

منزل سے  
آگے بڑھ  
کر منزل  
تلاش کر

# company information

as of June 30, 2024

## chief executive officer

Mr. Ahsan Zafar Syed

## chief financial officer

Mr. Farooq Barkat Ali

## company secretary

Mr. Mohammad Yasir Khan

## board of directors

Mr. Hussain Dawood | Mr. Abdul Samad Dawood | Ms. Sabrina Dawood  
Mr. Rizwan Diwan | Mr. Parvez Ghias | Mr. Shabbir Hashmi | Ms. Samar Masood  
Mr. Ahsan Zafar Syed

## 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  
The Bank of Punjab

## 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

## shares registrar

FAMCO Share Registration Services (Pvt.) Ltd  
8-F, Near Faran Hotel, Nursery, Block-6  
PECHS, Shahrah-e-Faisal, Karachi  
Info.shares@famcosrs.com

## registered office

19<sup>th</sup> Floor, The Harbor 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





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 - Excelebrate 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 (the “Company”) are pleased to submit their report along with the condensed interim financial statements of the Company for the half year ended June 30, 2024.

## macroeconomic environment

Global economic growth remains subdued due to elevated central bank policy rates aimed at combating inflation, reduced fiscal support amid high debt levels, and low underlying productivity growth. However, inflation is declining more rapidly than anticipated across most regions, driven by the resolution of supply-side issues and normalization of monetary policies, potentially leading to easing of financial conditions. It is key to note that potential challenges of spikes in commodity prices due to geopolitical shocks, impacts of worsening issues in China's property sector, and abrupt fiscal measures such as tax hikes and spending cuts in other regions could lead to depressed growth outcomes in major markets, leading to a low global growth scenario.

On the local front, Pakistan’s economy continues to be restrained with real GDP growth estimated at 1.8 percent in FY24 due to tight macroeconomic policies, import controls, and strict incoming IMF conditions. However, as witnessed in other markets, domestic inflation is easing as a result of which the State Bank has revised the policy rate downwards by 250 basis points; the slowing down of global commodity prices is expected to bring further relief. Meanwhile, the current account deficit is anticipated to stay low at 0.7 percent of GDP in FY24 due to ongoing import controls.

The imposition of high taxes following the Federal Budget announcement, coupled with escalating energy prices and base effects of high inflation from the last 2 years have led to challenging conditions for Pakistanis. This economic strain, along with political discontentment, has fueled public unease and contributed to brain drain.

While facing a challenging macroeconomic environment, it is important to highlight that the Government is working towards stabilization and critical structural reforms. Key risks include worsening external conditions and significant domestic and external financing needs. Effective economic management, maintaining market confidence, controlling fiscal expenditures, and adhering to structural reforms will be essential to manage these risks.

## business review

The Company posted a standalone Profit-After-Tax (PAT) of PKR 14,196 million, an increase from PKR 9,451 million in the same period previous year, resulting in an EPS of PKR 26.46, up from PKR 17.09 in 2023. The increased profitability is principally attributable to higher dividend income from the fertilizer business and efficiencies achieved through cost optimization initiatives.

On a consolidated basis, the Group’s revenue from continued operations increased by 22% to PKR 178,888 million in 2024, compared to PKR 147,161 million in the same period last year. Consolidated PAT from continued operations amounted to PKR 9,584 million (PAT attributable to shareholders: PKR 4,876 million), compared to PKR 7,583 million (PAT attributable to shareholders: PKR 2,659 million) in the same period last year, resulting in an EPS of PKR 9.09, up from PKR 4.81 in 2023. This significant variance is primarily due to higher profitability achieved through responsive pricing strategies, and efficiencies gained through cost optimization.

PAT including discontinued operations stood at PKR 12,438 million (PAT attributable to shareholders: PKR 6,260 million) compared to PKR 21,885 million (PAT attributable to shareholders: PKR 10,803 million) in the same period last year, recording an EPS of PKR 11.67 compared to PKR 19.54 in 2023.



Relief from multiple taxation of Inter Corporate Dividend (ICD) was introduced in Pakistan as part of larger reforms to promote best global practices in the corporate sector via 'holding company' structures. To reiterate the removal of this relief which has adversely impacted shareholders' return as dividend income from underlying businesses is taxed multiple times until it reaches the Company's shareholders.

Therefore, the Company is actively pursuing the resolution of this matter through direct engagement with various stakeholders and different business forums, highlighting global precedence, significance of the matter, and its adverse impact on corporatization and new investments in Pakistan. In addition, the Company is also evaluating its legal structure to identify and assess various options to overcome tax inefficiencies on dividends.

## **business segments**

A brief review of our business segments is as follows:

### **fertilizers**

Engro Fertilizers' EnVen plant successfully completed a major turnaround to ensure long-term reliability which directly contributes to food security in Pakistan. Despite significant challenges, including complex work scopes, the mobilization of over 6,000 personnel, and an unprecedented heatwave, our team's collaborative efforts prevailed. The safe and successful completion of this turnaround stands as a testament to our commitment to engineering excellence; with the turnaround completed, the plant has seamlessly resumed operations.

The Fertilizer business demonstrated robust performance, with revenue increasing by 37% to PKR 113,204 million, up from PKR 82,366 million during the same period last year. The business reported a profit after tax (PAT) of PKR 9,426 million, compared to PKR 5,464 million in the previous year, by implementing responsive pricing strategies and achieving efficiencies through cost optimization.

Locally produced urea sales for the period totaled 855 KT compared to 1,034 KT. Phosphate sales, however, increased to 165 KT from 109 KT during the same period in 2023.

### **petrochemicals**

The Polymer business reported revenue of PKR 34,385 million, down from PKR 37,022 million in the same period last year. The business experienced a loss after tax of PKR 1,589 million, compared to a profit after tax of PKR 2,745 million in the same period last year. The loss is primarily due to a substantial decrease in global commodity prices and a rise in energy costs. The PVC domestic sales volume remained consistent at 92 KT while the business's total export sales stood at 6 KT.

### **telecommunication infrastructure**

Tower deployment slowed down during the period against same period last year due to consolidation of the MNOs from four to three. Despite the market deceleration, Enfrashare continued to expand its presence, reaching a total of 4,063 tower sites with a tenancy ratio of 1.23x, securing a 52% market share of towers owned by independent tower companies. Additionally, 121 new colocation tenants were added, with Enfrashare capturing 31% of the market share.

The business's bottom line remains affected by elevated interest rates and its capital structure. To address this, the business is actively exploring various strategies, including hedging mechanisms and a reassessment of its capital structure.

### energy

Engro Energy Limited has entered into an agreement with Liberty Power Holding (Pvt.) Limited and other parties acting in concert for the sale of its thermal assets. The process of obtaining stakeholders' approvals for transaction execution is underway.

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 11.2 million tons per year.

Thar Power Plant: During the period, the plant delivered a net electrical output of 1,601 GWh to the national grid, compared to 1,464 GWh in the same period last year. Plant availability stood at 80%, on account of C-Type planned maintenance, which was conducted to ensure the plant's safety, reliability, and efficiency.

Qadirpur Power Plant: During the period, the plant delivered a net electrical output of 437 GWh to the national grid, compared to 496 GWh in the same period last year, with a load factor of 46%. The business has successfully acquired a generation license to utilize gas from the Badar field as an alternative fuel source and has received NEPRA tariff determination for this additional fuel.

### food & rice

FrieslandCampina Engro Pakistan achieved a 17% increase in topline growth, with revenue reaching PKR 55,024 million compared to PKR 47,015 million in the same period last year. This growth was driven by a favorable portfolio mix and the expansion of our retail distribution network.

The business reported a profit after tax (PAT) of PKR 1,253 million, compared to PKR 1,326 million in the same period last year. The decrease in profitability is primarily due to a significant increase in finance costs. A change in the taxation structure of the dairy sector following the Federal Budget 2024 has also come into effect which may have significant impact on business growth going forward. Management teams are actively working to address these impacts.

### terminal operations

The LNG terminal managed 36 cargoes, consistent with the same period last year, delivering 107.4 bcf of re-gasified LNG into the SSGC network, representing approximately 15% of the country's total gas supply. The chemical terminal processed 711 KT compared to 451 KT during the same period last year. This increase is primarily due to higher chemical volumes, driven by relative ease in LC opening compared to the same period last year, as well as higher LPG marine imports resulting from proactive commercial efforts.

### international trading

As the Company's UAE-based international trading arm, Engro Eximp FZE initiated commercial activity in 2022 with a vision to consolidate the Group's trading activities under one roof. During the period, the business achieved a turnover of USD 201 million against USD 157 million in the same period last year. As an international and dollar-denominated business, Engro Eximp FZE will be a key player in our portfolio going forward.

## scheme of arrangement with dawood hercules corporation

One of the key developments of the past quarter is the approval of a restructuring between the Company and its majority shareholder, Dawood Hercules Corporation. The Company has entered into a Scheme of Arrangement (the “Scheme”) through which the Company shall become a wholly owned subsidiary of Dawood Hercules Corporation, which will be rebranded as ‘Engro Holdings Limited.’ The goal of this activity is to build financial synergies for the Group; through this Scheme, the capital at play within the Engro system will be invested by Engro Holdings in a variety of opportunities, both large and small, to generate consistent shareholder returns in a volatile macroeconomic environment. In addition to key organizational modalities, the Scheme has also factored in feedback from minority shareholders in previous Annual General Meetings of the Company to enhance investment agility of the enterprise.

The Scheme was approved overwhelmingly by shareholders of the Company in its Extra-Ordinary General Meeting on 26th June 2024. The honorable High Court of Islamabad also sanctioned the Scheme the following month. The Scheme will become effective on January 01, 2025, and the minority shareholders of Engro Corporation will become shareholders of Engro Holdings in a manner that ensures their economic ownership of Engro Corporation is preserved. Engro Corporation welcomes this new structure which will herald the next investment phase of Engro.

## 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 8.00 per share for the second quarter ended on June 30, 2024. This is in addition to the interim cash dividend of PKR 11.00 per share given during the first quarter of 2024. The dividend for the second quarter 2024 will take the total interim cash dividend to PKR 19.00 per share for the year ending December 31, 2024.

## near-term outlook

Pakistan has reached a new staff-level agreement with the International Monetary Fund (IMF) for approximately US\$7 billion, intended to support the nation's economic reform agenda. Furthermore, the State Bank of Pakistan (SBP) has reduced the policy rate by 250 basis points, indicating progress in controlling inflation; this reduction is anticipated to lower the cost of conducting business and may contribute to a gradual resumption of economic activity.

However, potential challenges stemming from geopolitical dynamics, base-effect inflationary pressures, high taxation, and a relatively tight monetary policy may continue in the short term. At this critical juncture, a carefully balanced mix of fiscal and monetary policies aimed at fostering economic growth will be crucial for revival of business confidence.

## fertilizers

The fertilizer industry remains pivotal to the sustainable agricultural growth for the nation. Urea demand continues to be impacted due to the wheat crisis in the domestic agriculture sector, where farmers are facing difficulties because of lower prices offered for their bumper crops this season, compounded by the influx of urea imports. As the economy relies on agricultural output heavily, Engro Fertilizers stands resolute in its efforts to provide for the needs of the country, exemplified by the monumental turnaround of the EnVen plant and continuing efforts in the Pressure Enhancement Facilities (PEF) project being undertaken to ensure sustainable gas supplies and enhancement of delivery pressures.

### **petrochemicals**

The business remains dedicated to being a crucial feedstock supplier to major Pakistani industries such as construction and textiles. Currently, the sector is facing challenges due to reduced demand resulting from a slowdown in construction and economic activity, as well as lower commodity prices. We expect PVC prices to remain stable to slightly bearish on the back of oversupply and weak global demand.

### **telecommunication infrastructure**

The short-term business outlook for Engro Enfrashare remains challenging due to high interest rates and the consolidation of the MNO market from four to three players. Despite this, the business fundamentals are robust, supported by increasing demand for mobile data and high-quality services. This demand is prompting MNOs to improve availability and quality of their services. Engro Enfrashare is committed to maintaining its position as a leading ITC by pursuing growth opportunities.

### **terminal operations**

The LNG terminal is playing a crucial role in mitigating the country's energy shortage. The Elengy terminal is among the most utilized terminals globally, maintaining an availability factor of over 97%, which ensures a consistent natural gas supply. As market demand for energy increases, we will continue to seek new opportunities to enhance shareholder value.

Engro Vopak's distinctive position in the liquid chemicals handling industry enables it to retain its leadership in chemical handling and storage. With the easing of import restrictions, the chemical handling segment is expected to perform better than the previous year, supporting businesses in maintaining uninterrupted operations.

### **energy**

The consummation of the divestment transaction is in-progress and the process of obtaining stakeholders' approvals for transaction execution is underway.

#### **Foods**

The imposition of sales tax through the Federal Budget on packaged milk has added financial strain on consumers. However, the Company remains committed to maintaining its market position and ensuring the highest quality of products for our consumers. As an agile organization, we will continue to respond to consumer needs through in-market initiatives, stakeholder engagement, and relevant product propositions.

### **international trading**

Our objective is to evolve Engro Eximp FZE from a centralized commodity sourcing entity into a global trading house over the next five years. This transformation aims to enhance internationalization and broaden Engro's global footprint. We intend to diversify geographically and bolster our brand's market presence on a global scale.

### **sustainability**

Engro's diverse businesses operate in a complex business environment which necessitates a continuous assessment of (1) each business strategy and (2) the quantum of risk each business is willing to accept. In order to carry out this assessment, responsibilities have been adequately assigned throughout the Company to ensure that business sustainability is maintained and accelerated.

We view this kind of risk management as integral to the creation, protection, and enhancement of shareholder value by managing the significant externalities and risks that could influence sustainable operations including factors linked to social and natural capital. A comprehensive risk-based HSE (Health Safety and Environment) management system that focuses on effective barrier-management has been customized for Engro to proactively identify, prevent, and mitigate threats that can adversely affect P-E-A-R (People, Environment, Assets, Reputation).

Engro Corporation's strategic vision for sustainable value creation incorporates environmental stewardship, societal impact, and responsible business operations, which are detailed in Engro's sustainability report.

## DE&I

With the belief that a diverse workforce is an economic imperative, we prioritize Diversity & Inclusion as a key strategic dimension to complement our efforts in building a future-ready workforce. Our people strategy, initiatives, and employment practices actively address gender diversity, support individuals with disabilities, and embrace generational diversity. From recruitment to coaching and mentoring, we implement programs such as break key baad, khudi training program etc that ensure equal opportunities, fair representation, and the freedom for talent to thrive professionally and reach their full potential.

## acknowledgment

The Directors wish to convey their profound gratitude to our shareholders for their steadfast confidence in the Company. We also formally acknowledge the exceptional commitment, dedication, and innovative contributions of each member of the Engro family. We are confident that their ongoing efforts will continue to be instrumental in our future success.



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Hussain Dawood  
Chairman



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Ahsan Zafar Syed  
President and Chief Executive





# **standalone financial statements**

**ENGRO CORPORATION LIMITED  
UNCONSOLIDATED CONDENSED  
INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2024**



**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, 2024 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, 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, 2024 and June 30, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2024.

**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 audit resulting in this independent auditor's report is Farrukh Rehman.

**Chartered Accountants  
Karachi**

**Date: August 28, 2024**

**UDIN: RR202410059xNpLzyJK1**

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ENGRO CORPORATION LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2024

(Amounts in thousand)

	Note	(Unaudited) June 30, 2024	(Audited) December 31, 2023
-----Rupees-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,754,703	1,790,237
Right-of-use assets		767,132	928,849
Intangible assets		168,552	132,583
Long term investments	5	53,835,194	50,835,194
Long term loans and advances		-	6,274
		<u>56,525,581</u>	<u>53,693,137</u>
<b>Current assets</b>			
Loans, advances, deposits and prepayments	6	5,117,037	9,088,160
Receivables	7	1,630,242	2,041,529
Short term investments	8	24,333,959	23,870,113
Cash and bank balances		11,299,914	122,905
		<u>42,381,152</u>	<u>35,122,707</u>
<b>TOTAL ASSETS</b>		<u><u>98,906,733</u></u>	<u><u>88,815,844</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	5,366,265	5,366,265
<b>Reserves</b>			
Share premium		13,068,232	13,068,232
Capital re-purchase reserve account		395,368	395,368
General reserve		4,429,240	4,429,240
Remeasurement of post employment benefits		(39,439)	(39,439)
Remeasurement of investments		(1,156,826)	(1,388,624)
Unappropriated profit		56,827,075	49,606,749
<b>Total equity</b>		<u>78,889,915</u>	<u>71,437,791</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		682,458	880,901
Deferred taxation		36,062	167,431
Retirement and other service benefit obligations		80,677	24,566
		<u>799,197</u>	<u>1,072,898</u>
<b>Current liabilities</b>			
Trade and other payables		4,647,173	5,494,425
Current portion of lease liabilities		370,582	321,813
Taxation - provision less payments		13,967,773	10,255,244
Unclaimed dividends		232,093	233,673
		<u>19,217,621</u>	<u>16,305,155</u>
<b>Total liabilities</b>		<u>20,016,818</u>	<u>17,378,053</u>
<b>Contingencies and commitments</b>	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>98,906,733</u></u>	<u><u>88,815,844</u></u>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

  
Shabbir Hussain Hashmi  
Director

  
Farooq Barkat Ali  
Chief Financial Officer

  
Ahsan Zafar Syed  
President and Chief Executive



ENGRO CORPORATION LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2024

(Amounts in thousand except for earnings per share)

Note	Quarter ended		Half year ended		
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	
	-----Rupees-----				
Dividend income	9,206,081	5,376,041	15,727,311	11,282,601	
Royalty income	428,397	441,326	1,111,407	902,288	
Total revenue	9,634,478	5,817,367	16,838,718	12,184,889	
Administrative expenses	(594,179)	(723,425)	(1,282,596)	(1,769,859)	
	9,040,299	5,093,942	15,556,122	10,415,030	
Other income	11	1,481,294	1,524,002	2,977,627	3,490,179
Other operating expenses	(234,712)	(352,881)	(305,020)	(505,725)	
Operating profit	10,286,881	6,265,063	18,228,729	13,399,484	
Finance cost	(42,203)	(4,946)	(86,984)	(92,041)	
Profit before tax	10,244,678	6,260,117	18,141,745	13,307,443	
Taxation	12	(2,014,616)	(2,848,567)	(3,945,275)	(3,856,893)
Profit for the period	<u>8,230,062</u>	<u>3,411,550</u>	<u>14,196,470</u>	<u>9,450,550</u>	
Earnings per share - basic and diluted	13	<u>15.34</u>	<u>6.35</u>	<u>26.46</u>	<u>17.09</u>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

  
Shabbir Hussain Hashmi  
Director

  
Farooq Barkat Ali  
Chief Financial Officer

  
Ahsan Zafar Syed  
President and Chief Executive

ENGRO CORPORATION LIMITED  
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
 FOR THE HALF YEAR ENDED JUNE 30, 2024


(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	-----Rupees-----			
Profit for the period	8,230,062	3,411,550	14,196,470	9,450,550
Other comprehensive income / (loss)				
<i>Items that will be reclassified to profit or loss</i>				
- Remeasurement of investments	73,228	(54,498)	231,798	(726,908)
<b>Total comprehensive income for the period</b>	<b>8,303,290</b>	<b>3,357,052</b>	<b>14,428,268</b>	<b>8,723,642</b>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

  
**Shabbir Hussain Hashmi**  
 Director

  
**Farooq Barkat Ali**  
 Chief Financial Officer

  
**Ahsan Zafar Syed**  
 President and Chief Executive

ENGRO CORPORATION LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED JUNE 30, 2024

(Amounts in thousand)

	Reserves								Total
	Capital Reserve			Revenue Reserves					
	Share capital	Share premium	Capital re-purchase reserve account	General reserve	Remeasurement of post employment benefits	Remeasurement of investments	Unappropriated profit	Sub-total	
	Rupees								
Balance as at January 01, 2023 (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	(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 ended December 31, 2023 @ Rs. 40.00 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
Profit for the period	-	-	-	-	334	-	8,115,685	8,115,685	8,115,685
Other comprehensive income	-	-	-	-	-	193,265	-	193,599	193,599
	-	-	-	-	334	193,265	8,115,685	8,309,284	8,309,284
Transactions with owners:									
Interim cash dividends for the year ended December 31, 2023:									
- 2nd interim @ Rs. 2.00 per share	-	-	-	-	-	-	(1,073,253)	(1,073,253)	(1,073,253)
- 3rd interim @ Rs. 4.00 per share	-	-	-	-	-	-	(2,146,506)	(2,146,506)	(2,146,506)
	-	-	-	-	-	-	(3,219,759)	(3,219,759)	(3,219,759)
Balance as at December 31, 2023 (Audited)	5,366,265	13,068,232	395,368	4,429,240	(39,439)	(1,388,624)	49,606,749	66,071,526	71,437,791
Profit for the period	-	-	-	-	-	-	14,196,470	14,196,470	14,196,470
Other comprehensive income	-	-	-	-	-	231,798	-	231,798	231,798
Total comprehensive income for the half year ended June 30, 2024	-	-	-	-	-	231,798	14,196,470	14,428,268	14,428,268
Transactions with owners:									
Final cash dividend for the year ended December 31, 2023 @ Rs. 2.00 per share	-	-	-	-	-	-	(1,073,253)	(1,073,253)	(1,073,253)
1st interim cash dividend for the year ending December 31, 2024 @ Rs. 11.00 per share	-	-	-	-	-	-	(5,902,891)	(5,902,891)	(5,902,891)
	-	-	-	-	-	-	(6,976,144)	(6,976,144)	(6,976,144)
Balance as at June 30, 2024 (Unaudited)	5,366,265	13,068,232	395,368	4,429,240	(39,439)	(1,156,826)	56,827,075	73,523,650	78,889,915

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

  
Shabbir Hussain Hashmi  
Director

  
Farooq Barkat Ali  
Chief Financial Officer

  
Ahsan Zafar Syed  
President and Chief Executive

**ENGRO CORPORATION LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2024**

(Amounts in thousand)

	Note	Half Year Ended	
		June 30, 2024	June 30, 2023
-----Rupees-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash utilized in operations	14	(1,512,358)	(3,489,240)
Royalty received		1,070,473	884,129
Taxes paid		(364,115)	(3,912,634)
Retirement and other service benefits paid		(64,977)	(40,968)
Long term loans and advances - net		6,274	3,599
<b>Net cash utilized in operating activities</b>		<b>(864,703)</b>	<b>(6,555,114)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received		15,853,289	11,282,601
Income on deposits and other financial assets including income earned on loans to subsidiaries		1,138,626	2,036,078
Loan disbursed to subsidiary companies		(1,758,000)	(3,450,000)
Repayment of loan by subsidiary companies		6,131,049	3,050,000
Investment in shares of subsidiary company		(3,000,000)	-
Purchase of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds		(55,122,543)	(11,862,124)
Proceeds from sale of Treasury bills, Units of Mutual Funds, Fixed income placements and Pakistan Investment Bonds		57,429,988	37,566,250
Purchases of property, plant and equipment		(213,371)	(485,441)
Sale proceeds on disposal of property, plant and equipment		105,403	48,281
Purchases of intangibles		(83,314)	(22,637)
<b>Net cash generated from investing activities</b>		<b>20,481,127</b>	<b>38,163,008</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Finance cost paid		(490)	(1,584)
Payments for own shares purchased for cancellation		-	(11,629,302)
Lease rentals paid		(236,168)	(191,111)
Dividends paid		(6,977,724)	(22,011,686)
<b>Net cash utilized in financing activities</b>		<b>(7,214,382)</b>	<b>(33,833,683)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>12,402,042</b>	<b>(2,225,789)</b>
Cash and cash equivalents at beginning of the period		8,344,497	2,850,332
<b>Cash and cash equivalents at end of the period</b>	15	<b>20,746,539</b>	<b>624,543</b>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

  
**Shabbir Hussain Hashmi**  
 Director

  
**Farooq Barkat Ali**  
 Chief Financial Officer

  
**Ahsan Zafar Syed**  
 President and Chief Executive



**ENGRO CORPORATION LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2024**

(Amounts in thousand)

**1. LEGAL STATUS AND OPERATIONS**

- 1.1 Engro Corporation Limited (the Company) is a public listed company incorporated in Pakistan. Its shares are quoted on Pakistan Stock Exchange Limited (PSX). 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, PVC resin manufacturing and marketing, food, energy, LNG terminals, telecommunications infrastructure and chemical terminal and storage businesses. Further, the Company also earns royalty income as per its License Agreement with Engro Fertilizers Limited (a subsidiary company) to use the permitted trademarks. The Company's head / registered office is situated at 8th floor, The Harbour Front Building, Plot Number HC # 3, Marine Drive, Block 4, Clifton, Karachi.
- 1.2 During the period, as notified to PSX on April 4, 2024, Engro Energy Limited, a wholly owned subsidiary of the Company, has entered into definitive agreements with Liberty Power Holding (Pvt.) Limited and other parties acting in concert (Acquirers) for the sale of its entire shareholding in Engro Powergen Qadirpur Limited (EPQL), Engro Powergen Thar (Private) Limited (EPTL) and Sindh Engro Coal Mining Company Limited (SECMC) (the transaction) with a transaction value of Rs. 7,500,000, Rs. 21,040,000 and Rs. 6,210,000 respectively, subject to certain adjustments as agreed in the definitive agreements. Completion of the Transaction is subject to receipt of corporate / regulatory approvals and lender consents.
- 1.3 As already notified to PSX through notifications dated May 06, 2024, May 17, 2024, June 26, 2024 and July 24, 2024, the Parent Company and the Company have entered into a Scheme of Arrangement (the Scheme) through which the Company's shares held by existing shareholders (other than the Parent Company) shall be vested into the Parent Company and such existing shareholders will be issued shares of the Parent Company. Resultantly, the Company will become the wholly owned subsidiary of the Parent Company from January 01, 2025 (the effective date) and shall cease to be listed on the PSX. The Scheme has been approved by the shareholders and creditors of the Company in their meeting held on June 26, 2024. Subsequent to the period end, the Islamabad High Court (IHC) has also sanctioned the Scheme vide its order dated July 18, 2024. Under the Scheme, the name of the Parent Company shall be rebranded to Engro Holdings Limited.

**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, 2024 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, 2023.



(Amounts in thousand)

- 2.3 The preparation of these unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards 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 judgement 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 judgement 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 the annual audited financial statements of the Company for the year ended December 31, 2023.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

- 3.1 The material 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 annual audited financial statements of the Company for the year ended December 31, 2023.

#### 3.2 Initial application of a standard, amendment or an interpretation to an existing standard

##### a) Standards and amendments to published accounting and reporting standards and interpretations that are effective during the period

There were certain amendments to accounting and reporting standards which became effective during the current period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

##### b) Standards and amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company

There are certain standards and amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

- 3.3 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 Company.

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
----- (Rupees) -----		

### 4. PROPERTY, PLANT AND EQUIPMENT

Operating assets (notes 4.1 and 4.2)	1,032,191	1,004,333
Capital work-in-progress (note 4.3)	722,512	785,904
	<u>1,754,703</u>	<u>1,790,237</u>

- 4.1 Following additions, being transfers from CWIP, were made to operating assets during the period / year:

Furniture, fixtures and equipment	79,473	85,918
Vehicles	197,290	662,192
	<u>276,763</u>	<u>748,110</u>

**(Amounts in thousand)**

- 4.2 Operating assets costing Rs. 139,404 (December 31, 2023: Rs. 132,848) having a net book value of Rs. 69,497 (December 31, 2023: Rs. 87,491), were disposed off during the period / year for Rs. 105,403 (December 31, 2023: Rs. 99,116).

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
<b>4.3 Capital work-in-progress</b>		
Balance at beginning of the period / year	785,904	379,504
Additions during the period / year	296,685	1,201,959
Transferred to:		
- operating assets (note 4.1)	(276,763)	(748,110)
- intangible assets	(83,314)	(47,449)
Balance at end of the period / year (note 4.3.1)	<u>722,512</u>	<u>785,904</u>

- 4.3.1 This includes advance paid to suppliers for purchase of operating assets. It also includes cost incurred in respect of renovation work-in-progress.

**5. LONG TERM INVESTMENTS**

During the period, the Company has made further investment in Engro Connect (Private) Limited, a wholly owned subsidiary, through subscription of 300,000,000 ordinary shares of Rs. 10 each at par, for the purpose of expansion activities of Engro Enfrashare (Private) Limited, a wholly owned subsidiary of Engro Connect (Private) Limited.

**6. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS**

These primarily include loan to subsidiary companies and accrued interest due thereon aggregating to Rs. 1,829,501 (December 31, 2023: Rs. 6,202,550) and Rs. 3,121,283 (December 31, 2023: Rs. 2,689,868) respectively. Movements in these loans during the period are as follows:

- loans to Engro Energy Limited (EEL) under revolving finance facility and another finance facility which are repayable on December 22, 2024 and December 27, 2024, respectively. The total facility under revolving finance amounts to Rs. 6,000,000 and carries mark-up at the rate of 1-month KIBOR plus 0.5% per annum payable on monthly basis. Loan amounting to Rs. 258,000 was further disbursed and Rs. 2,631,049 was repaid during the period. The outstanding balance under this facility as at June 30, 2024 amounts to Rs. 1,365,572 (December 31, 2023: Rs. 3,738,621). The limit under other finance facility aggregates to Rs. 500,000 and carries mark-up at the rate of 1-month KIBOR plus 0.5% per annum payable on monthly basis. This facility is sub-ordinated to finances provided to EEL by its creditors (other than trade creditors). The outstanding balance under this facility as at June 30, 2024 amounts to Rs. 383,929 (December 31, 2023: Rs. 383,929).
- loan to Engro Connect (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%. The balance outstanding as at June 30, 2024 aggregated to Rs. 80,000 (December 31, 2023: Rs. 80,000).
- outstanding loan amounting to Rs. 2,000,000 to Engro Enfrashare (Private) Limited, an indirect subsidiary company, pursuant to agreement entered into on May 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 amounting to Rs. 1,500,000 was disbursed to Engro Polymer and Chemicals Limited, a subsidiary company, pursuant to agreement entered into on September 01, 2023. The loan carried mark-up at the rate of 1-month KIBOR plus 0.6% and the same was repaid during the period.



(Amounts in thousand)

**7. RECEIVABLES**

This includes amount due from subsidiary companies, joint venture and associated companies aggregating to Rs. 1,596,226 (December 31, 2023: Rs. 1,974,957) on account of amounts charged by the Company in accordance with the expense sharing agreements and dividend receivable.

(Unaudited) June 30, 2024	(Audited) December 31, 2023
------(Rupees)-----	

**8. SHORT TERM INVESTMENTS****Fair value through other comprehensive income**

- Pakistan Investment Bonds (notes 8.1 and note 8.2)	11,073,700	10,572,006
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**Fair value through profit or loss**

- Mutual fund units (note 8.3)	3,103,697	4,503,419
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**Amortized cost**

- Treasury bills (note 8.4)	856,795	3,970,085
- Fixed income placements (note 8.5)	9,299,767	4,824,603
	10,156,562	8,794,688
	24,333,959	23,870,113

8.1 These bonds carry yield of 12.75% to 13.40% (December 31, 2023: 12.75% to 13.40%) per annum and have maturity terms ranging between 5 to 10 years.

8.2 This amount is net of loss on remeasurement of Pakistan Investment Bonds amounting to Rs. 1,156,826 (December 31, 2023: Rs. 1,388,624).

8.3 This represents investment in units of various Mutual Funds having cost amounting to Rs. 3,093,161 (December 31, 2023: Rs. 4,490,917).

8.4 These bills carry yield of 20.14% to 21.10% (December 31, 2023: 21.60% to 22.50%) per annum and having maturity of one to seven months.

8.5 These represent placements with banks and carry interest at rates ranging from 20.80% to 21.50% (December 31, 2023: 21.88% to 22.35%) per annum and having maturity in July 2024 (December 31, 2023: having maturity in January 2024).

**9. SHARE CAPITAL****9.1 Authorized capital**

(Unaudited) June 30, 2024	(Audited) December 31, 2023		(Unaudited) June 30, 2024	(Audited) December 31, 2023
------(Number of shares)-----			------(Rupees)-----	
700,000,000	700,000,000	Ordinary shares of Rs. 10 each	7,000,000	7,000,000

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(Amounts in thousand)

## 9.2 Issued, subscribed and paid-up capital

(Unaudited) June 30, 2024	(Audited) December 31, 2023		(Unaudited) June 30, 2024	(Audited) December 31, 2023
------(Number of shares)-----			------(Rupees)-----	
197,869,803	197,869,803	Ordinary shares of Rs. 10 each fully paid in cash	1,978,699	1,978,699
378,293,427	378,293,427	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	3,782,934	3,782,934
(39,536,762)	(39,536,762)	Ordinary shares of Rs. 10 each purchased and cancelled	(395,368)	(395,368)
<u>536,626,468</u>	<u>536,626,468</u>		<u>5,366,265</u>	<u>5,366,265</u>

## 10. CONTINGENCIES AND COMMITMENTS

## Contingencies

10.1 As at June 30, 2024, there is no material change in the status of matters reported as contingencies in note 18 of the annual audited financial statements of the Company for the year ended December 31, 2023.

10.2 Updates in respect of tax related matters are disclosed in note 12.

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
10.3 Commitments		
Commitments in respect of capital expenditure	<u>512,000</u>	<u>397,723</u>

146

(Amounts in thousand)

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
-----Rupees-----				
<b>11. OTHER INCOME</b>				
<b>Financial assets</b>				
Income on bank deposits and other financial assets (note 11.1)	1,456,596	1,520,954	2,884,501	3,484,703
<b>Non-financial assets</b>				
Gain on disposal of property, plant and equipment	15,513	1,999	35,906	4,319
Others	9,185	1,049	57,220	1,157
	24,698	3,048	93,126	5,476
	<u>1,481,294</u>	<u>1,524,002</u>	<u>2,977,627</u>	<u>3,490,179</u>

11.1 Includes Rs. 615,577 (June 30, 2023: Rs. 634,072) in respect of profit earned on loans to subsidiary companies.

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
-----Rupees-----				
<b>12. TAXATION</b>				
Current				
- for the period	2,154,451	1,952,717	4,076,644	2,944,214
- for prior period	-	891,010	-	891,010
	<u>2,154,451</u>	<u>2,843,727</u>	<u>4,076,644</u>	<u>3,835,224</u>
Deferred	(139,835)	4,840	(131,369)	21,669
	<u>2,014,616</u>	<u>2,848,567</u>	<u>3,945,275</u>	<u>3,856,893</u>

12.1 As at June 30, 2024, following are the updates to taxation matters from those reported in note 25 to the annual audited financial statements of the Company for the year ended December 31, 2023:

12.1.1 During the period, in respect of the matter disclosed in note 25.2 of the annual audited financial statements of the Company for the year ended December 31, 2023, the IHC in its judgement dated March 15, 2024, decided the matter in favor of the Company in respect of retrospective application of section 4C, as amended by Finance Act 2023, to tax year 2023. Additionally, the IHC also ruled that super tax under section 4C of the Income Tax Ordinance, 2001 (the Ordinance) is not applicable on incomes subject to final tax under other provisions of the Ordinance. The tax department has filled an intra court appeal against this matter, which is currently pending adjudication. Being prudent, the Company is carrying provision against the matter in these unconsolidated condensed interim financial statements.

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(Amounts in thousand)

## 13. EARNINGS PER SHARE

As at June 30, 2024, 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, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	-----Rupees-----			
Profit for the period	8,230,062	3,411,550	14,196,470	9,450,550
	-----Number of shares (in thousand)-----			
Weighted average number of ordinary shares	536,626	537,211	536,626	553,017

	Unaudited	
	Half year ended	
	June 30, 2024	June 30, 2023
	-----Rupees-----	

## 14. CASH UTILIZED IN OPERATIONS

Profit before taxation	18,141,745	13,307,443
Adjustment for non-cash charges and other items:		
Depreciation	179,408	117,010
Amortization	47,345	17,686
Depreciation on right-of-use assets	161,717	159,534
Provision for retirement and other service benefits	38,705	34,869
Dividend income	(15,727,311)	(11,282,601)
Royalty income	(1,111,407)	(902,288)
Income on bank deposits and other financial assets	(2,884,501)	(3,484,703)
Gain on disposal of property, plant and equipment	(35,906)	(4,319)
Finance cost	86,984	92,041
Working capital changes (note 14.1)	(409,137)	(1,543,912)
	<u>(1,512,358)</u>	<u>(3,489,240)</u>

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(Amounts in thousand)

	Unaudited	
	Half year ended	
	June 30, 2024	June 30, 2023
-----Rupees-----		
<b>14.1 Working capital changes</b>		
Increase / (decrease) in current assets		
- Loans, advances, deposits and prepayments	29,489	182,868
- Other receivables (net)	326,243	26,441
	<u>355,732</u>	<u>209,309</u>
Decrease in current liabilities		
- Trade and other payables including other service benefits (net)	(764,869)	(1,753,221)
	<u>(409,137)</u>	<u>(1,543,912)</u>
<b>15. CASH AND CASH EQUIVALENTS</b>		
Short term investments	9,446,625	50,000
Cash and bank balances	11,299,914	574,543
	<u>20,746,539</u>	<u>624,543</u>

15.1 On May 29, 2024, the Company has obtained a Syndicated working capital facility amounting to Rs. 10,000,000 (December 31, 2023: Rs. 10,000,000) from a commercial bank. This has been secured by pledging the Company's shares of Engro Fertilizers Limited, Engro Polymer and Chemicals Limited and FrieslandCampina Engro Pakistan Limited of quantities 33,068,783, 120,250,120 and 73,486,185, respectively. The facility carries mark-up at the rate of 1 month KIBOR plus 0.5% per annum and is unutilised as at June 30, 2024.

## 16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 16.1 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.

### 16.2 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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).



(Amounts in thousand)

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<b>As at June 30, 2024 (Unaudited)</b>				
Financial assets at fair value through other comprehensive income				
- Pakistan Investment Bonds	-	11,073,700	-	11,073,700
Financial assets at fair value through profit or loss				
- Mutual funds units	-	3,103,697	-	3,103,697
<b>As at December 31, 2023 (Audited)</b>				
Financial assets at fair value through other comprehensive income				
- Pakistan Investment Bonds	-	10,572,006	-	10,572,006
Financial assets at fair value through profit or loss				
- Mutual funds units	-	4,503,419	-	4,503,419

### 16.3 Valuation techniques used to determine fair values

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

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

### 16.4 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.

*Atto*

(Amounts in thousand)

**17. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of the Parent Company, subsidiaries, joint venture company, associated companies, retirement benefit funds, directors and key management personnel (KMP). 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:

	<b>Unaudited</b>	
	<b>Half year ended</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	----- <b>(Rupees)</b> -----	
<b><i>Parent Company</i></b>		
Dividend paid	2,788,108	8,793,262
Purchase of goods and services	21,825	72,000
Reimbursements to	5,383	7,434
Reimbursements from	-	1,067
<b><i>Subsidiary companies</i></b>		
Mark-up from subsidiaries	615,577	634,072
Disbursement of loan	1,758,000	3,450,000
Repayment of loan	6,131,049	3,050,000
Dividend income	15,322,311	10,675,101
Royalty income	1,111,407	902,288
Reimbursements from	3,127,897	2,188,155
Reimbursements to	516,297	714,777
Investment made	3,000,000	-
Tax loss surrendered to EPCL	-	373,489
<b><i>Associated companies</i></b>		
Purchases and services	211,376	115,436
Contribution for Corporate Social Responsibility	110,000	175,000
Dividend paid	202,548	631,679
Reimbursements from	20,047	48,155
Reimbursements to	9,471	30,358
<b><i>Joint venture company</i></b>		
Dividend income	405,000	607,500
Reimbursements from	235,317	96,505
Reimbursements to	8,832	4,161
<b><i>Others</i></b>		
Remuneration of key management personnel	711,970	289,266
Contribution to staff retirement benefit funds	146,231	129,503
Advisory fee	-	51,000
Dividend paid to directors, KMP and others	431,540	1,568,656
Directors' fee	68,596	42,189

AEL

(Amounts in thousand)

**18. NON-ADJUSTING EVENTS AFTER REPORTING DATE**

- 18.1 The Board of Directors of Engro Fertilizers Limited, a subsidiary company, in its meeting held on July 30, 2024 has proposed an interim cash dividend of Rs. 3 per share for the year ending December 31, 2024, amounting to Rs. 4,005,898 of which the proportionate share of the Company amounts to Rs. 2,253,936.
- 18.2 The Board of Directors of Engro Energy Limited, a wholly owned subsidiary company, in its meeting held on August 12, 2024 has proposed an interim cash dividend of Rs. 6.10 per share for the year ending December 31, 2024, which amounts to Rs. 644,057.
- 18.3 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on August 2, 2024 has proposed an interim cash dividend of Rs. 3.50 per share for the year ending December 31, 2024, amounting to Rs. 315,000 of which the proportionate share of the Company amounts to Rs. 157,500.

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

- 18.4 The Board of Directors of the Company in its meeting held on August 21, 2024 has proposed an interim cash dividend of Rs. 8 per share for the year ending December 31, 2024 amounting to Rs. 4,293,012. These unconsolidated condensed interim financial statements do not reflect the effect of such dividend payable.

**19. CORRESPONDING FIGURES**

- 19.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material.
- 19.2 In order to comply with the requirements of IAS 34, the balances of 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 / amounts of comparable period of immediately preceding financial year.

**20. DATE OF AUTHORIZATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue on August 21, 2024 by the Board of Directors of the Company.

**Shabbir Hussain Hashmi**  
Director

**Farooq Barkat Ali**  
Chief Financial Officer

**Ahsan Zafar Syed**  
President and Chief Executive



**consolidated  
financial statements**

**ENGRO CORPORATION LIMITED**  
**CONSOLIDATED CONDENSED**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2024**





**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, 2024 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, 2024 and June 30, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2024.

**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 audit resulting in this independent auditor's report is Farrukh Rehman.

  
**Chartered Accountants  
Karachi**

**Date: August 28, 2024**

**UDIN: RR202410059YHCvBGfM2**

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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**ENGRO CORPORATION LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT**  
**OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

(Amounts in thousand)

	Note	(Unaudited) June 30, 2024	Restated (Audited) December 31, 2023
-----Rupees-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	193,247,114	339,278,737
Right-of-use assets		12,782,156	13,119,197
Intangible assets		1,570,731	2,030,544
Long term investments	7	29,979,241	34,485,322
Deferred taxation		1,319,975	-
Financial assets at amortized cost		-	1,051,611
Derivative financial instruments		733,449	963,207
Net investment in leases		52,115,358	56,961,334
Long term loans, advances, deposits and other receivables		5,159,578	4,925,619
		296,907,602	452,815,571
<b>Current assets</b>			
Stores, spares and loose tools		13,014,116	12,939,358
Stock-in-trade	8	39,642,126	33,736,767
Trade debts		15,693,500	75,497,556
Loans, advances, deposits and prepayments		17,214,964	9,558,431
Other receivables		22,770,569	50,086,058
Accrued income		77,323	4,393,755
Contract assets		-	16,880,213
Current portion of net investment in leases		8,169,981	7,887,464
Short term investments		42,229,498	70,080,028
Cash and bank balances		29,339,760	67,095,680
		188,151,837	348,155,310
Assets classified as held for sale	9	280,617,398	1,525,396
<b>TOTAL ASSETS</b>		<b>765,676,837</b>	<b>802,496,277</b>

*Handwritten mark*



(Amounts in thousand)

	Note	(Unaudited) June 30, 2024	Restated (Audited) December 31, 2023
-----Rupees-----			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	5,366,264	5,366,264
Share premium		13,068,232	13,068,232
Capital re-purchase reserve account		395,368	395,368
Revaluation reserve on business combination		2,678	2,678
Maintenance reserve		652,945	652,945
Exchange revaluation reserve		2,258,475	2,304,181
Hedging reserve		698,699	928,458
General reserve		4,429,240	4,429,240
Remeasurement of investments		(1,205,157)	(1,423,039)
Remeasurement of post-employment benefits		(170,256)	(170,256)
Unappropriated profit		115,589,196	120,802,757
		135,719,420	140,990,564
		141,085,684	146,356,828
Non-controlling interest		72,539,016	78,832,521
<b>Total equity</b>		213,624,700	225,189,349
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	11	57,141,401	162,072,043
Government grant		1,759,783	2,020,187
Lease liabilities		61,595,932	66,777,290
Deferred taxation		2,412,460	16,596,262
Deferred liabilities		4,309,976	4,452,879
		127,219,552	251,918,661
<b>Current liabilities</b>			
Trade and other payables		109,204,190	182,855,508
Contract liabilities		-	14,427,927
Accrued interest / mark-up		2,221,227	2,807,643
Current portion of:			
- borrowings	11	7,111,591	28,580,236
- government grant		473,146	452,387
- lease liabilities		10,617,405	10,617,201
- deferred liabilities		554,424	626,493
Provisions		26,806,568	27,153,499
Short term borrowings		40,822,152	31,639,719
Taxation - provision less payments		10,207,845	13,390,978
Dividend payable		823,495	12,836,676
		208,842,043	325,388,267
Liabilities classified as held for sale	9	215,990,542	-
<b>Total liabilities</b>		552,052,137	577,306,928
<b>TOTAL EQUITY AND LIABILITIES</b>		765,676,837	802,496,277

**Contingencies and commitments**

12

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.

Shabbir Hussain Hashmi  
Director

Farooq Barkat Ali  
Chief Financial Officer

Ahsan Zafar Syed  
President and Chief Executive



ENGRO CORPORATION LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT  
OF PROFIT OR LOSS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2024

(Amounts in thousand except for earnings per share)

	Note	Quarter ended		Half year ended	
		June 30, 2024	Restated June 30, 2023	June 30, 2024	Restated June 30, 2023
		-----Rupees-----		-----Rupees-----	
<b>CONTINUING OPERATIONS</b>					
Revenue	13	74,588,917	75,087,559	178,888,645	147,161,170
Cost of revenue		(61,580,569)	(53,899,878)	(143,606,649)	(108,070,201)
<b>Gross profit</b>		<b>13,008,348</b>	<b>21,187,681</b>	<b>35,281,996</b>	<b>39,090,969</b>
Selling and distribution expenses		(1,371,727)	(1,948,149)	(5,118,150)	(4,035,191)
Administrative expenses		(3,895,995)	(2,757,477)	(7,249,095)	(5,404,143)
Other income		3,722,229	2,264,858	7,204,897	6,138,928
Other operating expenses		(1,324,142)	(1,758,555)	(2,252,371)	(3,705,179)
Other gains / (losses):					
- Gain / (loss) allowance on subsidy receivable from GoP		177,508	(71,896)	235,291	(504,345)
<b>Operating profit</b>		<b>10,316,221</b>	<b>16,916,462</b>	<b>28,102,568</b>	<b>31,581,039</b>
Finance cost		(5,480,147)	(3,761,486)	(9,527,021)	(8,117,465)
Share of income from joint venture and associates		637,064	452,529	1,268,102	1,070,730
<b>Profit before income tax, minimum tax and final tax</b>		<b>5,473,138</b>	<b>13,607,505</b>	<b>19,843,649</b>	<b>24,534,304</b>
Minimum tax and final tax	14	(975,217)	(1,048,039)	(1,963,228)	(1,872,282)
<b>Profit before income tax</b>		<b>4,497,921</b>	<b>12,559,466</b>	<b>17,880,421</b>	<b>22,662,022</b>
Taxation	15	(2,274,930)	(11,079,636)	(8,296,037)	(15,078,976)
<b>Profit from continuing operations</b>		<b>2,222,991</b>	<b>1,479,830</b>	<b>9,584,384</b>	<b>7,583,046</b>
<b>DISCONTINUED OPERATIONS</b>					
Profit from discontinued operations	9	2,853,843	11,549,764	2,853,843	14,301,657
<b>Profit for the period</b>		<b>5,076,834</b>	<b>13,029,594</b>	<b>12,438,227</b>	<b>21,884,703</b>
<b>Profit attributable to:</b>					
- Owners of the Holding Company		2,242,882	6,123,852	6,260,870	10,803,874
- Non-controlling interest		2,833,952	6,905,742	6,177,357	11,080,829
		<b>5,076,834</b>	<b>13,029,594</b>	<b>12,438,227</b>	<b>21,884,703</b>
<b>Earnings / (loss) per share - basic and diluted</b>					
- Continuing operations	16	1.60	(1.39)	9.09	4.81
- Discontinued operations	16	2.58	12.79	2.58	14.73
	16	<b>4.18</b>	<b>11.40</b>	<b>11.67</b>	<b>19.54</b>

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.

  
**Shabbir Hussain Hashmi**  
Director

  
**Farooq Barkat Ali**  
Chief Financial Officer

  
**Ahsan Zafar Syed**  
President and Chief Executive

ENGRO CORPORATION LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT  
OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2024

(Amounts in thousand)

	Quarter ended		Half year ended	
	June 30, 2024	Restated June 30, 2023	June 30, 2024	Restated June 30, 2023
	-----Rupees-----		-----Rupees-----	
Profit for the period	5,076,834	13,029,594	12,438,227	21,884,703
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Hedging reserve - cash flow hedges				
Profit / (loss) arising during the period	(40,762)	112,774	(229,759)	329,302
Revaluation reserve on business combination				
Exchange differences on translation of foreign operations	(15,828)	216,599	(45,706)	802,439
Continuing operations' gain / (loss) on remeasurement of long-term investments classified at fair value through other comprehensive income	73,228	(42,499)	231,798	(726,908)
Items that will not be reclassified subsequently to profit or loss				
Loss on remeasurement of long-term investments classified at fair value through other comprehensive income	(667)	(13,249)	(13,916)	(14,499)
Other comprehensive income / (loss) for the period, net of tax	15,971	273,625	(57,583)	390,334
<b>Total comprehensive income for the period</b>	<b>5,092,805</b>	<b>13,303,219</b>	<b>12,380,644</b>	<b>22,275,037</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Holding Company	2,258,853	6,397,477	6,203,287	11,194,208
- Non-controlling interest	2,833,952	6,905,742	6,177,357	11,080,829
	<b>5,092,805</b>	<b>13,303,219</b>	<b>12,380,644</b>	<b>22,275,037</b>
<b>Total comprehensive income attributable to:</b>				
- Continuing operations	2,238,962	1,753,455	9,526,801	7,973,380
- Discontinued operations	2,853,843	11,549,764	2,853,843	14,301,657
	<b>5,092,805</b>	<b>13,303,219</b>	<b>12,380,644</b>	<b>22,275,037</b>

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Shabbir Hussain Hashmi  
Director



Farooq Barkat Ali  
Chief Financial Officer



Ahsan Zafar Syed  
President and Chief Executive

**ENRO CORPORATION LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED JUNE 30, 2024**

(Amounts in thousand)

	Reserves										Non-controlling interest	Total		
	Capital reserves					Revenue reserves								
	Share capital	Share premium	Capital re-purchase reserve account	Revaluation reserve on business combination	Maintenance reserve	Exchange revaluation reserve	Hedging reserve	General reserve	Re measurement of investments	Unappropriated profit			Remeasurement of post employment benefits	Sub total
Balance as at January 1, 2023 (Audited) - as previously stated	5,761,632	13,068,232	-	2,678	156,301	1,615,497	702,570	4,429,240	(866,814)	142,128,483	(176,246)	161,059,959	73,762,386	240,583,957
Effect of retrospective application of change in accounting policy - notes 4.2 and 4.3	-	-	-	-	-	-	-	-	-	866,664	-	866,664	860,950	1,547,614
Balance as at January 1, 2023 - Restated	5,761,632	13,068,232	-	2,678	156,301	1,615,497	702,570	4,429,240	(866,814)	142,995,147	(176,246)	161,926,603	74,443,336	242,131,571
Total comprehensive income for the half year ended June 30, 2023	-	-	-	-	-	802,439	329,302	-	-	10,803,874	-	10,803,874	11,080,829	21,884,703
Profit for the period - restated	-	-	-	-	-	802,439	329,302	-	(741,407)	-	-	390,334	-	390,334
Other comprehensive income / (loss)	-	-	395,366	-	-	-	-	-	(741,407)	10,803,874	-	11,194,208	11,080,829	22,275,037
Own shares purchased for cancellation	(395,366)	-	-	-	-	-	-	-	-	(11,529,302)	-	(11,233,934)	-	(11,626,302)
Transactions with owners:														
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)
1st interim cash dividend for the year ended December 31, 2023 @ Rs. 40.00 per share	-	-	-	-	-	-	-	-	-	(21,465,059)	-	(21,465,059)	-	(21,465,059)
Balance as at June 30, 2023 (Unaudited) - Restated	5,366,264	13,068,232	395,366	2,678	156,301	2,417,936	1,031,872	4,429,240	(1,808,221)	120,158,416	(176,246)	139,875,574	78,602,240	223,644,078
Total comprehensive income for the half year ended December 31, 2023	-	-	-	-	-	(113,755)	(103,414)	-	185,182	10,501,586	5,982	10,501,566	4,217,759	14,719,345
Profit for the period - restated	-	-	-	-	-	(113,755)	(103,414)	-	185,182	-	-	(25,995)	11,354	(14,641)
Other comprehensive income / (loss)	-	-	-	-	-	(113,755)	(103,414)	-	185,182	10,501,586	5,982	10,475,591	4,229,113	14,704,704
Adjustment for allocation of profit from Owners to NCI for preference dividend shares	-	-	-	-	-	-	-	-	-	(6,140,842)	-	(6,140,842)	-	-
Cancellation of own shares purchased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners:														
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(10,139,674)	(10,139,674)
Interim cash dividends for the year ended December 31, 2023:	-	-	-	-	-	-	-	-	-	(1,073,253)	-	(1,073,253)	-	(1,073,253)
- 2nd interim @ Rs. 2.00 per share	-	-	-	-	-	-	-	-	-	(2,146,506)	-	(2,146,506)	-	(2,146,506)
- 3rd interim @ Rs. 4.00 per share	-	-	-	-	-	-	-	-	-	(496,644)	-	(496,644)	-	(496,644)
Transfer from unappropriated profit to maintenance reserve	-	-	-	-	496,644	-	-	-	-	(3,715,403)	-	(3,219,759)	-	(3,219,759)
Balance as at December 31, 2023 (Audited) - Restated	5,366,264	13,068,232	395,366	2,678	652,945	2,304,181	928,458	4,429,240	(1,423,039)	120,802,757	(170,256)	140,990,564	78,832,521	225,189,349

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**ENPRO CORPORATION LIMITED  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED JUNE 30, 2024**

(Amounts in thousand)

	Reserves										Non-controlling interest	Total		
	Capital reserves					Revenue reserves								
	Share capital	Share premium	Capital re-purchase 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	Sub total		
Balance as at January 1, 2024 (Audited) - Restated	5,366,264	13,068,232	395,368	2,678	652,945	2,304,181	928,458	4,429,240	(1,423,039)	120,802,757	(170,256)	140,990,564	78,832,521	225,189,349
Total comprehensive income for the half year ended June 30, 2024	-	-	-	-	-	-	-	-	-	6,260,870	-	6,260,870	6,177,357	12,438,227
Profit for the period	-	-	-	-	-	(45,706)	(229,759)	-	217,882	-	-	(57,583)	-	(57,583)
Other comprehensive (loss) / income	-	-	-	-	-	(45,706)	(229,759)	-	217,882	6,260,870	-	6,203,287	6,177,357	12,380,644
Adjustment for allocation of profit from Owners to NCI for preference dividend shares	-	-	-	-	-	-	-	-	-	(4,498,287)	-	(4,498,287)	4,498,287	-
Transactions with owners:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend by subsidiaries allocable to Non-controlling interest:	-	-	-	-	-	-	-	-	-	-	-	-	(16,969,149)	(16,969,149)
Final cash dividend for the year ended December 31, 2023 @ Rs. 2.00 per share	-	-	-	-	-	-	-	-	-	(1,073,253)	-	(1,073,253)	-	(1,073,253)
1st interim cash dividend for the year ending December 31, 2024 @ Rs. 11.00 per share	-	-	-	-	-	-	-	-	-	(5,902,891)	-	(5,902,891)	-	(5,902,891)
Balance as at June 30, 2024 (Unaudited)	5,366,264	13,068,232	395,368	2,678	652,945	2,258,475	698,699	4,429,240	(1,205,157)	115,589,196	(170,256)	135,719,420	72,639,016	213,624,700

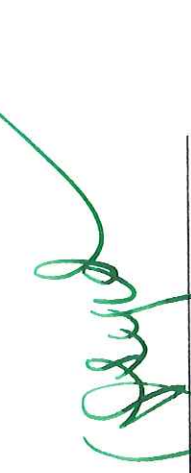
The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.



**Shabbir Hussain Hashmi**  
Director



**Farooq Barkat Ali**  
Chief Financial Officer



**Ahsan Zafar Syed**  
President & Chief Executive

**ENGRO CORPORATION LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT**  
**OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2024**

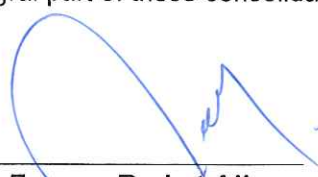
(Amounts in thousand)

	Note	Half year ended	
		June 30, 2024	Restated June 30, 2023
-----Rupees-----			
<b>Cash flows from operating activities</b>			
Cash generated from operations	17	36,154,672	69,047,694
Retirement and other service benefits paid - net		(239,786)	(209,038)
Proceeds from net investment in lease		4,627,448	3,355,850
Finance income received on net investment in lease		3,416,030	3,832,433
Deferred incentive		(77,141)	263,169
Financial charges paid		(20,950,345)	(17,514,147)
Taxes paid		(27,407,227)	(17,097,389)
Bank balance held under lien		-	(513,589)
Long term loans and advances - net		285,806	70,488
Net cash (utilized in) / generated from operating activities		(4,190,543)	41,235,471
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment and intangible assets		(14,652,574)	(17,602,653)
Sale proceeds on disposal of property, plant and equipment		1,660,230	209,580
Investments redeemed during the period - net		29,146,248	29,493,091
Income on deposits / other financial assets		10,378,591	7,831,317
Dividends received		751,282	1,284,786
Net cash generated from investing activities		27,283,777	21,216,121
<b>Cash flows from financing activities</b>			
Borrowings - net		(7,746,077)	(14,140,214)
Payment for own shares purchased and cancelled		-	(11,629,302)
Repayment of lease liability		(4,872,496)	(4,647,892)
Finance cost paid on lease liability		(2,355,479)	(2,797,318)
Dividends paid		(35,586,963)	(28,320,613)
Net cash utilized in financing activities		(50,561,015)	(61,535,339)
Net (decrease) / increase in cash and cash equivalents		(27,467,781)	916,253
Effect of exchange rate changes on cash and cash equivalents		(198,910)	3,049,600
Cash and cash equivalents at beginning of the period		46,709,851	25,366,691
Cash and cash equivalents at end of the period	18	19,043,160	29,332,544

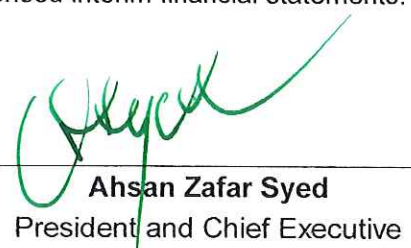
The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.



**Shabbir Hussain Hashmi**  
Director



**Farooq Barkat Ali**  
Chief Financial Officer



**Ahsan Zafar Syed**  
President and Chief Executive



ENGRO CORPORATION LIMITED  
NOTES TO THE CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2024

(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 head / registered office is situated at 8th floor, The Harbour Front Building, Plot Number HC # 3, Marine Drive, Block 4, Clifton, Karachi.

1.1.1 During the period, as notified to PSX on April 4, 2024, Engro Energy Limited (EEL), a wholly owned subsidiary of the Holding Company, has entered into definitive agreements with Liberty Power Holding (Pvt.) Limited and other parties acting in concert (Acquirers) for the sale of its entire shareholding in Engro Powergen Qadirpur Limited (EPQL), Engro Powergen Thar (Private) Limited (EPTL) and Sindh Engro Coal Mining Company Limited (SECMC) (thermal assets portfolio) with a transaction value of Rs. 7,500,000, Rs. 21,040,000 and Rs. 6,210,000, respectively, subject to certain adjustments as agreed in the definitive agreements. Completion of the Transaction is subject to receipt of corporate / regulatory approvals and lender consents.

Furthermore, as at the reporting date, the proposed divestment meets the classification criteria of International Financial Reporting Standard 5 – "Non-Current Assets Held for Sale and Discontinued Operations". Accordingly, assets and liabilities of the thermal assets portfolio have been classified as assets and liabilities attributable to discontinued operations in these consolidated condensed interim financial statements (refer note 9).

1.1.2 As already notified to PSX through notifications dated May 06, 2024, May 17, 2024, June 26, 2024 and July 24, 2024, the Parent Company and the Holding Company have entered into a Scheme of Arrangement (the Scheme) through which the Holding Company's shares held by existing shareholders (other than the Parent Company) shall be vested into the Parent Company and such existing shareholders will be issued shares of the Parent Company. Resultantly, the Holding Company will become the wholly owned subsidiary of the Parent Company from January 01, 2025 (the effective date) and shall cease to be listed on the PSX. The Scheme has been approved by the shareholders and creditors of the Holding Company in their meeting held on June 26, 2024. Subsequent to the period end, the Islamabad High Court (IHC) has also sanctioned the Scheme vide its order dated July 18, 2024. Under the Scheme, the name of the Parent Company shall be rebranded to Engro Holdings Limited.

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.

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(Amounts in thousand)

**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 shareholding (%)	
	June 30, 2024	December 31, 2023
- Engro Energy Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Connect (Private) Limited (note 1.3)	100	100
- Engro Infiniti (Private) Limited (note 1.3)	-	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
- Thermal Vision (Private) Limited	100	100
<b>Joint Venture Company:</b>		
- Engro Vopak Terminal Limited	50	50
<b>Associated Company:</b>		
- FrieslandCampina Engro Pakistan Limited	39.9	39.9

1.3 On December 29, 2023, the Board of Directors of Engro Infiniti (Private) Limited (EInfiniti) and Engro Connect (Private) Limited (EConnect) in their meeting decided to amalgamate EInfiniti with EConnect as a result of which EInfiniti shares were cancelled and dissolution came into effect without winding up, in accordance with the Scheme of Amalgamation with effect from the close of business on December 31, 2023. The scheme has been approved by the Securities and Exchange Commission of Pakistan (SECP) on March 13, 2024.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 The cumulative figures for the half year ended June 30, 2024 presented in these consolidated condensed interim financial statements have been subject 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, 2023.

2.3 The Group has elected to disclose a single amount of profit after tax from discontinued operations in the consolidated condensed interim statement of profit or loss and the consolidated condensed interim statement of comprehensive income, and has analyzed that single amount into revenue, operating profit and profit or loss in note 9. As a result of the aforementioned, the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income are not comparable.

(Amounts in thousand)

**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 (if any).
- 3.2 Non-controlling interest has been presented as a separate line item in these consolidated condensed interim financial statements. All 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 of accounting.

**4. MATERIAL ACCOUNTING POLICY INFORMATION AND CHANGES THEREIN**

- 4.1 The material accounting policies and the methods of computation adopted 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, 2023, except for the change in accounting policy as explained in notes 4.2 and 4.3.
- 4.2 During the period, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance), vide its circular No. 07/2024 dated May 15, 2024, whereby unrecoupable minimum taxes in excess of normal tax liability and tax deducted at source under final tax regime are out of scope of IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. Accordingly, no deferred taxation is to be recognized on unrecoupable minimum tax.

Accordingly, effective from January 1, 2024, the Group has changed its accounting policy to recognise such taxes as 'levies' which were previously being recognized as 'income tax' and reversed the deferred tax liability on minimum tax recognized in ETPL. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures and balances have been restated in the consolidated condensed interim financial statements.

- 4.3 The effects of change in accounting policy are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----- Rupees -----		
<b><i>Effect on consolidated condensed interim statement of financial position</i></b>			
<b>As at June 30, 2024</b>			
Deferred tax liability	4,565,877	(2,153,417)	2,412,460
Unappropriated profit	114,383,282	1,205,914	115,589,196
Non-controlling interest	71,591,513	947,503	72,539,016
<b>As at December 31, 2023</b>			
Deferred tax liability	18,652,979	(2,056,717)	16,596,262
Unappropriated profit	119,650,995	1,151,762	120,802,757
Non-controlling interest	77,927,566	904,955	78,832,521
<b>As at December 31, 2022</b>			
Deferred tax liability	13,395,214	(1,547,614)	11,847,600
Unappropriated profit	142,128,483	866,664	142,995,147
Non-controlling interest	73,762,386	680,950	74,443,336



(Amounts in thousand)

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
----- Rupees -----			
<b>Effect on consolidated condensed interim statement of profit or loss</b>			
<b>For the quarter ended June 30, 2024</b>			
Minimum tax and final tax	-	(975,217)	(975,217)
Profit before income tax	5,473,138	(975,217)	4,497,921
Income tax	(3,296,023)	1,021,093	(2,274,930)
Earnings per share - basic and diluted	4.13	0.05	4.18
<b>For the quarter ended June 30, 2023</b>			
Minimum tax and final tax	-	(1,048,039)	(1,048,039)
Profit before income tax	13,607,505	(1,048,039)	12,559,466
Income tax	(12,325,185)	1,245,549	(11,079,636)
Earnings per share - basic and diluted	11.03	0.37	11.40
<b>For the half year ended June 30, 2024</b>			
Minimum tax and final tax	-	(1,963,228)	(1,963,228)
Profit before income tax	19,843,649	(1,963,228)	17,880,421
Income tax	(10,351,016)	2,054,979	(8,296,037)
Earnings per share - basic and diluted	11.57	0.10	11.67
<b>For the half year ended June 30, 2023</b>			
Minimum tax and final tax	-	(1,872,282)	(1,872,282)
Profit before income tax	24,534,304	(1,872,282)	22,662,022
Income tax	(17,361,610)	2,282,634	(15,078,976)
Earnings per share - basic and diluted	19.12	0.42	19.54

The related changes to the consolidated condensed interim statement of cash flows with respect to the amount of profit before taxation have been made as well.

#### 4.4 Initial application of a standard, amendment or an interpretation to an existing standard

##### a) Standards and amendments to published accounting and reporting standards and interpretations that are effective during the period

There were certain amendments to accounting and reporting standards which became effective during the current period. However, these do not have any significant impact on the Holding Company's financial reporting and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

##### b) Standards and amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Holding Company

There are certain standards and amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Holding Company's financial reporting and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

#### 4.5 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.



(Amounts in thousand)

**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 judgement in the process of applying the Group's accounting policies. Estimates and judgements 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.

5.2 During the preparation of these consolidated condensed interim financial statements, the significant judgements 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, 2023.

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets, at net book value (notes 6.1, 6.2 and 6.4)	149,803,347	301,798,619
Capital work in progress (CWIP)		
- Expansion and other projects (notes 6.3 and 6.4)	41,371,731	33,110,396
Capital spares and standby equipment	2,072,036	4,369,722
	<u>193,247,114</u>	<u>339,278,737</u>

6.1 Following additions, including transfers from CWIP, were made to operating assets during the period / year:

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
Land	-	23,000
Building	1,901,705	3,647,845
Plant and machinery	1,165,729	9,462,582
Furniture, fixtures and equipment	1,595,110	6,275,290
Vehicles	801,006	1,776,889
Catalyst	-	886,638
Aircraft	-	595,315
Dredging	-	245,630
	<u>5,463,550</u>	<u>22,913,189</u>

6.2 Operating assets costing Rs. 447,986 (December 31, 2023: Rs. 929,729), having net book value of Rs. 240,365 (December 31, 2023: Rs. 391,158) were disposed off during the period / year for Rs. 296,417 (December 31, 2023: Rs. 483,936).

(Amounts in thousand)

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
<b>6.3 Capital work in progress - Expansion and other projects</b>		
Balance at beginning of the period / year	33,110,396	24,839,815
Additions during the period / year	14,652,574	30,376,896
Transferred to:		
- operating assets	(5,397,276)	(21,911,821)
- intangible assets	(131,111)	(194,494)
- assets classified as held for sale (note 6.4)	(862,852)	-
Balance at end of the period / year (note 6.5)	<u>41,371,731</u>	<u>33,110,396</u>

6.4 Property plant and equipment having a net book value of Rs. 134,883,026 (December 31, 2023: Nil) have been classified as held for sale (refer note 9.1.2).

6.5 This mainly includes advance paid to suppliers on purchase of operating assets and cost incurred in respect of renovation work-in-progress and plant and machinery under construction / development.

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
<b>7. LONG TERM INVESTMENTS</b>		
Balance at beginning of the period / year	34,485,322	36,081,246
Add / (less):		
- Share of profit / (loss) and other comprehensive income for the period / year (note 7.1)	2,099,203	547,624
- Provision adjustment against tax contingency	(363,267)	(79,422)
- Revaluation loss on investments and others	(13,916)	(21,740)
- Dividend received during the period / year	(751,282)	(2,042,286)
- Investment disposed during the year	-	(100)
- Investment classified as held for sale (note 9.1.2)	(5,476,819)	-
Balance at end of the period / year (note 7.2)	<u>29,979,241</u>	<u>34,485,322</u>

7.1 Details of share of profit / (loss) and other comprehensive income for the period / year are as follows:

- Sindh Engro Coal Mining Company Limited (SECMC)	831,101	(1,489,853)
- FrieslandCampina Engro Pakistan Limited (FCEPL)	499,835	593,055
- Engro Vopak Terminal Limited (EVTL)	768,267	1,444,422
	<u>2,099,203</u>	<u>547,624</u>

7.2 This mainly represents carrying value of the Holding Company's investment in joint venture and associate company.

(Amounts in thousand)

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
<b>8. STOCK-IN-TRADE</b>		
Raw and packaging materials (note 8.1)	13,493,219	15,931,461
Fuel stock	-	703,111
Work-in-process	589,870	711,227
Finished goods:		
- own manufactured products	15,962,130	6,648,552
- purchased and packaged products (note 8.1)	9,740,059	9,885,568
	25,702,189	16,534,120
Less: Provision for impairment against stock-in-trade	(143,152)	(143,152)
	<u>39,642,126</u>	<u>33,736,767</u>

8.1 Includes stock-in-transit amounting to Rs. 4,010,423 (December 31, 2023: Rs. 11,713,186).

## 9. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

9.1 As stated in note 1.1.1, EEL has entered into definitive agreements with Liberty Power Holding (Private) Limited and other parties for the sale of its entire shareholding in EPQL, EPTL and SECMC (thermal assets portfolio). As a result, assets and liabilities of these thermal assets portfolio have been classified as assets and liabilities attributable to discontinued operations, a summary of which is as follows:

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	------(Rupees)-----			
<b>9.1.1 PROFIT FROM DISCONTINUED OPERATIONS</b>				
Revenue	39,669,687	30,061,983	69,367,081	55,320,802
Operating profit before adjustment	20,542,141	18,897,089	36,612,987	29,082,759
Profit after tax from discontinued operations before adjustment in respect of carrying value of thermal assets portfolio	13,209,843	11,549,764	22,166,843	14,301,657
Profit after tax from discontinued operations after adjustment in respect of carrying value of thermal assets portfolio (note 9.1.4)	2,853,843	11,549,764	2,853,843	14,301,657

126



(Amounts in thousand)

	<b>(Unaudited)</b>
	<b>June 30,</b>
	<b>2024</b>
	<b>(Rupees)</b>
<b>9.1.2 Assets and liabilities of thermal assets portfolio classified as held for sale</b>	
<b>ASSETS</b>	
Property, plant and equipment	134,883,026
Intangible assets	304,259
Long-term investments	5,476,819
Long-term loans, advances, deposits and other receivables	15,362
Stores, spares and loose tools	521,299
Stock-in-trade	1,658,157
Trade debts	59,850,935
Loans, advances, deposits and prepayments	1,606,833
Other receivables	32,922,221
Accrued income	2,994,355
Short term investments	49,997
Cash and bank balances	40,334,135
	<u>280,617,398</u>
<b>LIABILITIES</b>	
Borrowings	118,742,083
Deferred taxation	994,752
Trade and other payables	64,869,553
Contract liabilities	6,583,774
Accrued interest / mark-up	1,467,759
Taxation - provision less payments	330,762
Dividend payable	371,511
Short term borrowings	22,630,348
	<u>215,990,542</u>
<b>NET ASSETS - attributable to discontinued operations</b>	<u>64,626,856</u>

	<b>Unaudited</b>	
	<b>June 30,</b>	<b>June 30,</b>
	<b>2024</b>	<b>2023</b>
	<b>----- (Rupees) -----</b>	
<b>9.1.3 Net cash flows for the period relating to discontinued operations:</b>		
Net cash generated from operating activities	<u>36,579,119</u>	<u>33,730,077</u>
Net cash utilized in investing activities	<u>(283,910)</u>	<u>(1,350,687)</u>
Net cash utilized in financing activities	<u>(39,823,787)</u>	<u>(18,132,081)</u>

9.1.4 As more fully explained in note 1.1.1 to these consolidated condensed interim financial statements, due to execution of definitive sale purchase agreements, profit from discontinued operations for the period have been adjusted by Rs. 19,313,000 (quarter ended June 30, 2024: Rs. 10,356,000) from carrying value of thermal assets portfolio in these consolidated condensed interim financial statements. The recoverable amount of thermal assets portfolio was based on fair value less cost of disposal.

*MS*

**(Amounts in thousand)**

9.2 Certain assets of EFERT had been classified as held for sale as at December 31, 2023, due to the decision of the directors of EFERT to sell its E-Logistics business (previously classified under vehicles in operating assets) and EFERT being in the process of finalization of deal. During the period ended June 30, 2024, EFERT entered into an agreement with Hamdard Laboratories (Waqf) Pakistan in respect of sale of its entire fleet of vehicles and office equipment. The transaction has been completed on May 20, 2024 at a sale price of Rs. 1,550,000.

**10. SHARE CAPITAL****10.1 Authorized capital**

(Unaudited) June 30, 2024	(Audited) December 31, 2023		(Unaudited) June 30, 2024	(Audited) December 31, 2023
------(Number of shares)-----			------(Rupees)-----	
700,000,000	700,000,000	Ordinary shares of Rs. 10 each	7,000,000	7,000,000

**10.2 Issued, subscribed and paid-up capital**

(Unaudited) June 30, 2024	(Audited) December 31, 2023		(Unaudited) June 30, 2024	(Audited) December 31, 2023
------(Number of shares)-----			------(Rupees)-----	
		Ordinary shares of Rs. 10 each fully paid in cash	1,978,699	1,978,699
197,869,804	197,869,804	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	3,782,933	3,782,933
378,293,426	378,293,426	Ordinary shares of Rs. 10 each purchased and cancelled	(395,368)	(395,368)
(39,536,762)	(39,536,762)		5,366,264	5,366,264
<u>536,626,468</u>	<u>536,626,468</u>		<u>5,366,264</u>	<u>5,366,264</u>

**11. BORROWINGS**

As at June 30, 2024, there is no material change in the status of borrowings reported in note 24 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2023, except as follows:

**Engro Fertilizers Limited (EFERT)**

11.1 During the period, EFERT made principal repayments of long term finances to Allied Bank Limited amounting to Rs. 605,398.

11.2 During the period, EFERT repaid "Temporary Economic Refinance Facility" (TERF) loans to Habib Bank Limited, Allied Bank Limited and MCB Bank Limited amounting to Rs. 47,834, Rs. 43,136 and Rs. 216,075, respectively under TERF introduced by the State Bank of Pakistan in 2020. 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 1.50% to 2.00% per annum and is payable in quarterly or semi-annual installment starting from January 2022.

**Engro Polymer and Chemicals Limited (EPCL)**

11.3 During the period, the outstanding amounts pertaining to International Finance Corporation and Bilateral Loan I amounting to Rs. 1,645,647 and Rs. 903,584, respectively, were repaid in entirety on the expiry of its contractual term and accordingly hypothecation charge on EPCL's assets were released.



**(Amounts in thousand)**

- 11.4 During the period, EPCL entered into a Musharaka agreement with Dubai Islamic Bank Pakistan Limited (DIBPL) for a loan facility amounting to Rs. 2,000,000. The borrowing is secured by way of hypothecation charge of present and future fixed assets of EPCL (except land and building) to the extent of Rs. 2,500,000, ranking subordinate and subservient to the charges created in favour of the existing creditors of EPCL.

**Elengy Terminal Pakistan Limited (ETPL)**

- 11.5 During the period, Engro Elengy Terminal (Private) Limited (ETPL's subsidiary company) made principal repayment of long term finances to Allied Bank Limited amounting to Rs. 607,524.
- 11.6 During the period, ETPL has recognised exchange loss on revaluation of foreign currency borrowing amounting to Rs. 11,497 (December 31, 2023: Rs. 503,173).

**Engro Enfrashare (Private) Limited (Enfrashare)**

- 11.7 In April 2024, Enfrashare entered into a secured long term diminishing musharika agreement and secured facility extended by Faysal Bank Limited for an amount up to Rs. 1,500,000. Facility availed as at June 30, 2024 is Rs. 1,500,000. The facility carries interest at the rate of three - month KIBOR plus 0.50% per annum and payable on quarterly basis in arrears. The total tenor of loan is ten years from the date of disbursement of finance with 3 years grace period for principal portion.
- 11.8 In May 2024, Enfrashare entered into a secured term finance agreement and secured facility extended by Habib Bank Limited for an amount up to Rs. 1,500,000. Facility availed as at June 30, 2024 is Rs. 1,500,000. The facility carries interest at the rate of three - month KIBOR plus 0.50% per annum and payable on quarterly basis in arrears. The total tenor of loan is ten years from the date of disbursement of finance with 4 years grace period for principal portion.

**12. CONTINGENCIES AND COMMITMENTS****12.1 Contingencies**

As at June 30, 2024, there is no material change in the status of matters reported as contingencies in note 34 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2023, except for the below:

- 12.1.1 In 2022, in respect of tax year 2018, EFERT received an order from the Additional Commissioner Inland Revenue (ACIR) restricting brought forward losses having a tax impact of Rs. 580,910. This disallowance had been made in the assessment orders relating to prior years which are pending in appeals. EFERT filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)] against this order. During the period, hearing was held and appellate order was passed by the CIR(A) confirming certain additions, certain issues were remanded back whereas certain issues were allowed. An appeal effect in this respect is yet to be issued. EFERT has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR(A). Accordingly, no provision has been made in respect of the aforementioned demand in these consolidated condensed interim financial statements.
- 12.1.2 EEL had sought adjournment from Assistant Commissioner SRB against the notice dated November 8, 2023 pursuant to which the department issued an order on May 10, 2024 raising a demand (inclusive of default surcharge and penalty) of Rs. 2,509,177. EEL appealed against the order and was granted a conditional stay order upon payment of 10% of the adjudged demand. The hearing was held on July 19, 2024.

Based on the views of legal advisor of EEL, EEL's management believes that it has a good case on merits and expects a favorable outcome. Accordingly, no provision has been made in respect of the aforementioned demand in these consolidated condensed interim financial statements.



**(Amounts in thousand)**

12.1.3 EEL's income tax return for tax year 2020 has been amended under section 122(5) of the Ordinance. The ACIR has issued order dated August 30, 2021 under which other income has been taxed, which was partially treated by EEL as exempt business income while the remaining was set-off against business losses. This has resulted in a tax demand of Rs. 190,963. Being aggrieved, EEL filed an appeal before the CIR(A) dated September 8, 2021. During the period, CIR(A) vide its order dated January 8, 2024, decided the case against EEL, for which EEL has filed an appeal before the ATIR. EEL based on the advice of its legal advisor, is confident that chances of ultimate success are good, hence, no provision has been made in these consolidated condensed interim financial statements.

12.1.4 National Bank Limited, Askari Bank Limited and Faysal Bank Limited, have issued guarantees of Rs. 1,500,000, Rs. 1,000,000 and Rs. 3,505,000, respectively, expiring on December 31, 2024, December 28, 2024 and July 4, 2025, respectively. Further, Meezan Bank Limited has issued three guarantees of Rs. 1,114,610, Rs. 900,000 and Rs. 600,000 each expiring on November 21, 2024, December 27, 2024 and August 10, 2024, respectively. These guarantees have been issued on behalf of EPTL in favour of SECMC to secure EPTL's payment obligations under the Coal Supply Agreement. The SBLC Issuing Banks have entered into a non-funded financing facility with EPTL as Junior Creditors and acceded the intercreditor Agreement and security accordingly.

12.1.5 Updates in respect of tax related matters are disclosed in note 15.

**12.2 Commitments**

12.2.1 Commitments in respect of capital and operational expenditure contracted but not incurred amount to Rs. 52,033,934 (December 31, 2023: Rs. 77,623,023).

12.2.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of EPCL as at June 30, 2024 amount to Rs. 10,821,500 (December 31, 2023: Rs. 7,300,000). The amount utilized thereagainst as at June 30, 2024 is Rs. 8,366,728 (December 31, 2023: Rs. 6,391,001).

The performance guarantees of Rs. 102,180 and Rs. 286,682 have been given in respect of Sindh Development and Maintenance of Infrastructure Cess (SIDC) and greenfield application status of Engro Peroxide (Private) Limited (EPPL), respectively. With regard to greenfield status, EPCL is of the view that if payment on account of sales tax and income tax amounting to Rs. 149,620 is required to be made to the Government authorities, the same will be recoupable in its tax returns for future periods. Accordingly, no provision has been recognized in this respect.

12.2.3 The facility for opening letter of credits as at June 30, 2024 for EPCL and its subsidiary companies aggregates to Rs. 35,448,000 (December 31, 2023: Rs. 36,237,214) out of which Rs. 13,748,645 (December 31, 2023: Rs. 7,707,035) have been utilized.

12.2.4 Commitments of EPCL in respect of rentals of storage tanks at EVTL for the handling of (i) Ethylene aggregate to USD 5,400 valid till March 31, 2026 (December 31, 2023: USD 10,584), (ii) Ethylene Di Chloride (EDC) aggregate to USD 2,727 valid till December 31, 2028 (December 31, 2023: USD 4,770) and (iii) Vinyl Chloride Monomer (VCM) aggregate to USD 298 valid till December 31, 2024 (December 31, 2023: USD 667).

12.2.5 Commitments in respect of EFERT's gas supply arrangement amounting to Rs. 1,462,531 (December 31, 2023: Rs. 7,776,485).

*Atto*

**(Amounts in thousand)**

- 12.2.6 EFERT has issued bank guarantees amounting to Rs. 9,919,795 (December 31, 2023: Rs. 8,444,554) in favour of third parties.
- 12.2.7 EETPL has provided a Letter of Guarantee through National Bank of Pakistan amounting to USD 5,000 (December 31, 2023: USD 5,000) and USD 10,000 (December 31, 2023: USD 10,000) in favour of 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, 2025 and are renewable annually.
- 12.2.8 EETPL under the Time Charter Party and LNG Storage and Re-gasification Agreement (Agreement) with Excelerate Energy Middle East, LLC (EE) has furnished Standby Letter of Credit (SBLC) through United Bank Limited amounting to USD 22,500 (2023: USD 22,500) to EE. This SBLC is valid till March 8, 2025 and is renewable annually. The aforementioned guarantee is secured against Holding Company's shares in EFERT and EPCL and a corporate guarantee and project assets of EETPL.
- 12.2.9 EETPL has provided bank guarantee amounting to Rs. 907,461 (December 31, 2023: Rs. 886,053) from MCB Bank Limited and Rs.1,536,743 (December 31, 2023: Rs. 1,536,743) from Bank Alfalah Limited, in favor of Nazir of the Court to comply with the interim orders of the Sindh High Court (SHC). These guarantees have been secured against bank balances and short term investments of EETPL.
- 12.2.10 Enfrashare has obtained a letter of credit facility aggregating to Rs 2,000,000 (December 31, 2023: Rs. 2,000,000) from MCB Bank Limited. The amount availed on the facility as at June 30, 2024 is Rs. 542,000 (December 31, 2023: Rs 1,368,000).
- 12.2.11 Commitments given by associated companies and joint venture in respect of capital and operational expenditure including bank guarantees amount to Rs. 2,509,376 (December 31, 2023: Rs. 3,706,665).

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	----- (Rupees) -----			
<b>13. REVENUE</b>				
Own manufactured products	28,078,309	32,520,222	79,692,456	73,838,341
Less:				
- Sales tax	(4,601,041)	(2,743,665)	(9,702,275)	(6,078,244)
- Discounts	(375,623)	(644,140)	(1,025,345)	(818,633)
	<u>23,101,645</u>	<u>29,132,417</u>	<u>68,964,836</u>	<u>66,941,464</u>
Purchased and packaged products	43,483,499	37,038,330	94,542,899	62,697,336
Services rendered	9,053,117	10,627,603	20,367,556	20,960,680
	<u>52,536,616</u>	<u>47,665,933</u>	<u>114,910,455</u>	<u>83,658,016</u>
Less: Sales tax	(1,044,386)	(1,631,846)	(4,981,380)	(3,126,385)
Less: Discounts	(4,958)	(78,945)	(5,266)	(311,925)
	<u>(1,049,344)</u>	<u>(1,710,791)</u>	<u>(4,986,646)</u>	<u>(3,438,310)</u>
	<u><u>74,588,917</u></u>	<u><u>75,087,559</u></u>	<u><u>178,888,645</u></u>	<u><u>147,161,170</u></u>

*Atto*



(Amounts in thousand)

**14. MINIMUM TAX AND FINAL TAX**

This represents final and minimum taxes charged under section 5, section 8, section 153 and section 113 (in respect of non recoupable minimum tax) of the Ordinance, representing levy in terms of requirements of IFRIC 21 / IAS 37 as detailed in note 4.2 to the consolidated interim financial statements

**15. TAXATION**

As at June 30, 2024, following are the updates to taxation matters from those reported in note 43 to the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2023:

- 15.1 During the period, in respect of the matter disclosed in note 43.2 of the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2023, the Islamabad High Court (IHC) in its judgement dated March 15, 2024, decided the matter in favor of the Holding Company and other group companies in respect of retrospective application of section 4C, as amended by the Finance Act 2023, to tax year 2023. Additionally, the IHC also ruled that super tax under section 4C of the Ordinance is not applicable on incomes subject to final tax under other provisions of the Ordinance. The tax department has filled an intera court appeal against this matter, which is currently pending adjudication. Being prudent, the group is carrying provision against the matter in these consolidated condensed interim financial statements.
- 15.2 **Engro Fertilizers Limited (EFERT)**
- 15.2.1 In 2023, EFERT received an order from the Deputy Commissioner Inland Revenue (DCIR), in respect of tax year 2022, amending the Group return filed to make disallowances having a tax impact of Rs. 3,718,104. EFERT filed an appeal before the CIR(A) against this order. During the period, hearing was held and appellate order was passed by the CIR(A). Subsequently, the tax department passed an appeal effect order based on CIR(A)'s decision, reducing the aggregate demand to Rs. 3,173,104.
- 15.2.2 During the period, EFERT received an order from the ACIR, in respect of tax year 2023, amending the Group return filed to make disallowances having a tax impact of Rs. 4,603,257. These pertain to disallowance of provisions made for Sindh Infrastructure Development Cess (SIDC) accruals, provision for gas pricing under the Gas Supply and Purchase Agreement, provision for impairment against trade debts, loss on disposal of operating assets and WPPF. EFERT filed an appeal before the CIR(A) which was heard and an appellate order was passed. Subsequently, the tax department passed an appeal effect order based on CIR(A)'s decision, reducing the aggregate demand to Rs. 4,206,070.
- 15.2.3 In 2023, EFERT received an order from the ACIR creating a demand of Rs. 494,108 in respect of tax year 2017. EFERT filed an appeal before the CIR(A) against this order. During the period, hearing was held and appellate order was passed by the CIR(A) where certain issues were remanded back and certain issues were allowed. Subsequently, the tax department passed an appeal effect order based on CIR(A)'s favorable decision on the matter of amortisation on intangibles while appeal effect on remaining issues is yet to be issued. Remand back proceedings are also yet to be concluded.
- 15.2.4 In 2023, EFERT received an amendment order in respect of tax year 2021, creating disallowances having a tax impact of Rs. 916,584. EFERT had filed an appeal before the CIR(A) in respect of this order. During the period, hearing was held and appellate order was passed by the CIR(A), wherein certain issues have been remanded back for re-verification, certain issues have been allowed in the favour of EFERT whereas certain disallowances have been confirmed. EFERT intends to file a rectification application to address errors in the appellate order. Further, the tax department is yet to conclude remand back proceedings in respect of this tax year.
- 15.2.5 Adequate provision is maintained in these consolidated condensed interim financial statements in respect of these tax years.

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(Amounts in thousand)

**15.3 Engro Polymer and Chemicals (EPCL)**

- 15.3.1 In respect of matter stated in note 43.6.4 of the audited annual consolidated financial statements, during the period, EPCL has further paid demand amounting to Rs. 200,000 to the FBR under protest. However, based on the advice of its legal advisor, EPCL is still confident of a favourable outcome, accordingly, no provision in this respect has been recognized in these consolidated condensed interim financial statements.
- 15.3.2 During the period, the income tax department has ammended the assesment filed by EPCL for tax year 2022. EPCL has preferred an appeal thereagainst before the CIR(A) related to the disallowances mainly pertaining to adjustment in respect of exchange gain / loss that resulted in excess demand of Rs. 500,000, which has been paid by EPCL under protest. However, as EPCL based on the advice of its legal advisor is confident of a favourable outcome, accordingly, no provision in this respect has been recognized in these consolidated condensed interim financial statements.

**Associated Company and Joint venture****15.4 FrieslandCampina Engro Pakistan Limited (FCEPL)**

- 15.4.1 On May 29, 2024, the Additional Commissioner (ADC) raised tax demand of Rs. 348,855 for the tax year 2022 by restricting adjustment of minimum tax credit brought forward from prior years against the tax liability. FCEPL has filed an appeal before the ATIR against the order, which is pending adjudication. FCEPL has also obtained stay from the SHC against the demand. FCEPL, based on the opinion of its legal advisor, is confident for favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned amount.
- 15.4.2 On December 29, 2023, the ACIR issued refund order under section 170(4) of the Ordinance for Rs. 388,936 for tax year 2022. During the period, CIR (A) issued an order and remanded back proceedings to DCIR for further verification of Rs. 214,947 for the credits disallowed / short allowed against aforementioned refund order passed by the DCIR. The DCIR has not yet initiated the remand back proceedings. FCEPL, based on the opinion of its legal advisor, is confident of a favorable outcome of the appeal, and accordingly taxes recoverable have not been reduced by the effect of the aforementioned disallowances.
- 15.4.3 During the period, the Customs Department issued various orders alleging that FCEPL has misdeclared Harmonized System (HS) code on certain raw materials imported and is therefore, required to pay additional duties and taxes creating a demand of Rs. 607,930. FCEPL being aggrieved with the said demands has filed appeals before Collector of Customs (Appeal) which are pending adjudication. FCEPL, based on the opinion of its legal advisor, is confident of a favorable outcome of the appeals.

**16. 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, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	------(Rupees)-----			
Profit / (loss) for the period, attributable to Owners of the Holding Company from:				
- Continuing operations	858,061	(744,537)	4,876,049	2,658,945
- Discontinued operations	1,384,821	6,868,389	1,384,821	8,144,929
	<u>2,242,882</u>	<u>6,123,852</u>	<u>6,260,870</u>	<u>10,803,874</u>
	----- Number of shares (in thousand) -----			
Weighted average number of ordinary shares	<u>536,626</u>	<u>537,211</u>	<u>536,626</u>	<u>553,017</u>
	------(Rupees)-----			
Earnings / (loss) per share basic and diluted				
- Continuing operations	1.60	(1.39)	9.09	4.81
- Discontinued operations	2.58	12.79	2.58	14.73
	<u>4.18</u>	<u>11.40</u>	<u>11.67</u>	<u>19.54</u>





(Amounts in thousand)

	(Unaudited)	
	Half year ended	
	June 30, 2024	June 30, 2023
-----Rupees-----		
<b>18. CASH AND CASH EQUIVALENTS</b>		
<b>Attributable to continuing operations:</b>		
Cash and bank balances	29,339,760	17,303,722
Short term investments - with original maturity less than 3 months	13,785,663	439,500
Bank balances held under lien	(3,042,845)	(1,742,947)
Short term borrowings	(40,243,205)	(16,697,667)
	(160,627)	(697,392)
<b>Attributable to discontinued operations:</b>		
Cash and bank balances	40,334,135	50,573,052
Short term borrowings	(21,130,348)	(20,543,116)
	19,203,787	30,029,936
	19,043,160	29,332,544

- 18.1 On May 29, 2024, the Holding Company has obtained a Syndicated working capital facility amounting to Rs. 10,000,000 (December 31, 2023: Rs. 10,000,000) from a commercial bank. This has been secured by pledging the Holding Company's shares of EFERT, EPCL and FCEPL of quantities 33,068,783, 120,250,120 and 73,486,185, respectively. The facility carries mark-up at the rate of 1 month KIBOR plus 0.5% per annum and is unutilized as at June 30, 2024.

## 19. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 19.1 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 financial statements.

### 19.2 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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

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(Amounts in thousand)

- Inputs for the asset or liability that are not based on observable market data (level 3).

	Level 1	Level 2	Level 3	Total
----- Rupees -----				
<b>As at June 30, 2024 (Unaudited)</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Mutual fund units	-	6,202,835	-	6,202,835
<b>Financial assets at fair value through other comprehensive income</b>				
- Derivative financial instruments	-	733,449	-	733,449
- Pakistan Investment Bonds	-	11,073,700	-	11,073,700
- Other investments	51,665	5,000	-	56,665
	<u>51,665</u>	<u>11,812,149</u>	<u>-</u>	<u>11,863,814</u>
<b>As at December 31, 2023 (Audited)</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Mutual fund units	-	31,047,655	-	31,047,655
- Special Sharikah Certificates	-	969,712	-	969,712
	<u>-</u>	<u>32,017,367</u>	<u>-</u>	<u>32,017,367</u>
<b>Financial assets at fair value through other comprehensive income</b>				
- Derivative financial instruments	-	963,207	-	963,207
- Pakistan Investment Bonds	-	10,572,006	-	10,572,006
- Other investments	65,580	5,000	-	70,580
	<u>65,580</u>	<u>11,540,213</u>	<u>-</u>	<u>11,605,793</u>

### 19.3 Valuation techniques used to determine fair values

Level 1 fair values have been determined using price quoted on PSX.

Level 2 fair values have been determined on the basis of PKRV rates and closing net asset values for government securities and mutual funds units, respectively.

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

### 19.4 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.

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(Amounts in thousand)

**20. 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, 2024	June 30, 2023
	------(Rupees)-----	
<b>Parent Company</b>		
Dividend paid	2,788,108	8,793,262
Reimbursements to	5,383	79,434
Reimbursements from	-	1,067
Purchases and services	21,825	-
<b>Associated companies and joint venture</b>		
Purchases and services	31,505,331	27,435,892
Sale of goods and services	3,079,523	-
Dividend received / receivable	405,000	1,284,786
Dividend paid / payable	11,598,301	905,650
Donations	244,734	298,240
Reimbursements from	601,714	261,252
Reimbursements to	102,847	248,454
Loans repaid	72,431	62,840
Finance costs	3,915,812	2,402,931
<b>Directors</b>		
Dividend paid	431,064	1,538,131
Directors' fees	68,596	42,189
Advisory fee	-	51,000
<b>Others</b>		
Remuneration paid to key management personnel	1,906,934	1,300,379
Dividend paid to key management personnel	476	30,525
Reimbursement of expenses	75	222
<b>Contribution to retirement benefit funds</b>	619,168	621,157

**21. SEGMENT REPORTING**

21.1 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 comprise of Engro Zarkhez, Zingro, and 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.



**(Amounts in thousand)**

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 investment made in coal mining business.
Connectivity and telecom	This part of the business includes buying, building, maintaining and operating telecommunications 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.

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

	(Unaudited)			
	Quarter ended		Half year ended	
	June 30, 2024	Restated June 30, 2023	June 30, 2024	Restated June 30, 2023
	------(Rupees)-----		------(Rupees)-----	
<b>Revenue</b>				
- At a point in time	65,508,718	66,196,077	160,509,000	129,687,895
- Over time	48,749,886	38,953,465	87,746,726	72,794,077
	<u>114,258,604</u>	<u>105,149,542</u>	<u>248,255,726</u>	<u>202,481,972</u>
<b>Segment wise break-up is as follows:</b>				
Fertilizer	39,420,771	38,375,077	113,204,214	82,366,176
Polymer	17,812,468	19,044,034	34,384,676	37,022,364
Terminal	4,919,168	5,480,711	10,125,175	10,870,229
Power and mining	39,816,279	30,314,659	69,739,495	55,718,581
Connectivity and telecom	3,953,236	3,123,744	7,770,693	6,140,230
Other operations	42,365,446	37,021,486	73,159,962	58,466,675
Elimination - net	(34,028,764)	(28,210,169)	(60,128,489)	(48,102,283)
Consolidated	<u>114,258,604</u>	<u>105,149,542</u>	<u>248,255,726</u>	<u>202,481,972</u>
Less: Discontinued operations	(39,669,687)	(30,061,983)	(69,367,081)	(55,320,802)
Continuing operations	<u>74,588,917</u>	<u>75,087,559</u>	<u>178,888,645</u>	<u>147,161,170</u>
<b>Profit / (loss) before tax for the period</b>				
Fertilizer	2,559,248	7,128,465	14,665,886	13,918,596
Polymer	(1,354,263)	3,197,213	(2,641,961)	4,853,604
Terminal	1,724,929	1,751,719	3,688,477	2,528,152
Power and mining	1,481,452	11,988,756	2,365,182	14,963,983
Connectivity and telecom	(591,894)	(327,497)	(1,225,233)	(839,192)
Other operations	10,997,065	6,295,770	18,910,434	12,702,287
Elimination - net	(7,220,162)	(4,931,133)	(15,242,524)	(10,226,767)
Consolidated	<u>7,596,375</u>	<u>25,103,293</u>	<u>20,520,261</u>	<u>37,900,663</u>
Less: Discontinued operations	(3,098,454)	(12,543,827)	(2,639,840)	(15,238,641)
Continuing operations	<u>4,497,921</u>	<u>12,559,466</u>	<u>17,880,421</u>	<u>22,662,022</u>



(Amounts in thousand)

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	------(Rupees)-----	
<b>Assets</b>		
Fertilizer	165,737,948	160,842,670
Polymer	95,908,652	90,597,810
Terminal	79,103,839	83,026,306
Power and mining (note 21.2.1)	284,149,654	331,476,813
Connectivity and telecom	70,863,447	69,097,845
Other operations	128,382,601	123,470,747
Elimination - net	<u>(58,469,304)</u>	<u>(56,015,914)</u>
Consolidated	<u>765,676,837</u>	<u>802,496,277</u>
<b>Liabilities</b>		
Fertilizer	129,773,822	112,939,915
Polymer	70,016,166	62,005,725
Terminal	66,234,711	71,477,402
Power and mining (note 21.2.1)	225,738,912	263,093,522
Connectivity and telecom	50,756,993	50,989,467
Other operations	42,036,136	44,813,609
Elimination - net	<u>(32,504,603)</u>	<u>(28,012,712)</u>
Consolidated	<u>552,052,137</u>	<u>577,306,928</u>

21.2.1 This includes assets and liabilities of thermal assets portfolio classified as held for sale amounting to Rs. 280,616,690 (December 31, 2023: Nil) and Rs. 215,989,834 (December 31, 2023: Nil) respectively.

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

22.1 The Board of Directors of the Holding Company in its meeting held on August 21, 2024 has approved an interim cash dividend of Rs. 8 per share for the year ending December 31, 2024 amounting to Rs. 4,293,012. These consolidated condensed interim financial statements do not reflect the effect of dividend payable.

22.2 The Board of Directors of Engro Vopak Terminal Limited, a joint venture company, in its meeting held on August 2, 2024 has proposed an interim cash dividend of Rs. 3.50 per share for the year ending December 31, 2024, amounting to Rs. 315,000 of which the proportionate share of the Holding Company amounts to Rs. 157,500.

## 23. SEASONALITY

23.1 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.

23.2 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. EEAPL manages seasonality in the business through appropriate inventory management.

Atc

(Amounts in thousand)

**24. CORRESPONDING FIGURES**

In order to comply with the requirements of IAS 34, the balances of consolidated condensed interim statement of financial position have been compared with the balances of annual audited consolidated financial statements of the preceding financial year, whereas the amounts in 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 / amounts comparable period of immediately preceding financial year.

**25. DATE OF AUTHORIZATION FOR ISSUE**

These consolidated condensed interim financial statements were authorized for issue on August 21, 2024 by the Board of Directors of the Holding Company.

hcc

**Shabbir Hussain Hashmi**  
Director

**Farooq Barkat Ali**  
Chief Financial Officer

**Ansan Zafar Syed**  
President and Chief Executive

## پائیداری

اینٹرو کے مختلف برنسز ایک پیچیدہ کاروباری ماحول میں کام کرتے ہیں جس کے لیے کاروباری حکمت عملی اور خطرے کی سطح کا مسلسل جائزہ لینے کی ضرورت ہوتی ہے، تشخیص کے اس عمل کو انجام دینے کے لیے، پوری کمپنی میں ذمہ داریاں مناسب طور پر تفویض کی گئی ہیں تاکہ اس بات کو یقینی بنایا جاسکے کہ برنس کی پائیداری کو برقرار رکھا جائے اور اس میں بہتری لائی جائے۔

ہم اس قسم کے رسک مینجمنٹ کو مخصوص بیرونی عوامل اور خطرات کا انتظام کرتے ہوئے شیئر ہولڈر کی قدر تخلیق کرنے، تحفظ دینے اور بڑھانے کے لیے لازمی سمجھتے ہیں جن سے سماجی اور قدرتی عوامل سمیت پائیدار آپریشنز متاثر ہو سکتے ہیں۔ رسک مینجمنٹ پر مبنی ایک جامع HSE (ہیلتھ سیفٹی اینڈ انوائرنمنٹ) سسٹم موثر نگرانی اور امور کے ذریعے بھرپور توجہ مرکوز رکھتا ہے۔ اس کے ذریعے اینٹرو کے پی ای ای آر (پیپل، انوائرنمنٹ، ایسٹس، ریپوٹیشن) کو لاحق ممکنہ خطرات کی شناخت، روک تھام اور تخفیف کے لیے بھرپور امور انجام دیئے جاتے ہیں۔

مستحکم منافع کی تخلیق کے لیے اینٹرو کارپوریشن کے کاروباری وژن میں ماحولیاتی ذمہ داری، سماجی اثرات، اور ذمہ دار برنس آپریشنز شامل ہیں، جن کی تفصیل اینٹرو سسٹینیبلیٹی رپورٹ میں ہے۔

## ڈی ای اینڈ آئی (DE&I)

متنوع افرادی قوت ایک اقتصادی ضرورت کے یقین کے ساتھ، ہم مستقبل کے لیے تیار و روک فورس کی تعمیر میں تنوع اور شمولیت کو ایک اہم کاروباری اقدام کے طور پر ترجیح دیتے ہیں۔ افراد سے متعلق ہماری حکمت عملی، اقدامات، اور روزگار کے طریقے بھرپور انداز میں صنفی تنوع کو حل کرتے ہیں، معذور افراد کی مدد کرتے ہیں، اور نسلی تنوع کو اپناتے ہیں۔ بھرتی سے لے کر کوچنگ اور رہنمائی تک، ’بریک کے بعد‘، خودی ٹریننگ‘ وغیرہ جیسے پروگرام مساوی مواقع، منصفانہ نمائندگی اور ٹیلنٹ کو پیشہ ورانہ طور پر پروان چڑھنے اور اپنی پوری صلاحیت تک پہنچنے کی آزادی کو یقینی بناتے ہیں۔

## اظہار تشکر

ڈائریکٹرز اپنے شیئر ہولڈرز کا شکریہ ادا کرتے ہیں کہ جنہوں نے ہمیشہ کمپنی پر اپنا اعتماد ظاہر کیا۔ ہم اینٹرو فیملی کے ہر رکن کے عزم، لگن اور جدید خیالات پیش کرنے پر مشکور و ممنون ہیں اور پراعتماد ہیں کہ مستقبل میں بھی ایسی کوشش جاری رکھیں گے۔

  
احسن ظفر سید

پریزیڈنٹ اور سی ای او

  
حسین داؤد

چیرمین



## ٹیلی کمیونیکیشن انفراسٹرکچر

اینکرو انفر ایشیئر (Enfrashare) کے لیے قلیل مدتی کاروباری نقطہ نظر بہت زیادہ شرح سود اور MNO مارکیٹ کے 4 سے 3 پلیئرز کی وجہ سے مشکلات کا شکار ہے۔ تاہم، موبائل ڈیٹا کے استعمال اور اعلیٰ معیار کی خدمات کی بڑھتی ہوئی مانگ کے سبب کاروبار کی بنیاد مضبوط ہے، نتیجے میں دستیابی اور معیار کو بڑھانے کے لیے MNOs کی حوصلہ افزائی کی جا رہی ہے۔ اینکرو انفر ایشیئر آئی ٹی سی (ITC) کے طور پر ترقی کے مواقع کی تلاش کے ذریعے اپنی قائدانہ پوزیشن کو برقرار رکھنے کے لیے پرعزم ہے۔

## ٹریڈ مینل آپریشنز

ایل این جی ٹریڈ مینل ملک کو درپیش توانائی کی کمی کو ختم کرنے میں مثبت انداز میں اپنا کردار ادا کر رہا ہے۔ اینکرو ایل این جی ٹریڈ مینل دنیا میں سب سے زیادہ استعمال ہونے والے ٹریڈ مینلز میں سے ایک ہے، جس میں 97 فیصد سے زیادہ دستیابی کا عنصر ہے، جو گیس کی مسلسل فراہمی کو یقینی بنانے میں اپنا کردار ادا کر رہا ہے۔ جیسے جیسے توانائی کی مارکیٹ کی طلب بڑھتی ہے، ہم شیئر ہولڈرز کی قدر بڑھانے کے لیے نئے مواقع تلاش کرنا جاری رکھیں گے۔

اینکرو ووپاک ٹریڈ مینل لمیٹڈ، کیمیکل ہینڈلنگ اینڈ اسٹوریج انڈسٹری میں منفرد مقام سے ایک مارکیٹ لیڈر کی حیثیت رکھتا ہے۔ درآمدی پابندیوں میں نرمی کے ساتھ، کیمیکل ہینڈلنگ کا طبقہ گزشتہ سال کے مقابلے بہتر کارکردگی کا مظاہرہ کرنے کی توقع رکھتا ہے، جو کاروبار کو بلا تعلق آپریشنز کو برقرار رکھنے میں سہولت فراہم کرتا ہے۔

## توانائی

تھرمل اثاثہ جات کی فروخت کی تکمیل کے لئے اسٹیک ہولڈرز سے منظوری لینے کا عمل جاری ہے۔

## فوڈز

وفاقی بجٹ میں ہیکٹیڈ دودھ پریسیلر ٹیکس کے نفاذ سے صارفین پر معاشی بوجھ میں اضافہ ہوا ہے۔ تاہم، کمپنی غذائیت سے بھرپور اور محفوظ پروڈکٹس کی مسلسل فراہمی کو یقینی بنانے کو ترجیح دے گی۔ ایک مستحکم ادارے کے طور پر، ہم صارفین کی ضروریات کو مارکیٹ اہلیت، اسٹیک ہولڈر کی شمولیت اور متعلقہ پروڈکٹس میں اضافے کے ذریعے پورا کرتے رہیں گے۔

## بین الاقوامی تجارت

ہمارا مقصد اگلے پانچ سالوں میں اینکرو Eximp FZE کو ایک مرکزی کموڈٹی (Commodity) سورسنگ ادارے سے گلوبل ٹریڈنگ ہاؤس میں بدلنا ہے۔ یہ سوچ انٹرنیشنلائزیشن پر زور دینے اور اینکرو کی عالمی رسائی کو بڑھانے کے لیے پروان چڑھائی جا رہی ہے۔ ہم عالمی رسائی کے خواہشمند ہیں اور پورے عالم میں اپنے برانڈ کی موجودگی کے لیے کوشاں ہیں۔

## شیر ہولڈرز میں منافع کی تقسیم

بورڈ آف ڈائریکٹرز جھص یا فنگان کے کل منافع کو زیادہ سے زیادہ کرنے کے لیے پر عزم ہے اور 30 جون 2024 کو ختم ہونے والی دوسری سہ ماہی کے لیے ہر شیئر پر 8 روپے کا عبوری نقد منافع تجویز کرنے پر خوش ہے۔ یہ 11 روپے فی شیئر عبوری نقد منافع کے علاوہ ہے جو 2024 کی پہلی سہ ماہی کے دوران دیا گیا۔ اس طرح دوسری سہ ماہی کا منافع 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے عبوری نقد منافع کو 19 روپے تک لے جائے گا۔

## مستقبل کا جائزہ

پاکستان نے انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) کے ساتھ اسٹاف لیول پر تقریباً 7 بلین امریکی ڈالر کا معاہدہ کیا ہے، جس کا مقصد ملک کے اقتصادی اصلاحات کے ایجنڈے کو آگے بڑھانا ہے۔ مزید برآں، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ میں 250 پیسے پوائنٹس کی کمی کی ہے، جو مہنگائی کو کم کرنے میں پیش رفت کا اشارہ ہے۔ اس کمی سے کاروبار چلانے کی لاگت کم ہونے کی توقع ہے اور یہ معاشی سرگرمیوں کی بتدریج بحالی میں معاون ثابت ہو سکتی ہے۔

تاہم، علاقائی سیاسی تناؤ، مہنگائی کے دباؤ، ٹیکسز میں اضافہ، اور نسبتاً سخت مالیاتی پالیسی سے پیدا ہونے والے ممکنہ چیلنجز کچھ عرصہ تک جاری رہ سکتے ہیں۔ اس نازک موڑ پر اقتصادی ترقی کو فروغ دینے کے پیش نظر، اقتصادی بحالی اور مالیاتی پالیسیوں کا احتیاط سے متوازن امتزاج، کاروباری اعتماد کی بحالی کے لیے بہت اہم ہوگا۔

## فرٹیلائزرز

کھاد کی صنعت ملک کی پائیدار زرعی ترقی میں اہم حیثیت رکھتی ہے۔ مقامی زرعی شعبے میں گندم کے بحران کی وجہ سے یوریا کی طلب بدستور متاثر رہی، جہاں کاشتکاروں کو مشکلات کا سامنا رہا کیونکہ اس موسم میں ان کی بچھری کی قیمت کم دی گئی اور یوریا کی درآمد بھی کی گئی۔ چونکہ معیشت زرعی پیداوار پر بہت زیادہ انحصار کرتی ہے، اینگری فرٹیلائزرز ملکی ضروریات کو پورا کرنے کے لیے اپنی کوششوں میں پر عزم ہے، جس کی مثال EnVen پلانٹ کا یادگار ٹرن اراؤنڈ اور پریشر انہاسمنٹ فیسلٹی (PEF) پروجیکٹ کی تکمیل ہے تاکہ گیس کی فراہمی یقینی ہونے کے ساتھ پریشر بھی برقرار ہو۔

## پیٹر و کیمیکلز

یہ بزنس کنسٹرکشن اور ٹیکسٹائل جیسی بڑی صنعتوں کو ایک اہم فیڈ اسٹاک سپلائی کرنے کے لیے پر عزم ہے۔ اس شعبے میں کام کرنے والے بزنسز مسائل سے دوچار ہیں کیونکہ تعمیراتی اور معاشی سرگرمیوں میں سست روی سے طلب بری طرح متاثر ہوئی ہے، ہمیں توقع ہے کہ ضرورت سے زائد سپلائی پر پابندی اور عالمی طلب میں کمی کے سبب PVC کی قیمتیں مستحکم رہیں گی۔

## خوراک اور چاول

فریڈ لینڈ کیمپنا اینگریو پاکستان نے پچھلے سال کی اسی مدت کے 47,015 ملین روپے کے مقابلے میں 55,024 ملین روپے کی آمدنی حاصل کی جو 17 فیصد اضافے کا اظہار ہے۔ آمدنی میں اضافہ منافع بخش پروڈکٹ پورٹ فولیو اور ہمارے ریٹیل ڈسٹری بیوشن نیٹ ورک میں توسیع کی بدولت ہے۔

بزئس نے گزشتہ سال کی اسی مدت کے 1,326 ملین روپے کے مقابلے میں 1,253 ملین روپے کا بعد از ٹیکس منافع حاصل کیا۔ منافع میں کمی کی بنیادی وجہ فنانس کے اخراجات میں اضافہ ہے۔ وفاقی بجٹ 2024 میں ڈیری کے شعبہ پریسیکشن میں اضافے اور تبدیلی سے کاروباری ترقی پر منفی اثرات مرتب ہوئے ہیں۔ انتظامیہ ان اثرات پر قابو پانے کی منصوبہ بندی کر رہی ہے۔

## ٹریڈ اینڈ آپریشنز

ایل این جی ٹریڈ نے 36 کارگو کو ہینڈل کرتے ہوئے SSGC نیٹ ورک میں 107.4 bcf ری گیسیفائڈ ایل این جی کی فراہمی کو یقینی بنایا جو ملک کی کل گیس سپلائی کا 15 فیصد ہے۔ کیمیکل ٹریڈ نے گزشتہ سال اسی مدت کے دوران 451 KT کے مقابلے میں 711 KT ہینڈل کیا۔ یہ اضافہ بنیادی طور پر پچھلے سال کی اسی مدت کے مقابلے میں ایل سی کھولنے میں آسانی اور ایل پی جی میرین کی درآمدات بڑھانے کی تجارتی کوششوں کے سبب تھا۔

## بین الاقوامی تجارت

متحدہ عرب امارات میں قائم Eximp FZE کمپنی کا بین الاقوامی تجارتی بازو ہے جس نے 2022 میں تجارتی سرگرمیاں شروع کیں تاکہ گروپ کی تجارتی سرگرمیوں کو ایک عالمی مرکز سے منظم کیا جائے۔ مدت کے دوران، کاروبار نے 201 ملین امریکی ڈالر کا کاروبار حاصل کیا جو پچھلے سال کی اسی مدت میں 157 ملین امریکی ڈالر تھا۔ بین الاقوامی اورڈر سے متعین کاروبار کی صورت میں اینگریو اینگریو امپ FZE ہمارے پورٹ فولیو میں ایک اہم کردار کے طور پر ابھرے گا۔

## داؤد ہر کولیس کارپوریشن کے ساتھ ارجنٹائن اسکیم

پچھلی سہ ماہی کی اہم پیش رفت کمپنی اور اس کے اکثریتی شیئر ہولڈرز، داؤد ہر کولیس کارپوریشن کے درمیان تنظیم نو کی منظوری ہے۔ کمپنی نے ایک اسکیم آف ارجنٹائن ("اسکیم") متعارف کرائی ہے جس کے ذریعے کمپنی داؤد ہر کولیس کارپوریشن کی ایک مکمل ملکیتی ذیلی کمپنی بن جائے گی، جس کا نام "اینگریو ہولڈنگز لمیٹڈ" رکھا جائے گا۔ اس عمل کا مقصد گروپ کے لیے معاون مالیاتی بندوبست تشکیل دینا ہے۔ اسکیم کے ذریعے، اینگریو ہولڈنگز کی جانب سے مختلف مواقع میں سرمایہ کاری کی جائے گی جو کہ ایک غیر مستحکم معاشی ماحول میں حصص یافتگان کے لیے مستقل منافع پیدا کرنے کے لیے ہوگی۔ اہم تنظیمی طریقوں کے علاوہ، اسکیم میں کمپنی کی سابقہ سالانہ جنرل میٹنگز میں اقلیتی شیئر ہولڈرز کے انٹراپرائیز کی سرمایہ داری میں تیزی لانے کے حوالے سے فیڈ بیک کو بھی شامل کیا ہے۔

کمپنی کے شیئر ہولڈرز نے 26 جون 2024 کو ہونے والے غیر معمولی اجلاس عام میں اس اسکیم کو اکثریت سے منظوری کیا تھا۔ اگلے ماہ اسلام آباد ہائی کورٹ نے بھی اسکیم کی منظوری دیدی۔ یہ اسکیم 01 جنوری 2025 سے نافذ العمل ہو جائے گی اور اینگریو کارپوریشن کے اقلیتی شیئر ہولڈرز اینگریو ہولڈنگز کے اس انداز میں شیئر ہولڈرز بن جائیں گے کہ اینگریو کارپوریشن میں ان کی اقتصادی ملکیت کو محفوظ رکھا جائے۔ اینگریو کارپوریشن اس نئے ڈھانچے کا خیر مقدم کرتی ہے جس سے اینگریو کی سرمایہ کاری کے اگلے مرحلے کا آغاز ہوگا۔



## پیٹر ویکمیکلز

پولیمر کے کاروبار نے 34,385 ملین روپے کی آمدنی حاصل کی جو پچھلے سال کی اسی مدت میں 37,022 ملین روپے تھی۔ کاروبار کو گزشتہ سال کی اسی مدت میں 2,745 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں 1,589 ملین روپے بعد از ٹیکس نقصان ہوا، جس کی بنیادی وجہ اجناس کی قیمتوں میں نمایاں کمی، توانائی کی قیمتوں میں اضافہ، اور تعمیراتی سرگرمیوں کی سست روی سے طلب میں کمی ہے۔ اس سے قطع نظر، مقامی فروخت 92 KT کے ساتھ مستحکم رہی جبکہ کاروبار کی ایکسپورٹ سیلز 6 KT رہی۔

## ٹیلی کمیونیکیشن انفراسٹرکچر

موبائل نیٹ ورک آپریٹرز (MNOs) کے چار سے تین ہونے کی وجہ سے ٹاورز لگانے کا کام پچھلے سال کی اسی مدت کے مقابلے میں سست رہا۔ مارکیٹ میں سست روی کے باوجود، اینگرو انفراسٹرکچر نے اپنے توسیعی عزائم پر کام جاری رکھا اور 1.23 گنا کرایہ داری تناسب (Tenacy Ratio) کے ساتھ جون 2024 کے اختتام تک 4,063 سائٹس کا پیمانہ حاصل کیا جس سے کمپنی کا آزاد ٹاؤکنیز کا مارکیٹ شیئر 52 فیصد بنتا ہے۔ مزید برآں، مذکورہ مدت میں 121 مشترکہ سائٹس کے حامل کرایہ داروں (Colocation tenants) کو شامل کیا گیا، جس میں انفراسٹرکچر کا مارکیٹ شیئر 31 فیصد بنتا ہے۔

شرح سود میں ہوشربا اضافے اور کیپٹل اسٹریکچر کے امتزاج نے برنس کی باٹم لائن کو متاثر کر رکھا ہے۔ کاروبار مستقبل میں اس خطرے کو کم کرنے کے لیے مختلف آپشنز پر موثر انداز میں کام کر رہا ہے، جس میں ہی جنگ (Hedging) میکانزم اور کیپٹل اسٹریکچر کا از سر نو جائزہ شامل ہے۔

## توانائی

اینگرو انرجی لمیٹڈ نے لبرٹی پاور ہولڈنگ (پرائیویٹ) لمیٹڈ اور دیگر فریقین کے ساتھ اپنے تھرمل اثاثہ جات کی فروخت کے لیے معاہدہ کیا ہے۔ اسٹیک ہولڈرز کی جانب سے لین دین کی تکمیل کے لیے منظوری لینے کا عمل جاری ہے۔  
کوئلے کی کان کنی: اینگرو پاور جن تھر، تھرانرجی، اور تھل نو واپور کوئلے کی سپلائی کرتے ہوئے، کان کنی کا کام جاری رہا۔ توانائی کی طلب میں ممکنہ اضافے کو پورا کرنے کے لیے انتظامیہ نے 11.2 ملین ٹن سالانہ صلاحیت کو بڑھانے کے لیے توسیع کا فیصلہ شروع کرنے کا عہد کیا ہے۔

تھر پاور پلانٹ: اس مدت کے دوران، پلانٹ نے گزشتہ سال اسی مدت میں 1,464 GWH کے مقابلے میں نیشنل گرڈ کو 1,601 GWH کا نیٹ الیکٹریکل آؤٹ پٹ فراہم کیا۔ پلانٹ کی دستیابی 80% پر محدود رہی کیونکہ پلانٹ کی حفاظت، پائیداری اور کارکردگی کو یقینی بنانے کے لیے پہلے سے طے شدہ C ٹائپ مینٹنس کو یقینی بنایا گیا۔

قادر پور پاور پلانٹ: اس مدت کے دوران، پلانٹ نے 437 GWH کا نیٹ الیکٹریکل آؤٹ پٹ 46% کے لوڈ فیکٹر کے ساتھ نیشنل گرڈ کو فراہم کیا جو پچھلے سال اسی مدت میں 496 GWH تھا۔ برنس نے بدر فیلڈ سے گیس کو متبادل ایندھن کے طور پر شامل کرنے کے لیے جزییشن لائسنس حاصل کر لیا ہے اور اس اضافی ایندھن کے لیے مپرا کے ٹریف کا تعین بھی حاصل کر لیا ہے۔

مشترکہ طور پر، 2024 میں کمپنی کے مسلسل آپریشنز سے آمدنی 22 فیصد بڑھ کر 178,888 ملین روپے ہو گئی جو گزشتہ سال کی اسی مدت میں 147,161 ملین روپے تھی۔ مسلسل آپریشنز سے مشترکہ بعد از ٹیکس منافع (PAT) 9,584 ملین روپے (شیر ہولڈرز سے منسوب بعد از ٹیکس منافع 4,876 ملین روپے) گزشتہ سال کی اسی مدت کے 7,583 ملین روپے کے مقابلے میں (شیر ہولڈرز سے منسوب بعد از ٹیکس منافع 2,659 ملین روپے) رہا نتیجتاً ہر ایک شیر پر منافع 9.09 روپے بنتا ہے جو گزشتہ سال 2023 میں 4.81 روپے تھا۔ منافع میں بڑا فرق، قیمتوں کے تعین کی بہتر حکمت عملیوں اور اخراجات پر قابو پانے کی منصوبہ بندی سے خرچوں میں کمی کی بدولت ہے۔

بعد از ٹیکس منافع بشمول منقطع آپریشنز 12,438 ملین روپے (شیر ہولڈرز سے منسوب بعد از ٹیکس منافع 6,260 ملین روپے) گزشتہ سال کے 21,885 ملین روپے کے مقابلے میں (شیر ہولڈرز سے منسوب بعد از ٹیکس منافع 10,803 ملین روپے) رہا نتیجے میں 11.67 روپے کی فی حصص آمدنی ریکارڈ کی گئی جو 2023 میں 19.54 روپے تھی۔

پاکستان میں ’ہولڈنگ کمپنی‘ کے طرز پر کارپوریٹ سیکٹر میں بہترین عالمی طریقوں کو فروغ دینے کے لیے بڑی اصلاحات کے حصے کے طور پر انٹر کارپوریٹ ڈیویڈنڈ (ICD) کے متعدد ٹیکسوں سے ریلیف کا نظام متعارف کرایا گیا تھا۔ حصص یافتگان کے منافع پر منتهی اثر ڈالنے والے اس ریلیف کو ہٹانے کا اعادہ ہے کیونکہ بنیادی کاروبار سے ڈیویڈنڈ کی آمدنی پر شیر ہولڈرز پر متعدد بار ٹیکس لگایا جاتا ہے۔

اس لیے، کمپنی مختلف اسٹیک ہولڈرز اور مختلف کاروباری فورمز کے ساتھ براہ راست رابطے کے ذریعے اس معاملے کے حل کے لیے سرگرم عمل ہے، جس میں عالمی اہمیت، معاملے کی اہمیت، اور پاکستان میں کارپوریٹیشن اور نئی سرمایہ کاری پر اس کے منفی اثرات کو اجاگر کیا جا رہا ہے۔ اس کے علاوہ، کمپنی اپنے لیگل اسٹرکچر کا بھی جائزہ لے رہی ہے تاکہ ڈیویڈنڈز پر ٹیکس کے متعدد بار نفاذ پر قابو پانے کے مختلف آپشنز کی شناخت اور ان کا جائزہ لیا جاسکے۔

## کاروباری شعبہ جات

ہمارے کاروباری شعبہ جات کا ایک مختصر جائزہ حسب ذیل ہے:

### فریٹلائزرز

اینگرو فریٹلائزرز کے EnVen پلانٹ نے طویل مدتی پائیداری کو یقینی بنانے کے لیے کامیابی کے ساتھ ایک اہم ٹران اراؤنڈ مکمل کیا جو پاکستان میں خوراک کے تحفظ میں براہ راست کردار ادا کرتا ہے۔ کام کے پیچیدہ دائرہ کار، 6,000 سے زیادہ ورک فورس کے متحرک ہونے کے ساتھ گرمی کی شدید لہر جیسے اہم چیلنجز کے باوجود، ہماری ٹیم کی مشترکہ کوششوں نے کامیابی کو یقینی بنایا۔ اس ٹران اراؤنڈ کی محفوظ اور کامیاب تکمیل انجینئرنگ میں ہماری برتری کے عزم کا ثبوت ہے۔ ٹران اراؤنڈ مکمل ہونے کے بعد، پلانٹ نے بغیر کسی خلل اور رکاوٹ کے دوبارہ کام شروع کر دیا۔

فریٹلائزر کے کاروبار نے گزشتہ سال کی اسی مدت میں 82,366 ملین روپے کے مقابلے میں 37 فیصد اضافے کے ساتھ 113,204 ملین روپے کی آمدنی کے ساتھ شاندار کارکردگی دکھائی۔ کاروبار نے گزشتہ سال اسی مدت میں 5,464 ملین روپے کے مقابلے میں 9,426 ملین روپے کا بعد از ٹیکس منافع کمایا، جس کی بنیادی وجہ قیمتوں کی تعین کی بہتر حکمت عملی کا نفاذ اور اخراجات پر قابو پانے کی حکمت عملی ہے۔

زیر جائزہ مدت کے دوران مقامی طور پر تیار کردہ یوریا کی فروخت 1,034 KT بمقابلہ 855 KT رہی، جبکہ فاسفیٹ کی فروخت 165 KT بمقابلہ 109 KT رہی۔

## ڈائریکٹرز کی رپورٹ

اینگر و کارپوریشن لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 جون 2024 کو ختم ہونے والی ششماہی کے لیے کمپنی کے عبوری مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

## میکرو اکنامک صورتحال

مرکزی بینک کی جانب سے مہنگائی پر قابو پانے کے پیش نظر پالیسی ریٹس میں اضافے کے سبب عالمی معاشی ترقی سست روی کا شکار ہے، ایسے میں قرضوں کی زیادتی کے ساتھ مالی امداد میں کمی، بنیادی پیداواری ترقی میں گراؤ سے بھی منفی اثرات مرتب ہو رہے ہیں۔ تاہم، زیادہ تر خطوں میں توقع سے بڑھ کر مہنگائی میں کمی دیکھی جا رہی ہے، جو کہ سپلائی سائیز کے مسائل کے حل اور مالیاتی پالیسیوں کو معمول پر لانے کا نتیجہ ہے، جو ممکنہ طور پر مالی حالات میں بہتری کا سبب بن سکتی ہے۔ یہ بات اہم ہے کہ جغرافیائی سیاسی تنازعات کی وجہ سے اجناس کی قیمتوں میں ممکنہ اضافہ، چین میں پراپرٹی کے شعبے میں بگڑتے مسائل کے اثرات اور دوسرے خطوں میں ٹیکسوں میں اضافے اور اخراجات میں کمی لانے جیسے مالیاتی اقدامات بڑی مارکیٹ میں ترقی کے مایوس کن نتائج کے باعث بن سکتے ہیں۔

ملکی حوالے سے، پاکستان کی معیشت سخت معاشی پالیسیوں، امپورٹس پر سختی اور آئی ایم ایف کی سخت شرائط کی وجہ سے مالی سال 24 میں حقیقی جی ڈی پی کی شرح نمو 1.8 فیصد کے تخمینے کے ساتھ ایک مستقل بحران کی کیفیت میں ہے۔ تاہم دیگر مارکیٹوں کی طرح ملک میں مہنگائی میں کمی آرہی ہے، نتیجے میں اسٹیٹ بینک نے پالیسی ریٹ میں 250 پیسے پوائنٹس کی کمی کی ہے۔ عالمی اجناس کی قیمتوں میں کمی سے مزید ریلیف ملنے کی امید ہے۔ دریں اثناء، امپورٹس پر پابندی کے تسلسل میں مالی سال 2024 میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے 0.7 فیصد کے ساتھ کم رہنے کی توقع ہے۔

وفاقی بجٹ میں ٹیکسز میں اضافے کا نفاذ، توانائی کی بڑھتی ہوئی قیمتوں اور گزشتہ 2 سالوں سے مہنگائی میں ہوشربا اضافے کے اثرات نے پاکستانیوں کے لیے مشکل حالات پیدا کر دیئے ہیں۔ سیاسی عدم اطمینان کے ساتھ ساتھ اس معاشی بگاڑ نے عوامی بے چینی میں اضافہ کیا ہے، نتیجے میں ٹیلنٹ کے ملک سے باہر جانے والوں میں تیزی آئی ہے۔



ایک مشکل میکرو اکنامک ماحول کا سامنا کرتے ہوئے، اس بات کو اجاگر کرنا ضروری ہے کہ حکومت معاشی استحکام اور اہم اسٹرکچرل ریفاورمز کے لیے کام کر رہی ہے۔ اہم اور بنیادی خطرات میں بگڑتے ہوئے بیرونی حالات اور ملکی اور بیرونی مالیاتی ضروریات شامل ہیں۔ ان خطرات سے نمٹنے کے لیے موثر اکنامک منجمنٹ، مارکیٹ کا اعتماد برقرار رکھنا، اخراجات کو کنٹرول کرنا، اور اسٹرکچرل اصلاحات پر عمل کرنا ضروری ہوگا۔

## کاروباری جائزہ

انفرادی طور پر کمپنی نے گزشتہ سال کی اسی مدت میں 9,451 ملین روپے کے مقابلے میں 14,196 ملین روپے کا انفرادی بعد از ٹیکس منافع (PAT) حاصل کیا، نتیجے میں 26.46 روپے فی حصص آمدنی (EPS) بنتی ہے جو گزشتہ سال 17.09 روپے تھی۔ منافع میں اضافہ بنیادی طور پر فرٹیلٹیز کے کاروبار سے زیادہ منافع کی آمدنی اور اخراجات کو بہتر بنانے کے اقدامات کے ذریعے حاصل ہونے والے فائدہ سے ہے۔



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