to encash the bank guarantees submitted in respect of super tax by all petitioners including the Group to the extent of 4%.
- 13.2 Section 4C 'Super tax on high earning persons' of the Income Tax Ordinance, 2001 (the Ordinance) introduced through the Finance Act, 2022 has been further amended through the Finance Act, 2023, whereby super tax rate has been increased to ten percent where the income exceeds Rs. 500,000. This is retrospectively applicable from tax year 2023 onwards. In previous year, the Group had already recognized super tax provision at 4% for tax year 2023 based on the rate applicable at December 31, 2022. Accordingly, during the current period, the Group has increased the super tax provision to 10% which has resulted in additional provision of Rs. 4,158,626, for prior tax year 2023. Further, tax charge for the period includes super tax provision recognised at 10% for tax year 2024, amounting to Rs. 3,324,913.

(Amounts in thousand)

13.3 Tax charge for the period includes impact of higher deferred tax expense at the rate of 39% (including 10% super tax as explained in note 13.2 above) being the new rate substantively enacted at the balance sheet date and is expected to apply to the periods when the asset is realised or the liability is settled. Liability as at December 31, 2022 was recognised at 33% being the rate then enacted.

#### 13.4 The Holding Company

13.4.1 During the period, in respect of tax year 2022, the Assistant Commissioner Inland Revenue (ACIR) has issued an amended order under section 4C of the Income Tax Ordinance, 2001 (the Ordinance) and has raised a demand of Rs. 251,746 mainly due to non-consideration of taxable loss while computing the 'income' for the purpose of super tax. The Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who has maintained the said demand. The Holding Company has filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR(A). The Holding Company, based on the advice of its tax consultant, is confident that the matter will ultimately be decided in its favor, hence, no provision has been made in this respect.

13.4.2 During the period, in respect of the matter disclosed in note 42.4.1 of the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2022, the HCS has dismissed the petitions as well as stay applications filed by the Holding Company challenging the imposition of tax on inter-corporate dividend (ICD) received from subsidiaries designated as Group under section 59B of the Ordinance in the tax years 2017 to 2021. The petitions pertaining to tax year 2022 and partially to tax year 2023 are still pending adjudication and hence stay is available. Consequent to the HCS decision, the Holding Company received show cause notices from the tax department for recovery of tax on ICD pertaining to various tax years (2017 to 2023). Orders for the tax years 2017 to 2023 have been issued for the same raising an aggregate demand of Rs. 5,018,076 in respect of tax on ICD in the tax years 2017 to 2019 and 2023 which has been discharged under protest by the Holding Company through cash payment as well as through adjustment of available prior period tax refunds. Further, the Holding Company has also filed an appeal against the HCS decision before the SCP which is still pending.

13.4.3 During the period, the ACIR initiated proceedings and further amended the order for tax year 2017 to raise demand of Rs. 19,687,430 mainly on account of tax levied on capital gains on disposal of shares of listed subsidiaries of Rs. 14,388,250 (including super tax) and tax on undistributed profits under section 5A of the Ordinance of Rs. 4,727,408.

The HCS vide its order dated April 2, 2021 has already declared the levy on undistributed profits under section 5A as ultra vires to the Constitution. The Holding Company has filed a rectification application with the ACIR to exclude tax on undistributed profits. Moreover, as normal recourse, the Holding Company has contested this matter in the appeal filed before the CIR(A). The hearing before the CIR(A) is in progress. The Holding Company, based on the advice of its tax consultant, is confident that the matter will ultimately be decided in its favor, hence, no provision has been made in this respect.

#### 13.5 Engro Fertilizers Limited (EFERT)

13.5.1 During the period, EFERT received an order from the ACIR disallowing amortization on intangibles amounting to Rs. 293,480 for tax year 2017, having a tax impact of Rs. 90,978. Further, the order incorporated other amended assessments, thereby creating a demand of Rs. 494,108. EFERT has filed an appeal before the CIR(A) and hearing is yet to be held.

The Group maintains adequate provision in these consolidated condensed interim financial statements and is confident of an ultimate favorable outcome on this amendment.

(Amounts in thousand)

13.5.2 During the period, EFERT received an order from the Deputy Commissioner Inland Revenue (DCIR), in respect of tax year 2022, amending the Group return filed by EFERT along with its subsidiary company, EFERT Agritrade (Private) Limited (EFAT) to make disallowances having a tax impact of Rs. 1,383,076. These mainly pertain to disallowance of provisions made for Sindh Infrastructure Cess accruals and trade debts invoking the provisions of Section 34(3) of Income Tax Ordinance, 2001 (the Ordinance), amortization on right to use brand and loss allowance on subsidy under Section 20 of the Ordinance and Workers' Profits Participation Fund (WPPF). The DCIR has also concluded that the provision for Gas Infrastructure Development Cess (GIDC) is considered as taxable income for the purposes of determination of Super Tax under Section 4C of the Ordinance. The DCIR has also disallowed refund adjustment amounting to Rs. 1,859,844. Further, the order also incorporates the enhanced amount of levy of Super Tax under Section 4C of the Ordinance, thereby creating a total demand of Rs. 3,718,104.

EFERT is in the process of filing an appeal before the CIR(A) against this order. EFERT's management considers, based on the legal / tax advisor's opinion, that it has reasonable grounds to defend the case and therefore no provision has been recognized in these consolidated condensed interim financial statements in respect of the aforementioned order.

#### Associated Company and Joint Venture

#### 13.6 FrieslandCampina Engro Pakistan Limited (FCEPL)

13.6.1 Following the directions of Lahore High Court (LHC), the Collectorate of Customs Appraisal confirmed the earlier ruling of the Classification Committee (CC) dated March 15, 2022 against the taxpayers by issuing a fresh ruling on April 04, 2023. Being aggrieved, some dairy companies challenged the ruling in LHC on the grounds that proper opportunity of being heard was not provided to the taxpayers. Subsequent to the period end, LHC converted these appeals into representations before the Federal Board of Revenue (FBR) and directed the FBR to decide the same within 15 days. LHC further stated that if FBR does not decide this representation within given time, petitioners can approach LHC again for suspension of the aforementioned ruling dated April 04, 2023. FBR has not yet issued a hearing notice for deciding representation. Based on the opinion of its legal advisor, FCEPL is confident of a favourable outcome of this matter, hence, no provision has been recognized in respect of prior years in these consolidated condensed interim financial statements.

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- Rupees -----			
<b>14. PROFIT FROM DISCONTINUED OPERATIONS</b>				
Other operating expenses	-	-	-	(197)
Other income	-	-	-	268
<b>Profit before taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71</b>
Taxation	-	-	-	-
Profit for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>71</u>
Net cash inflow from operating activities	-	-	-	204
<b>Net increase in cash generated by the subsidiary</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>204</u></b>

(Amounts in thousand)

#### 15. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Group, which is based on the following:

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- Rupees -----			
Profit / (loss) for the period, attributable to Owners of the Holding Company from:				
- continuing operations	5,926,724	(557,552)	10,574,077	7,413,897
- discontinued operations	-	-	-	71
	<u>5,926,724</u>	<u>(557,552)</u>	<u>10,574,077</u>	<u>7,413,968</u>
	----- Number of shares (in thousand) -----			
Outstanding number of shares before impact of purchase of own shares for cancellation	539,413	576,163	576,163	576,163
Less: Impact of own shares purchased and held for cancellation (note 9.2.1)	(2,202)	-	(23,146)	-
Weighted average number of ordinary shares	<u>537,211</u>	<u>576,163</u>	<u>553,017</u>	<u>576,163</u>
Earnings per share (in rupees) - basic and diluted				
- continuing operations	11.03	(0.97)	19.12	12.87
- discontinued operations	-	-	-	-
	<u>11.03</u>	<u>(0.97)</u>	<u>19.12</u>	<u>12.87</u>

(Amounts in thousand)

#### 16. CASH GENERATED FROM OPERATIONS

Profit before taxation from:

- continuing operations  
- discontinued operations

Adjustment for non-cash charges and other items:

Depreciation and amortization  
(Gain) / loss on disposal / write-off of property, plant and equipment  
Rent concession on lease liability  
Provisions - net  
Impairment of long term investment  
Provision for retirement and other service benefits  
Financial charges  
Stock-in-trade / stores and spares written-off  
Finance income on net investment in leases  
Finance cost on lease liability  
Income on deposits / other financial assets  
Share of income from joint venture and associate  
Exchange loss on lease liability  
Exchange gain on net investment in lease  
Exchange loss on foreign borrowings  
Other exchange loss - net  
Working capital changes (note 16.1)

#### 16.1 Working capital changes

(Increase) / decrease in current assets

- Stores, spares and loose tools  
- Stock-in-trade  
- Trade debts and contract assets  
- Loans, advances, deposits and prepayments  
- Other receivables - net

Increase in current liabilities

- Trade and other payables and provisions

#### 17. CASH AND CASH EQUIVALENTS

Cash and bank balances  
Short term investments - with original maturity less than 3 months  
Bank balances under lien  
Short term borrowings

	(Unaudited)	
	Half year ended	
	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
	39,772,945	37,090,052
	-	71
	<u>39,772,945</u>	<u>37,090,123</u>
	9,757,676	7,720,514
	(57,903)	422,343
	-	(12,729)
	478,355	902,005
	-	36,105
	151,066	151,510
	17,851,645	9,985,170
	-	35,474
	(3,832,433)	(2,941,811)
	2,797,318	2,016,766
	(8,189,033)	(5,620,400)
	(1,605,232)	(1,272,119)
	15,390,216	7,283,434
	(15,108,069)	(7,545,400)
	1,402,707	1,090,130
	484,779	861,505
	9,753,657	(4,351,129)
	<u>69,047,694</u>	<u>45,851,491</u>
	(1,042,317)	(1,241,245)
	(5,526,982)	(10,520,536)
	(6,506,352)	5,554,069
	(3,882,474)	(2,498,193)
	(6,505,829)	(5,650,342)
	<u>(23,463,954)</u>	<u>(14,356,247)</u>
	33,217,611	10,005,118
	<u>9,753,657</u>	<u>(4,351,129)</u>
	67,876,774	47,348,795
	439,500	28,807,501
	(1,742,947)	(810,698)
	(37,240,783)	(28,852,422)
	<u>29,332,544</u>	<u>46,493,176</u>



(Amounts in thousand)

## 18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 18.1 Financial risk factors

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

There have been no changes in the financial risk management policies of the Group during the period. Consequently, these consolidated condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual audited consolidated financial statements.

### 18.2 Fair value estimation

The table below analyses financial instruments carried at fair value using the fair value measurement method in accordance with IFRS 13. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

	Level 1	Level 2	Level 3	Total
	------(Rupees)-----			
As at June 30, 2023 (Unaudited)				
<b>Financial assets at fair value through profit or loss</b>				
- Mutual fund units	-	5,671,735	-	5,671,735
<b>Financial assets at fair value through other comprehensive income</b>				
- Derivative financial instruments	-	1,066,621	-	1,066,621
- Pakistan Investment Bonds	-	10,100,036	-	10,100,036
- Other investments	73,664	-	-	73,664
	<u>73,664</u>	<u>11,166,657</u>	<u>-</u>	<u>11,240,321</u>
As at December 31, 2022 (Audited)				
<b>Financial assets at fair value through profit or loss</b>				
- Mutual fund units	-	17,166,688	-	17,166,688
- Pakistan Investment Bonds	-	1,799,903	-	1,799,903
	<u>-</u>	<u>18,966,591</u>	<u>-</u>	<u>18,966,591</u>
<b>Financial assets at fair value through other comprehensive income</b>				
- Derivative financial instruments	-	737,319	-	737,319
- Pakistan Investment Bonds	-	29,380,322	-	29,380,322
- Other investments	88,163	4,157	-	92,320
	<u>88,163</u>	<u>30,121,798</u>	<u>-</u>	<u>30,209,961</u>

(Amounts in thousand)

### 18.3 Valuation techniques used to determine fair values

Level 2 fair values have been determined using PKRV and PKFRV rates and closing net asset values for government securities and mutual funds units, respectively.

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

### 18.4 Fair value of financial assets and liabilities

The carrying value of all other financial assets and liabilities reflected in these consolidated condensed interim financial statements approximate their fair values.

## 19. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the parent company, joint venture company, associated companies, retirement benefit funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

	(Unaudited)	
	Half year ended	
	June 30, 2023	June 30, 2022
	------(Rupees)-----	
<b>Parent Company</b>		
Dividend paid	8,793,262	2,788,108
Reimbursements to the Parent	79,434	7,380
Reimbursements made by the Parent	1,067	-
Reimbursement under advisory agreement	-	14,617
<b>Associated companies and joint venture</b>		
Purchases and services	27,435,892	26,457,996
Dividend received	1,284,786	522,450
Dividend paid / payable	905,650	868,719
Donations	298,240	77,620
Reimbursements from	261,252	283,580
Reimbursements to	248,454	196,539
Loans repaid	62,840	54,520
Finance costs	2,402,931	1,641,419
<b>Directors</b>		
Dividend paid	1,538,131	473,230
Directors' fees	42,189	53,378
Advisory agreement	51,000	58,484
<b>Others</b>		
Remuneration paid to key management personnel	1,300,379	897,732
Dividend paid to key management personnel	30,525	-
Reimbursement of expenses	222	371
<b>Contribution to retirement benefit funds</b>	621,157	553,922

(Amounts in thousand)

## 20. SEGMENT REPORTING

20.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined the operating segments based on the information that is presented to the Board of Directors of the Holding Company for allocation of resources and assessment of performance. Based on internal management reporting structure and products produced and sold, the Group is organized into the following operating segments:

### Type of segments Nature of business

Fertilizer	This part of the business manufactures, purchases and markets fertilizers. The operations of this segment include a wide range of fertilizer brands, besides urea, which primarily comprises of Engro Zarkhez, Zingro, Engro DAP optimized for local cultivation needs and demand. Further, the segment is a leading importer and seller of phosphate products which are marketed extensively across Pakistan as phosphatic fertilizers. The Company carrying on the fertilizer business is listed on Islamic Index.
Polymer	This part of the business manufactures, markets and sells Poly Vinyl Chloride (PVC), PVC compounds, Caustic soda and related chemicals in Pakistan and internationally. The Company carrying on the polymer business is listed on Islamic Index.
Terminal	This part of the business includes operating and maintaining integrated liquid chemical terminal and storage farm, and LNG terminal for receipt, storage and regasification of LNG.
Power and mining	This part of the business includes power generation, distribution, transmission and sale of electricity in Pakistan. This also includes investments made in coal mining business.
Connectivity and telecom	This part of the business includes buying, building, maintaining and operating telecommunication infrastructure and ancillary products and services.
Other operations	It includes investments made in foods, dairy and commodities trading businesses.

Management monitors the operating results of the abovementioned segments separately for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from profit or loss in the consolidated condensed interim financial statements. Segment results and assets include items directly attributable to a segment.

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

	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- Rupees -----			
<b>Revenue</b>				
- At a point in time	66,196,077	62,939,238	129,687,895	125,068,009
- Over time	38,953,465	26,182,277	72,794,077	52,386,745
	<u>105,149,542</u>	<u>89,121,515</u>	<u>202,481,972</u>	<u>177,454,754</u>

(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- Rupees -----			
<b>Segment wise break-up is as follows:</b>				
Fertilizer	38,375,077	38,323,193	82,366,176	75,136,271
Polymer	19,044,034	22,277,064	37,022,364	45,403,932
Terminal	5,480,711	3,996,644	10,870,229	7,647,143
Power and mining	30,314,659	20,089,156	55,718,581	41,029,237
Connectivity and telecom	3,123,744	2,062,047	6,140,230	3,640,782
Other operations	37,021,486	25,476,411	58,466,675	35,739,739
Elimination - net	(28,210,169)	(23,103,000)	(48,102,283)	(31,142,350)
Consolidated	<u>105,149,542</u>	<u>89,121,515</u>	<u>202,481,972</u>	<u>177,454,754</u>

### Profit / (loss) before tax for the period

Fertilizer	7,128,465	7,148,862	13,918,596	14,821,721
Polymer	3,412,039	5,521,000	5,083,922	11,776,798
Terminal	2,435,750	1,238,307	3,890,696	2,765,273
Power and mining	11,988,756	2,216,047	14,401,735	6,774,373
Connectivity and telecom	(327,497)	6,197	(584,928)	49,477
Other operations	6,444,952	8,122,556	13,289,691	15,975,971
Elimination - net	(4,931,133)	(7,968,243)	(10,226,767)	(15,073,561)
Consolidated	<u>26,151,332</u>	<u>16,284,726</u>	<u>39,772,945</u>	<u>37,090,052</u>

	(Unaudited) June 31, 2023	(Audited) December 31, 2022
		----- (Rupees) -----
<b>Assets</b>		
Fertilizer	147,413,604	145,413,332
Polymer	88,422,718	85,400,579
Terminal	87,826,643	74,971,634
Power and mining	347,630,008	300,492,673
Connectivity and telecom	63,462,358	60,974,587
Other operations	113,154,544	120,862,566
Elimination - net	(46,234,082)	(38,699,719)
Consolidated	<u>801,675,793</u>	<u>749,415,652</u>
<b>Liabilities</b>		
Fertilizer	108,246,344	100,359,904
Polymer	62,037,146	58,278,863
Terminal	79,214,058	67,330,086
Power and mining	264,167,033	228,595,228
Connectivity and telecom	45,916,988	42,760,262
Other operations	42,277,680	26,155,440
Elimination - net	(22,069,568)	(14,648,088)
Consolidated	<u>579,789,681</u>	<u>508,831,695</u>

انفراسٹرکچر اندرونی اور بیرونی ترقی کے مواقع کے ذریعے ایک آزاد ٹاور کمپنی کے طور پر اپنی مارکیٹ کی قیادت کو برقرار رکھے گا۔ یہ سال 2024/2025 تک +5,000 ٹاور کمپنی بننے کے پہلے سے طے شدہ ہدف تک پہنچنے کے راستے پر ہے۔

## توانائی

توانائی پاکستان میں سب سے اہم مسائل میں سے ایک ہے۔ اینگرو توانائی کے بحران کو ختم کرنے اور ملک کی اقتصادی ترقی میں مدد کے لیے مقامی وسائل استعمال کر رہا ہے۔ درآمدی ایندھن پر پاکستان کے انحصار کو کم کرنے کے لیے ہمارے کان کنی کے کاروبار نے کامیابی کے ساتھ 7.6 ملین TPA تک بڑھا دیا ہے اور 2024 کے وسط تک 11.4 ملین TPA تک توسیع جاری رکھے گی۔ انتظامیہ سینٹ مینوفیکچررز اور پاور پروڈیوسرز کے ساتھ بھی تعاون کر رہی ہے جو اس وقت امپورٹڈ کوئلے کا استعمال کر رہے ہیں تاکہ تھر کے کوئلے کا بہتر استعمال کیا جاسکے۔ کاروبار گرین فیلڈ کے مختلف منصوبوں اور قابل تجدید توانائی کے لیے مواقع اور کان کنی کی حدود کی بھی جانچ کر رہا ہے۔

## ٹریڈنگ آپریشنز

LNG ٹریڈنگ توانائی کی کمی کو دور کرنے کے لیے کام کر رہا ہے۔ جیسے جیسے مارکیٹ میں توانائی کی طلب بڑھتی رہے گی، ہم شیئر ہولڈر کی قدر بڑھانے کے لیے نئے مواقع تلاش کرتے رہیں گے۔ اینگرو ووپاک کی مائع کیمیکل پیڈلنگ انڈسٹری میں منفرد مقام اسے کیمیکل پیڈلنگ اور اسٹوریج کے کاروبار میں مارکیٹ لیڈر رہنے کی اجازت دیتا ہے جس میں اس سے بھی بہتر کارکردگی کی توقعات ہیں۔ تاہم تفتان بارڈر کے علاقے کے ذریعے درآمدات کی وجہ سے سمندر کی ایل پی جی (LPG) کی درآمدات پر باؤر بننے کی توقع ہے۔

## فوڈز

چھبیس میگرو اکنامک حالات صارفین کے صوابدیدی اخراجات میں اعتدال کا باعث بن سکتے ہیں اور ہماری ترقی کی رفتار کو روک سکتے ہیں۔ تاہم، کمپنی غذائیت سے بھرپور اور محفوظ مصنوعات کی مسلسل فراہمی کو یقینی بنانے کو ترجیح دے گی۔ کمپنی ایک ہموار سپلائی چین کو یقینی اور منافع کو بہتر بنانے پر توجہ دینے کے لیے سپلائرز اور تقسیم کاروں کے ساتھ فعال طور پر مشغول ہو کر ترقی کو جاری رکھے گی۔

## اعتراف

ڈائریکٹرز اپنے شیئر ہولڈرز کے جذبے کو تہ دل سے سراہتے ہیں جنہوں نے کمپنی پر مسلسل اپنے اعتماد کا اظہار کیا ہے۔ ہم اینگرو فیملی کے ہر فرد کے عزم، لگن اور جدوجہد کے لیے انہیں خراج تحسین پیش کرتے ہیں اور ساتھ ہی یہ یقین رکھتے ہیں کہ وہ مستقبل میں بھی اسی عزم کو جاری رکھیں گے۔



حسین داؤد  
چیئرمین



غیاث خان  
صدر اور چیف ایگزیکٹو

(Amounts in thousand)

## 21. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

- 21.1 The Board of Directors of the Holding Company in its meeting held on August 16, 2023 has approved an interim cash dividend of Rs. 2 per share for the year ending December 31, 2023 amounting to Rs. 1,073,253. These consolidated condensed interim financial statements do not include the effect of dividend payable.
- 21.2 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on August 10, 2023 has approved an interim cash dividend of Rs. 6 per share for the year ending December 31, 2023, amounting to Rs. 540,000, of which the proportionate share of the Holding Company amounts to Rs. 270,000.

## 22. SEASONALITY

- 22.1 The Group's fertilizer business is subject to seasonal fluctuations as a result of two different farming seasons viz, Rabi (from October to March) and Kharif (from April to September). On an average, fertilizer sales are more tilted towards Rabi season. The Group manages seasonality in business through appropriate inventory management.
- 22.2 The Group's agri business is subject to seasonal fluctuation as majority of paddy / unprocessed rice is procured during the last quarter of the year which is the harvesting period for all rice varieties grown in Pakistan. However, rice is sold evenly throughout the year. The Group manages seasonality in business through appropriate inventory management.

## 23. CORRESPONDING FIGURES

- 23.1 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the consolidated condensed interim statement of financial position has been compared with the balances of annual audited consolidated financial statements of the preceding financial year, whereas the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.
- 23.2 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and better presentation, the effects of which are not material.

## 24. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on August 16, 2023 by the Board of Directors of the Holding Company.



Mohammad Abdul Aleem  
Director



Mazhar Abbas Hasnani  
Chief Financial Officer



Ghias Khan  
President & CEO

قادروپورپاورپلانٹ: اس مدت کے دوران پلانٹ نے 496 GWH نیٹ الیکٹریکل آؤٹ پٹ نیشنل گریڈ کو فراہم کیا جو پہلے سے ترتیب شدہ بڑے معائنے کی وجہ سے گذشتہ سال اسی مدت میں 331 GWH تھا۔ کاروبار نے موجودہ مدت کے لیے 1,221 ملین روپے کا منافع بعد از محصول (PAT) پوسٹ کیا جو گذشتہ سال میں اسی مدت میں 406 ملین روپے تھا، جو کہ وینگ فیکٹری کی بہتر مدت اور اعلیٰ سطح کی کارکردگی کی فراہمی کے نتیجے میں بڑے پیمانے پر ادائیگیوں کی وجہ سے تھا۔

## فوڈز اینڈ رائس

فرائز لینڈ کی پینا اینگریو پاکستان نے 53% کی ٹاپ لائن ترقی کا مظاہرہ کیا جس سے گذشتہ سال کی اسی مدت میں 30,771 ملین روپے کے مقابلے میں 47,015 ملین روپے کا ریوینچ حاصل ہوا جو قیمتوں میں اضافے اور سیلز والیومز کی وجہ سے ممکن ہوا۔

کاروبار نے تقابلی مدت کے لیے 938 ملین روپے کے مقابلے میں سال 2023 کے پہلے نصف میں 41% کے اضافے سے 1,326 ملین روپے تک کا منافع بعد از محصول (PAT) ریکارڈ کیا۔ کمپنی نے اپنے پورٹ فولیو میں متعدد کاروباری اقدامات کیے جن میں اس کے ڈسٹری بیوشن نیٹ ورک میں اضافہ، لاگت کو بہتر بنانا اور قیمتوں میں اسٹریٹجک اضافہ شامل ہے جس کے نتیجے میں زیادہ منافع حاصل ہوا۔

اینگریو اینڈ ایپ اینگری پروڈکٹس نے پہلے نصف کے دوران باہمی چاول کی 5.4 KT برآمدات ریکارڈ کی جو کہ گذشتہ سال اسی مدت میں 25.6 KT تھی۔ جس کے نتیجے میں چاول کے کاروبار نے سال 2022 کے پہلے نصف میں 21 ملین امریکی ڈالر کے مقابلے میں برآمدات کے ذریعے اس سال 7.4 ملین امریکی ڈالر کا ایکسپورٹ ریوینچ حاصل کیا۔

## ٹریٹل آپریشنز

LNG ٹریٹل نے 37 کارگوز کو ہینڈل کیے جو سال 2022 کی پہلے نصف (1H) کے مطابق ہے، SSGC نیٹ ورک میں 110 bcf ری گیسیفکیشن LNG فراہم کی جو ملک کی کل گیس سپلائی کا 15%~ ہے۔ کیمیکل ٹریٹل نے 451 KT ہینڈل کیا جو گذشتہ سال اسی مدت کے دوران 720 KT تھا۔ LC کھولنے کے مسائل سے متعلق معاشی سرگرمیوں میں سست روی کی وجہ سے یہ کمی بنیادی طور پر کیمیکل والیوم کی وجہ سے ہے۔

## شیرز کی واپس خرید

کمپنی نے 25 جولائی 2023 کو متعلقہ حصص کی واپس خرید کی مدت کے اختتام کا اعلان کیا جسے اس کے ممبران کی جانب سے خصوصی قرارداد میں بتاریخ 26 جنوری 2023 کو منظور کیا گیا تھا۔

3 فروری 2023 تا 25 جولائی 2023 سے خریداری کی مدت کے دوران کمپنی نے مجموعی طور پر 39,536,762 حصص خریدے جو کمپنی کے جاری کردہ اور ادا شدہ سرمائے (capital) کی 6.86% نمائندگی کرتے ہیں، جس کی کل مجموعی قدر ایک اوسط خرید کی قیمت -/293.6 فی شیر (ڈیویڈنڈ ایڈجسٹڈ قیمت -/253.6 فی شیر) پر 11,610 ملین روپے ہے۔

## شیر ہولڈرز میں تقسیم

اینگریو کارپوریشن لمیٹڈ کے بورڈ آف ڈائریکٹرز تمام حصص یافتگان کے منافع کو بڑھانے کی ہر ممکن کوششیں کرتے ہیں اور اسی لیے 30 جون 2023 کو ختم ہونے والی دوسری سہ ماہی کے لیے 2.00 روپے فی حصص عبوری کیش ڈیویڈنڈ کی تجویز پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔ یہ سال 2023 کی پہلی سہ ماہی کے دوران دیے گئے 40.00 روپے فی حصص عبوری کیش ڈیویڈنڈ کے علاوہ ہے۔ سال 2023 کی دوسری سہ ماہی کا ڈیویڈنڈ 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کل عبوری کیش ڈیویڈنڈ 42.00 روپے فی حصص تک لے جائے گا۔

## قریبی مدت کا جائزہ

سال 2023 میں ہم اپنے کاروباری آپریشنز کو اپنے چار اہم عمودی حصوں میں پھیلانے اور ترقی کے نئے مواقع تلاش کرنے کے لیے پُر عزم ہیں، جس میں سب کے لیے مستقل آمدنی پیدا کرنے اور ایک مستحکم اور مضبوط کاروباری ماڈل کو برقرار رکھنے پر توجہ دی جائے گی۔

## فریلائزرز

پاکستان میں زراعت کو ماحولیاتی تبدیلی، سیاسی اور معاشی غیر یقینی صورتحال اور حالیہ سیلاب کی وجہ سے اہم چیلنجز کا سامنا ہے۔ چونکہ معیشت زری پیداوار پر بہت زیادہ انحصار کرتی ہے تو اسی لیے آنے والے مہینوں میں متوقع رکاوٹیں اہم ہیں۔ ہمیں یقین ہے کہ حکومت کی درست مداخلتیں اور متعلقہ ایجنسیوں کی مدد سے بحالی ممکن ہو سکتی ہے۔ ہماری کمپنی بین الاقوامی منڈیوں سے ضروری کھادوں پر رعایتی قیمتیں فراہم کر کے اپنا کردار ادا کرنے کے لیے ہمہ وقت موقوف ہے۔

## پیٹر و کیمیکلز

پولیمر کاروبار درآمدی متبادل کے ذریعے غیر ملکی کرنسی محفوظ کرنے کے ساتھ ساتھ برآمدات کے ذریعے غیر ملکی کرنسی جزیت کرنے میں ایک اہم کردار انجام دیتا ہے۔ یہ کاروبار پاکستان کی بڑی صنعتوں جیسے تعمیرات اور ٹیکسٹائل کو ایک اہم فیڈ اسٹاک سپلائی کرنے کے لیے پُر عزم ہے۔ اس شعبے میں کام کرنے والے کاروبار تعمیرات اور اقتصادی سرگرمیوں میں پیدا ہونے والی سست روی کی وجہ سے طلب بری طرح سے متاثر ہونے کے باعث سخت محنت کر رہے ہیں، تاہم ہمیں اُمید ہے کہ آئی ایم ایف (IMF) فنڈنگ کے ذریعے دوسرے نصف سال میں بتدریج بحالی کا عمل پھر سے شروع ہو سکے گا۔

## ٹیلی کمیونیکیشن انفراسٹرکچر

موبائل ڈیٹا کے استعمال اور اعلیٰ معیار کی سرسبز کی بڑھتی ہوئی مانگ کی وجہ سے انفراسٹرکچر کا کاروباری نقطہ نظر مضبوط ہے، جو MNOs کو جارحانہ بلٹ ٹوسٹ (BTS) رول آؤٹ کے ذریعے دستیابی اور معیار کو بڑھانے کے لیے چلا رہا ہے۔ موجودہ میکرو اسٹاک صورت حال کے نتیجے میں مہنگائی میں اضافہ ہوگا جس سے کاروبار کے لیے مزید کاسٹ آپٹائزیشن کی ضرورت ہوگی۔

اسٹینڈالون بنیاد پر اینگریڈ کارپوریشن لمیٹڈ نے تقابلی مدّت کے لیے 12,481 ملین پاکستانی روپے کے مقابلے میں 9,451 ملین روپے کا منافع بعد از محصول (PAT) پوسٹ کیا جو 17.09 روپے EPS بنتا ہے۔ منافع میں 24 فیصد کی بنیادی طور پر اینگریڈ پولیمر اینڈ کیمیکلز لمیٹڈ اور اینگریڈ فریلائزرز لمیٹڈ کے کم ڈیویڈنڈ کی وجہ سے ہوئی۔ موجودہ سال میں دونوں کاروباروں پر اضافی سپر ٹیکس اور پولیمر برنس میں کموڈٹی سائیکل کے ریورس سے تحقیق میں کمی اور کاروباری ترقی کے اخراجات جزوی طور پر مساوی رہے۔

یکہشت بنیادوں پر کپینی کارپوریشن تقابلی مدّت کے لیے 177,455 ملین روپے کے مقابلے میں 14 فیصد سے بڑھ کر 202,482 ملین روپے ہو گیا۔ سال کے پہلے نصف حصے کے لیے منافع بعد از محصول (PAT) 21,474 ملین روپے تھا جبکہ منافع بعد از محصول (PAT) حصص یافتگان کے لیے 10,574 ملین روپے ہے جس کے مقابل تقابلی مدّت میں 7,414 ملین روپے ہے، جس کے نتیجے میں آمدنی فی حصص (EPS) گذشتہ سال کی اسی مدّت میں 12.87 روپے کے مقابلے میں اس سال 19.12 روپے ہوئی۔ بڑے تغیرات کی وجہ ڈالر کے ذریعے چلنے والے کاروبار سے حاصل ہونے والی زیادہ آمدنی ہے، گذشتہ سال کے وِن ٹائم ٹیرف کی درستگی اور تحقیق کی مد میں اور گذشتہ سال کاروبار میں اضافے کے لیے ہونے والے اخراجات کموڈٹی سائیکل کے ریورس سے جزوی طور پر مکمل ہو گئے ہیں۔

ہمارے کاروباری حصوں کا ایک تفصیلی جائزہ درج ذیل ہے:

### فریلائزرز

فریلائزرز کے کاروبار نے مستحکم کارکردگی دکھائی اور 2022 کے پہلے نصف میں 75,136 ملین روپے کے مقابلے میں اس سال 82,366 ملین روپے کی آمدنی ریکارڈ کی جس کی بنیادی وجہ یورپا کی قیمت میں اضافہ ہے۔ کپینی کا منافع بعد از محصول (PAT) گذشتہ سال کی اسی مدّت میں 5,413 ملین روپے کے مقابلے میں اس سال 5,464 ملین روپے رہا۔

اس مدّت کے دوران یورپا کی فروخت گذشتہ سال کے 1,098 KT کے مقابلے میں 1,034 KT رہی، جو تقابلی مدّت کے لیے 33 فیصد کے مارکیٹ شیئر کی عکاسی کرتا ہے۔ فاسفیت کی فروخت پچھلے سال 154 KT کے مقابلے میں 109 KT رہی۔

یورپا کی بین الاقوامی قیمت میں زبردست کمی دیکھی گئی جو جون 2023 کے آخر میں امریکی ڈالر 260 / ٹن (3,706 روپے / بیگ کے مساوی) کے مقابلے میں اس سال کے آغاز پر توانائی کی کم قیمتوں کی وجہ سے امریکی ڈالر 436 / ٹن (4,898 روپے / بیگ کی قیمت کے مساوی) تک گر گئی۔ عالمی سطح پر فصلوں کی قیمتوں میں کمی کی وجہ سے فاسفیت کی بین الاقوامی قیمتیں امریکی ڈالر 480 / ٹن تک کم ہو گئیں۔ عالمی اجناس کی قیمتوں میں اتار چڑھاؤ کے درمیان مقامی کھاد کی صنعت نے کسانوں کو مقامی طور پر تیار کردہ یورپا کی دستیابی کو یقینی بنایا جو بین الاقوامی قیمتوں کے مقابلے میں 41%~ کی نمایاں رعایت پر ہے۔ فریلائزرز صنعتوں نے پہلے نصف میں 1 بلین امریکی ڈالر کے درآمدی متبادل کو قابل بنایا جس میں اینگریڈ فریلائزرز کا حصہ 346 ملین امریکی ڈالر رہا۔

### پٹرولیمیکلز

پولیمیر کے کاروبار نے گذشتہ سال کی اسی مدّت میں 45,404 ملین روپے کے مقابلے میں 37,022 روپے کارپوریشن ریکارڈ کیا ہے۔ کپینی کا منافع بعد از محصول (PAT) 2,745 ملین روپے رہا جو گذشتہ سال کی اسی مدّت میں 7,052 ملین روپے رہا، جس کی بنیادی وجہ کموڈٹی سائیکل ریورس اور برآمدات میں کم مارجن کا ہونا ہے۔

کاروبار نے 92 KT کی مقامی فروخت اور 91% کا مارکیٹ شیئر ریکارڈ کیا جو کہ گذشتہ سال کی اسی مدّت میں 121 KT اور مارکیٹ شیئر 96% تھا۔ نتیجے کے طور پر کاروبار نے 45 ملین امریکی ڈالر کی درآمدی متبادل کو فعال کیا ہے۔ مقامی PVC کی طلب کو پورا کرنے کے بعد کاروباری درآمدی فروخت 21 KT رہی جس میں 12 KT کے کاسٹک سوڈا کی برآمدات بھی شامل ہیں، جس میں اس مدّت کے لیے 12 ملین امریکی ڈالر کا زرمبادلہ حاصل کیا گیا۔

### ٹیلی کمیونیکیشن انفراسٹرکچر

انفراسٹرکچر نے ترقی کا سفر جاری رکھا اور جون 2023 کے اختتام تک 1.18x ٹینسی کے تناسب کے ساتھ 3,644 سائٹس ٹاور (جون 2022 میں 2,937 سائٹس کے مقابلے میں) کا پیمانہ حاصل کیا جو پاکستان میں چاروں موبائل نیٹ ورکز آپریٹرز کو خدمات فراہم کرتا ہے۔ کاروبار نے اس مدّت کے دوران بلٹ ٹوسٹ (B2S) ٹاورز رول آؤٹ میں 60% کا مارکیٹ شیئر حاصل کیا۔

کاروبار میں ترقی کا مزید اظہار پہلی نصف کے دوران دیکھے جانے والے لوکیشن کے مواقع سے ہوتا ہے، جون 2023 میں گل کوکیشن ٹینٹس کی تعداد 88 رہی جو 74% مارکیٹ شیئر کی نمائندگی کرتی ہے۔ جس کے نتیجے میں 2022 کے پہلے نصف کے مقابلے میں ریونیو میں 83% اضافہ ہوا ہے۔ ڈیٹا کے استعمال میں اضافے، اسمارٹ فون کی لوکلائزیشن اور حکومت پاکستان کی جانب سے پالیسی کی سطح پر کئی دیگر مداخلتوں کے باعث کاروبار شعبے میں متوقع ترقی کو حاصل کرنے کی مستحکم حالت میں ہے۔

### توانائی

معدنی کوئلہ: کان کنی کا کام روانی کے ساتھ جاری ہے، اینگریڈ پاور جن تھر، تھر انرجی اور تھل نو واپا و کوئلے کی فراہمی کا عمل جاری رہا۔ توانائی کی طلب میں ممکنہ اضافے کو پورا کرنے کے لیے انتظامیہ نے 11.4 ملین ٹن سالانہ صلاحیت بڑھانے کے لیے فیئر III کی توسیع کے عمل کو شروع کرنے کا عہد کیا ہے جس کے لیے حکومت سندھ سے منظوری بھی طلب کی گئی ہے۔

تھر پاور پلانٹ: اینگریڈ پاور جن لمیٹڈ نے اپنے آغاز سے لے کر آج تک 91 فیصد کا ذخیرہ حاصل کیا جو دیگر کول آئی پی پی ایس کے مساوی ہے۔ پہلے نصف سال کے دوران پلانٹ نے 74 فیصد دستیابی حاصل کی، گذشتہ سال کی اسی مدّت میں فراہم کردہ 1,504 GWH کے مقابلے میں نیشنل گرڈ کو 1,464 GWH فراہم کیا۔ پلانٹ کی دستیابی بنیادی طور پر ایک بڑی منصوبہ بند دیکھ بھال اور معائنہ کی سرگرمی کی وجہ سے کم رہی جو عام طور پر ہر پانچ سال میں ایک بار ہوتی ہے اور پلانٹ کی حفاظت، ریلائبٹی اور کارکردگی کو یقینی بنانے کے لیے ضروری ہے۔

## اینٹروکارپوریشن لمیٹڈ۔۔ ڈائریکٹرز رپورٹ

اینٹروکارپوریشن لمیٹڈ کے ڈائریکٹرز، ہر دلعزیز واکس چیئرمین محترم شہزادہ داؤد اور اُن کے عزیز فرزند سلیمان داؤد کی حادثاتی وفات پر اپنے بے پناہ دکھاوے اور ملی افسوس کا اظہار کرتے ہیں۔

سال ۲۰۰۳ میں محترم شہزادہ نے اینٹروکارپوریشن بورڈ میں شمولیت اختیار کی اور اس تمام عرصے میں انہوں نے غیر معمولی کارکردگی کا مظاہرہ کیا۔ اُنہوں نے اپنی ۲۰ سالہ یادگار خدمات انجام دیتے ہوئے ہرگزرتے دن کے ساتھ اینٹروکارپوریشن کو ہر حوالے سے مضبوط کرنے کی کوشش کی اور ایک کامیاب لیڈر کی طرح ڈٹے رہے۔ شہزادہ نے بے مثال خدمات انجام دیں، انہوں نے پاکستان کے اہم ترین مسائل کو حل کرنے میں اینٹروکارپوریشن کی پُر خلوص معاونت پر فخر کا اظہار کیا۔ ان کا اس بات پر پختہ یقین تھا کہ جو کمپنیاں ماہر، پیشہ ورانہ افراد اور شینئر ہولڈرز کی قیادت میں طویل مدتی اور مستحکم نظریے کے تحت شراکت داری کے عمل کو فروغ دیتی ہیں وہی کامیابیوں کے سنگ میل کو عبور کرتی ہیں اور اپنے تمام اسٹیک ہولڈرز کے لیے قابل قدر تجارتی راہ ہموار کر کے دیگر کاروبار کے مقابلے میں بہترین کارکردگی کا مظاہرہ کرتی ہیں۔

انہوں نے ہمیشہ اینٹروکارپوریشن کا خیال رکھا اور وہ لوگ جنہیں اُن سے ملاقات اور اُن کے ساتھ کام کرنے کی خوش نصیبی حاصل رہی ہے وہ ان کی شخصیت کے عاجزانہ پہلو اور نئے خیالات کو ہمیشہ کھلے دل کے ساتھ مقدم جاننے کی تصدیق کر سکتے ہیں۔ محترم داؤد نے اینٹروکارپوریشن کے نقشے میں واضح طور پر وسعت دینے اور عالمی نقطہ نظر کو پیش کرنے میں اپنی معاونت کے طور پر بھی بے مثال کوششیں کیں جو بین الاقوامی سطح پر اپنے نقش ثبت کریں گی۔

محترم شہزادہ کی بے مثال میراث ہمارے لیے ہمیشہ ایک روشن مثال کی مانند زندہ رہے گی اور اینٹروکارپوریشن اور بڑے پیمانے پر کمیونٹی کے لیے اُن کے پُر خلوص تعاون اور معاونت کو عزت و احترام کے ساتھ ہمیشہ یاد رکھا جائے گا۔

اینٹروکارپوریشن لمیٹڈ کے ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے نصف سال کے لیے کمپنی کے عبوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کر رہے ہیں۔

COVID-19 کی وبائی بیماری اور یوکرین اور روس کے درمیان تنازعے سے سنبھلتے ہوئے عالمی معیشت اب بتدریج بہتر ہو رہی ہے۔ 2023 کی دوسری سہ ماہی میں عالمی نمو کم رہی، البتہ اس تمام صورتحال میں سال 2022 کے عروج پر عالمی اجناس کی قیمتوں میں نرمی اور سپلائی چین میں رکاوٹوں کے درمیان لچک کے آثار بھی ظاہر ہوئے ہیں۔ تاہم، بلند ہوتی افراط زر سے نمٹنے، عالمی کساد بازاری کے خطرے کو کم کرنے کے ساتھ ساتھ مالی استحکام کو یقینی بنانے کے لیے مرکزی بینکوں نے پالیسی کی شرح میں اضافہ کیا۔

پاکستان کی معیشت توانائی کی بلند ہوتی ہوئی قیمتوں، پاکستانی روپے کی قدر میں بے تحاشا کمی اور غیر ملکی زرمبادلہ کے جاری بحران کی وجہ سے مزید کمزوری کے تناظر میں اپنی جدوجہد جاری رکھے ہوئے ہے۔ درآمدی پابندیوں اور غیر ملکی خدمات کی خریداری سمیت مختلف خدشات کی وجہ سے کاروباروں کو مشکلات کا سامنا ہے۔

شدید افراط زر کے دباؤ کے جواب میں اسٹیٹ بینک آف پاکستان (SBP) نے سال 2023 کے فرسٹ ہاف میں مانیٹری پالیسی کو 600bps (16% سے 22%) تک سختی کے عمل کو جاری رکھا۔ مزید برآں، حکومت پاکستان (GOP) نے آئی ایم ایف کے تیل آؤٹ پیکیج کو محفوظ بنانے کے لیے بجٹ 2023-24 میں مطلوبہ اور

ضروری اقدامات بھی کیے۔ جس کے نتیجے میں گزشتہ سال کے لاگو کردہ 4% کے علاوہ، سال 2022 میں حاصل کردہ منافع پر 6% کے ایک وقتی سپر ٹیکس کے نفاذ کے ساتھ اضافی سپر ٹیکس کو پراسیکٹو لی 10% تک بڑھا دیا گیا۔

موجودہ صورتحال میں مختلف صورتوں میں اضافی ٹیکسوں کے اطلاق کی وجہ سے نجی اور غیر نجی شعبوں میں پیدا ہونے والے اختلافات کے باعث ملک کے مضبوط کاروباری شعبے پر منفی اثرات مرتب ہوتے نظر آ رہے ہیں۔ ترقی یافتہ اور ابھرتی ہوئی منڈیوں میں مستقبل میں ترقی اور صنعت کاری میں پائیداری قائم کرنے کے لیے تجارتی اور صنعتی حلقوں کو سرمایہ جمع کرنے کی اشد ضرورت ہے۔ زیادہ سے زیادہ ٹیکس لگانے والے نظام حکومت کے تحت یہ عمل اور بھی مشکل اور چیلنجنگ بن جاتا ہے جو پیداوار کو متاثر کرتا ہے اور اس کے ساتھ ساتھ ملک کی سرمایہ کاری کی صلاحیت پر بھی منفی اثرات مرتب کرتا ہے۔ مثبت معاشی سرگرمیوں کے تحت بننے والے فنڈز پر بھاری ٹیکس عائد کر دیا جاتا ہے اور حکومت کی جانب سے بجٹ شدہ فعال اخراجات کے انتظامی امور میں استعمال کر لیا جاتا ہے۔ یہ فنڈز مزید معاشی سرگرمیوں کو مضبوط بنانے کے لیے اہم ہیں اور پاکستان کی ترقی میں ایک اہم کردار ادا کر سکتے ہیں۔

مذکورہ بالا کی روشنی میں، کمپنی نے انٹراکارپوریٹ ڈیویڈنڈ (ICD) پر لگائے جانے والے متعذر ٹیکس کے عمل کو سنبھالنے والی کورٹ (SHC) میں چیلنج کیا، اس دوران سندھ ہائی کورٹ نے معاملے کے برخلاف فیصلہ سنایا، بعد ازاں اسے سپریم کورٹ آف پاکستان (SCP) میں چیلنج کیا گیا تھا۔ اب اس معاملے کے خلاف کمپنی کو حکم امتناعی جاری کر دیا گیا ہے۔

’ہولڈنگ کمپنی‘ کے اسٹرکچر کی تشکیل کے ذریعے کارپوریٹ شعبے میں بہترین عالمی طریقہ کار کو فروغ دینے کے لیے اصطلاحات کے ایک بڑے حصے کے طور پر پاکستان میں انٹراکارپوریٹ ڈیویڈنڈ (ICD) کے متعذر ٹیکس سے ریلیف کو متعارف کروایا گیا۔ اس مدت کے دوران اینٹروکارپوریشن پر پڑنے والے اس کے منفی اثر کو سامنے لاتے ہوئے شعبوں کے لیے علیحدہ ذیلی اداروں کے ساتھ اپنے آپ کو ہولڈنگ کمپنی کے اسٹرکچر میں تبدیل کیا۔

انٹراکارپوریٹ ڈیویڈنڈ (ICD) ریلیف کو ختم کرنے سے گروپ کے کیش فلو اور انٹرنیشنل پرائز ویلیو پر منفی انداز میں اثر پڑتا ہے اور اسی وجہ سے کمپنی مختلف اسٹیک ہولڈرز کے ساتھ براہ راست اور مختلف کاروباری فوئزرز کے ذریعے، عالمی ترجیح کو نمایاں کرتے ہوئے، معاملے کی اہمیت اور کارپوریٹائزیشن پر پڑنے والے اس کے منفی اثر کو سامنے لاتے ہوئے اور پاکستان میں نئی سرمایہ کاری کو اجاگر کرتے ہوئے اس معاملے کو حل کرنے کے لیے ہر طرح سے سرگرم عمل ہے۔

اہم معاشی مسائل کو حل کرنے کی غرض سے کیے جانے والے قابل قدر اقدام کے طور پر حکومت پاکستان (GoP) 3 بلین امریکی ڈالر (USD) کا آئی ایم ایف اسٹینڈ بائی ارنجمنٹ (SBA) حاصل کرنے میں کامیاب رہی ہے۔ اس پیکیج کی 1.2 بلین امریکی ڈالر (USD) کی فوری ڈسبٹمنٹ نے ڈیفالٹ ہونے کا خطرہ نہ صرف روک دیا ہے بلکہ اس کے ذریعے مختصر دورانیے میں وقتی طور پر بے حد ضروری ریلیف بھی حاصل ہو گیا ہے۔ آئی ایم ایف معاہدے کے بعد درآمدات سے متعلق پابندیوں میں نرمی کی گئی ہے، اس طرح سے صارفین کے مطالبات کے مطابق کاروبار کو موثر انداز میں بااختیار کیا گیا ہے۔

معیشت کے اہم اور ضروری شعبوں میں اینٹروکارپوریشن لمیٹڈ کی حکمت عملی کے ساتھ موجودگی نے ہمارے پورٹ فولیو کو ان مشکل حالات میں مستحکم بنا دیا ہے، جو جزوی طور پر غیر ملکی زرمبادلہ اور شرح سود کے اتار چڑھاؤ کے عمل کے خلاف مضبوط رکاوٹ ہے۔ اس اہم اور ضروری وقت میں اپنی معیشت کی بحالی کے لیے کمپنی تعاون اور معاونت کے عمل کو جاری رکھے گی۔