

enriching Pakistan



half yearly report 2024

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company information

board of directors

Chairman & Non-Executive Director

Mr. Ahsan Zafar Syed

Non- Executive Directors

Mr. Javed Akbar

Mr. Farooq Barkat Ali

Mr. Ahmad Shakoor

Independent Directors

Mr. Asad Said Jafar

Mr. Asim Murtaza Khan

Ms. Danish Zuberi

Chief Executive Officer

Mr. Ali Rathore

Chief Financial Officer

Mr. Muhammad Imran Khalil

Company Secretary

Mr. Sunaib Barkat

banking partners

conventional banks

Allied Bank Limited

Askari Bank Limited

Bank Al Habib Limited

Bank Alfalah Limited

Citi Bank N.A

Habib Bank Limited

Habib Metropolitan Bank Limited

Industrial and commercial bank of China

JS Bank Limited

MCB Bank Limited

National Bank of Pakistan

Samba Bank Limited

Soneri Bank Limited

Standard Chartered Bank (Pakistan) Limited

Summit Bank Limited

The Bank of Punjab

United Bank Limited

shariah compliant banks

Al Baraka Islamic Bank (Pakistan) Limited

BankIslami Pakistan Limited

Faysal Bank

Meezan Bank Limited

microfinance banks

Mobilink Microfinance Bank

Telenor Microfinance Bank

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

registered office

6th Floor, The Harbor Front Building,

HC # 3, Marine Drive, Block 4, Clifton,

Karachi-75600, Pakistan Tel: +92 (21)

35297501-10,

PABX: +92 (21) 111 211 211, Fax: +92 (21)

35810669

Website: www.engrofertilizers.com

www.engro.com

plant sites

Daharki

Daharki, District Ghotki

Sindh

PABX: +92723 641001 – 10

Fax: +92723 641028 – 9

Zarkhez

EZ-1 P-I-II Eastern Industrial Zone Port Qasim, Karachi

PABX: 021-34740044-49

Fax: +9221 3474 0051

share registrar

Famco Share Registration Services (Private) Limited

8-F, Near Hotel Faran, Block-6, PECHS,

Shahrah-e-Faisal, Karachi, Pakistan

Tel: +92 (21) 34380104-5, 34384621-3

Fax: +92 (21) 34380106

speak-out

Whistleblower Hotline

For complaints or concerns in
relation to business ethics and compliance

Engro Fertilizers Limited

Ph: +92 (21) 35296012

Email: speakout@engro.com

P.O.Box: 3851, Clifton, Karachi

**ENGRO FERTILIZERS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE HALF YEAR ENDED JUNE 30, 2024**

On behalf of the Board of Directors of Engro Fertilizers Limited (the Company / Engro Fertilizers), we are pleased to present the unaudited condensed interim financial statements (consolidated and unconsolidated) for the half year ended June 30, 2024.

CSR Initiatives

The Company continues to enhance its role in community uplift engagements, supporting the communities it operates in and improving the lives of people therein. Key updates on our initiatives for 1H 2024 are as follows:

1. Education Program:

Engro consistently focuses on the provision of quality education for students within its communities. During the period under review several co-curricular and sports activities were organized at our schools below:

- Kacha Schools: Over 2,000 students (28% girls and 72% boys) at 15 schools in Kacha – the riverine belt of Ghotki district
- Adopted Government Schools: More than 1,950 students (36% girls and 64% boys) at 9 adopted schools sponsored by Engro Fertilizers
- Sahara School: Over 500 students (47% girls and 53% boys) at Sahara High School Daharki
- New Partnerships: Agreement signed with Sindh Education Foundation (SEF) for establishment of 1 formal school and 3 non-formal schools

2. Healthcare Program:

Engro Foundation operates several facilities to provide an improved infrastructure of healthcare facilities. During the period under review:

- over 2,029 patients were treated at the Sahara OPD Clinic while
- 200 patients were treated with artificial limbs at Artificial Limb Facility Daharki
- 1,902 Patients were treated at snake bite clinic
- 1,226 patients were vaccinated at the Engro dog bite Center
- 144 Patients were vaccinated under Hepatitis Control Program

3. Technical Training Centre (TTC) Daharki:

The TTC at Daharki focuses on improving the future of our students. Out of 447 students (including 23 girls); 75 students (including 2 girls) graduated in Jun 2024 from TTC.

Engro Foundation facilitated placement of 60 fresh graduates (who graduated in Dec 2023) as Trade Apprentices at National Refinery Limited Karachi.

4. Indus River Dolphin Conservation Program:

This is a five-years partnership with WWF to conserve Indus River Dolphin - unique species found solely in the River Indus and its tributaries. Key updates of the reporting period are as follows:

- Stakeholders' engagement meetings were conducted with Wildlife & Fisheries departments of Sindh and Punjab
- Children focused Indus Dolphin education toolkit were translated in Sindhi language

- The first two years of a series of trials of pingers, acoustic deterrents aimed at mitigating dolphin deaths in fishing nets, have been completed at Ghazi Ghat, Punjab, and Guddu barrage in Sindh. The results depict that the pingers effectively deter dolphins from approaching fishing nets, ensuring they maintain a safe distance of 20-40 meters. This component is part of the 'Sound of Safety' project, which is co-financed by Engro Foundation.

Market Overview

Domestic agriculture industry saw significant turmoil during the period in review. The wheat crisis severely hampered farmer economics with significantly lower prices being offered to farmers for bumper crops this season. Resultingly, the Urea demand during the quarter remained stagnant compared to the same period last year and stood at 3,035 KT vs 3,098 KT in H1 2023.

On the international pricing front, global fertilizer prices have largely remained stable during the period. Urea prices stood at USD 319/ton (landed equivalent PKR 5,962/bag) at the end of June 2024 compared to USD 260/ton (landed equivalent PKR 3,706/bag) at the end of June 2023. The fertilizer industry continues to ensure that local farmers continue to benefit from low prices of domestically produced Urea. Domestic Urea prices stood at PKR 4,649/bag as at June 30, 2024 depicting a discount of 22% to international prices.

During the quarter, the DAP international prices declined from their high in the previous quarter of USD 620/ton to USD 530/ton due to higher-than-expected exports from China. However, with the tightening of supply from China and increased demand from India, it is expected that DAP prices will likely return to the Q1 levels within the next half of the year.

Key Developments

Engro Fertilizers EnVen plant embarked upon a major turnaround to ensure long-term reliability. The journey towards a safe turnaround began with extensive preplanning including procedural reviews, in-house training sessions, execution of mock rescue drills, quality checks and inventory management of PPEs for all the workforce. In line with our past practices and values we performed comprehensive safety reviews, implementing initiatives such as round-the-clock safety audits, "Toolbox talks", and a dedicated HSE help desk. Additionally, focused safety sessions were conducted with our contract workforce. Despite formidable challenges—ranging from intricate work scopes to an influx of over 6,000 manpower resources and an unprecedented heat wave—the collaborative efforts of our team prevailed. In doing so, we were able to achieve a remarkably low Total Recordable Incident Rate (TRIR) of 0.05. The safe and successful completion of the turnaround stands as a testament to Engro Fertilizer's unwavering commitment to engineering excellence, a pursuit that directly contributes to ensuring food security in Pakistan. With the turnaround now behind us, the plant has seamlessly resumed operations.

Company's Operating Performance

The Company's Urea production stood at 966 KT vs 1,115 KT in 1H 2023. Sales during the period stood at 855 KT versus 1,034KT during the same period last year.

The Company's phosphates (DAP, Zorawar & NP) sales during 1H 2024 stood at 165 KT vs 109 KT during the same period last year.

The Consolidated Revenue of the Company stood at PKR 113.2 Bn for 1H 2024 as compared to PKR 82.4 Bn in the same period last year. Gross Profit of the Company was recorded at PKR 24.3 Bn for 1H 2024 as compared to PKR 22.2 Bn in the same period last year. The Company's consolidated profit stood at PKR 9.4 Bn versus PKR 5.5 Bn in the corresponding period last year, resulting in an EPS of PKR 7.06 versus PKR 4.09 in the same period last year.

Earlier during the year Ministry of Industries and Production requested the fertilizer industry to procure higher cost imported urea and sell it at a lower price, similar to locally produced urea. To recover the additional cost of imported urea, the fertilizer manufacturers increased the price of locally produced urea to the extent that additional cost is recovered in 12 months. Although Engro Fertilizers sold its entire stock of imported urea during March quarter, the additional cost of imported urea was amortized on a pro-rata basis in the profit and loss and unamortized portion of PKR 5.3 Bn was retained in the balance sheet as at March 31, 2024, to be amortized over the remaining period.

During review of half year financial statements, the management reassessed the above treatment and in order to better reflect the transaction in accounting terms, the entire unamortized portion of PKR 5.3 Bn (post tax impact of PKR 3.0 Bn) has been charged in the profit or loss for the period ended March 31, 2024.

The Board is pleased to announce a cash dividend of PKR 3.00 per share for the quarter ended June 30, 2024.

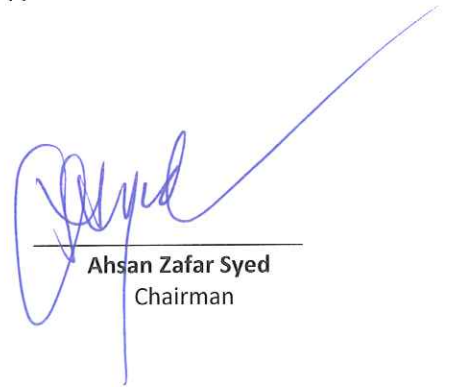
Near Term Outlook

The recent outcome of the monetary policy meeting, which involved a reduction in interest rates, indicates inflation is being reined in; with lower rates expected to decrease the cost of conducting business. However, this may be offset by the decision to raise indirect taxes in the budget which will contribute to inflationary pressures and an increase in the cost of living including agricultural inputs.

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. On behalf of the Board, the Company would like to thank all stakeholders for their continued trust and support.



Ali Rathore
Chief Executive Officer



Ahsan Zafar Syed
Chairman



**consolidated condensed interim financial
statements (unaudited) for the half year
ended June 30, 2024**



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Engro Fertilizers 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 Fertilizers Limited and its subsidiary (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 Azhar Hussain.

**Chartered Accountants
Karachi**

Date: August 26, 2024

UDIN: RR202410290tV637RGdZ

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

(Amounts in thousand)

	Note	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment	3	82,015,094	78,440,081
Intangible assets		5,088,700	5,184,192
Deferred taxation		106,682	-
Long-term investments	4	202,134	202,134
Long-term loans, advances and deposits		180,003	209,806
		<u>87,592,613</u>	<u>84,036,213</u>
Current assets			
Stores, spares and loose tools	5	8,560,275	8,729,523
Stock-in-trade	6	21,786,680	15,355,755
Trade debts		4,212,055	2,912,495
Other receivables	7	17,894,331	16,056,950
Loans, advances, deposits and prepayments		11,516,080	3,993,197
Accrued income		77,323	116,629
Taxation - net		4,738,960	-
Short-term investments	8	5,329,992	24,062,828
Cash and bank balances	9	4,029,639	4,053,684
		78,145,335	75,281,061
Assets classified as held for sale	10	-	1,525,396
TOTAL ASSETS		<u>165,737,948</u>	<u>160,842,670</u>
		APL	

(Amounts in thousand)


	Note	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----			
EQUITY & LIABILITIES			
Equity			
Share capital		13,352,993	13,352,993
Reserves			
Share premium		3,384,904	3,384,904
Remeasurement of post employment benefits		(74,030)	(74,030)
Unappropriated profit		19,300,259	31,238,888
		22,611,133	34,549,762
TOTAL EQUITY		35,964,126	47,902,755
Liabilities			
Non-current liabilities			
Borrowings	11	2,858,791	3,267,427
Government grant		618,217	721,334
Deferred taxation		-	10,401,710
Deferred liabilities		210,741	236,702
		3,687,749	14,627,173
Current liabilities			
Trade and other payables	12	73,493,951	74,095,829
Accrued interest / mark-up		1,194,669	72,814
Taxation - net		-	994,344
Current portion of:			
- borrowings	11	2,328,290	2,715,014
- government grant		221,789	235,755
- deferred liabilities		62,904	62,546
Provision for Gas Infrastructure Development Cess (GIDC)		19,558,031	19,558,031
Short-term borrowings	13	29,181,658	530,110
Unclaimed dividend		44,781	48,299
		126,086,073	98,312,742
TOTAL LIABILITIES		129,773,822	112,939,915
Contingencies and Commitments	14		
TOTAL EQUITY AND LIABILITIES		165,737,948	160,842,670

The annexed notes from 1 to 27 form an integral part of these consolidated condensed interim financial statements.

APPEL


Muhammad Imran Khalil
Chief Financial Officer


Ali Rathore
Chief Executive Officer


Ahsan Zafar Syed
Chairman

ENGRO FERTILIZERS 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	June 30, 2023	June 30, 2024	June 30, 2023
-----Rupees-----					
Net sales	15	39,420,771	38,375,077	113,204,214	82,366,176
Cost of sales	16	(32,287,207)	(26,951,020)	(88,872,496)	(60,167,043)
Gross profit		7,133,564	11,424,057	24,331,718	22,199,133
Selling and distribution expenses		(1,655,412)	(2,223,068)	(6,044,543)	(4,690,714)
Administrative expenses		(1,771,491)	(819,561)	(2,876,489)	(1,374,353)
		3,706,661	8,381,428	15,410,686	16,134,066
Other income	17	745,281	446,662	2,031,633	1,163,695
Other operating expenses		(844,927)	(669,656)	(1,625,959)	(1,280,921)
Finance cost		(1,225,275)	(702,305)	(1,385,765)	(1,137,623)
Other gains / (losses):					
- Remeasurement loss on provision for GIDC		-	(255,768)	-	(456,276)
- Gain / (loss) allowance on subsidy receivable from GoP		177,508	(71,896)	235,291	(504,345)
		177,508	(327,664)	235,291	(960,621)
Profit before taxation		2,559,248	7,128,465	14,665,886	13,918,596
Taxation	18	(893,452)	(6,068,796)	(5,239,725)	(8,454,719)
Profit for the period		1,665,796	1,059,669	9,426,161	5,463,877
Earnings per share - basic and diluted		1.25	0.79	7.06	4.09

The annexed notes from 1 to 27 form an integral part of these consolidated condensed interim financial statements.

AMZ


Muhammad Imran Khalil
Chief Financial Officer


Ali Rathore
Chief Executive Officer


Ahsan Zafar Syed
Chairman

ENGRO FERTILIZERS 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	June 30, 2023	June 30, 2024	June 30, 2023
	-----Rupees-----			
Profit for the period	1,665,796	1,059,669	9,426,161	5,463,877
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,665,796	1,059,669	9,426,161	5,463,877

The annexed notes from 1 to 27 form an integral part of these consolidated condensed interim financial statements.

ARL



Muhammad Imran Khalil
Chief Financial Officer



Ali Rathore
Chief Executive Officer



Ahsan Zafar Syed
Chairman

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

(Amounts in thousand)


	CAPITAL		RESERVES		Total
	Share capital	Share premium	Remeasurement of post employment benefits	Unappropriated profit	
	-----Rupees-----				
Balance as at January 1, 2024 (Audited)	13,352,993	3,384,904	(74,030)	31,238,888	47,902,755
Transactions with owners:					
Dividends:					
- Final 2023: Rs. 8.00 per share	-	-	-	(10,682,395)	(10,682,395)
- 1st interim 2024: Rs. 8.00 per share	-	-	-	(10,682,395)	(10,682,395)
	-	-	-	(21,364,790)	(21,364,790)
Total comprehensive income for the half year ended June 30, 2024					
Profit for the period	-	-	-	9,426,161	9,426,161
Other comprehensive income	-	-	-	-	-
	-	-	-	9,426,161	9,426,161
Balance as at June 30, 2024 (Unaudited)	<u>13,352,993</u>	<u>3,384,904</u>	<u>(74,030)</u>	<u>19,300,259</u>	<u>35,964,126</u>
Balance as at January 1, 2023 (Audited)	13,352,993	3,384,904	(99,994)	28,415,525	45,053,428
Transaction with owners:					
Dividends:					
- Final 2022: Rs. 5.00 per share	-	-	-	(6,676,497)	(6,676,497)
- 1st interim 2023: Rs. 3.50 per share	-	-	-	(4,673,548)	(4,673,548)
	-	-	-	(11,350,045)	(11,350,045)
Total comprehensive income for the half year ended June 30, 2023					
Profit for the period	-	-	-	5,463,877	5,463,877
Other comprehensive income	-	-	-	-	-
	-	-	-	5,463,877	5,463,877
Balance as at June 30, 2023 (Unaudited)	<u>13,352,993</u>	<u>3,384,904</u>	<u>(99,994)</u>	<u>22,529,357</u>	<u>39,167,260</u>

The annexed notes from 1 to 27 form an integral part of these consolidated condensed interim financial statements.

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Muhammad Imran Khalil
Chief Financial Officer


Ali Rathore
Chief Executive Officer


Ahsan Zafar Syed
Chairman

ENGRO FERTILIZERS 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	June 30, 2023
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	19	(859,425)	13,312,042
Retirement and other service benefits paid		(59,837)	(68,638)
Taxes paid		(21,481,419)	(7,541,549)
Long-term loans, advances and deposits		29,803	25,803
Income on deposits / other financial assets		1,797,797	977,679
Net cash (utilised in) / generated from operating activities		(20,573,081)	6,705,337
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangibles		(5,716,198)	(3,858,585)
Proceeds from disposal of operating assets		1,425,513	122,438
Short-term investments - net		19,232,834	6,333,103
Net cash generated from investing activities		14,942,149	2,596,956
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term borrowings		(912,443)	(2,492,292)
Repayments of loan from Parent Company		-	(1,000,000)
Finance cost paid		(263,910)	(866,860)
Dividends paid		(21,368,308)	(11,350,340)
Net cash utilised in financing activities		(22,544,661)	(15,709,492)
Net decrease in cash and cash equivalents		(28,175,593)	(6,407,199)
Cash and cash equivalents at beginning of the period		3,973,574	(4,096,566)
Cash and cash equivalents at end of the period	20	(24,202,019)	(10,503,765)

The annexed notes from 1 to 27 form an integral part of these consolidated condensed interim financial statements.

ATP


 Muhammad Imran Khalil
 Chief Financial Officer


 Ali Rathore
 Chief Executive Officer


 Ahsan Zafar Syed
 Chairman

ENGRO FERTILIZERS 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 Fertilizers Limited (the Holding Company) is a public company incorporated in Pakistan on June 29, 2009 as a wholly owned subsidiary of Engro Corporation Limited (the Parent Company), which is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Holding Company is listed on Pakistan Stock Exchange Limited (PSX). As at June 30, 2024, the Parent Company holds 56.27% share capital of the Holding Company.

The Holding Company is engaged in the manufacturing, purchasing and marketing of fertilizers and providing logistics services. The registered / head office of the Holding Company is situated at 6th floor, The Harbour Front Building, Plot Number HC-3, Block 4, Clifton, Karachi.

1.2 The 'Group' consists of:

Holding Company: Engro Fertilizers Limited

Subsidiary Company: EFERT Agritrade (Private) Limited (EAPL), which is a wholly owned subsidiary of the Holding Company.

1.2.1 EAPL was incorporated on July 06, 2017 as a wholly owned subsidiary of the Holding Company to carry out business of trading and distribution of imported fertilizer. As part of the business reorganisation, the Holding Company transferred its business of trading and distribution of imported fertilizer to the new subsidiary and holds 10,000 ordinary shares of Rs. 10 each in EAPL.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards 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 subjected to limited scope review by the auditors of the Holding Company, as required under section 237 of the Act. These consolidated condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended December 31, 2023.

APR

(Amounts in thousand)

2.3 The material accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are same as those applied in the preparation of the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2023.

2.4 **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 Group'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 Group**

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 Group's financial reporting and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

2.5 The preparation of these consolidated 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 Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

2.6 During the preparation of these consolidated condensed interim financial statements, the significant judgements and estimates made by the management are the same as those that were applied to the audited annual consolidated financial statements of the Group for the year ended December 31, 2023.

2.7 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.

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

3. **PROPERTY, PLANT AND EQUIPMENT**

Operating assets at net book value (note 3.1)	67,638,578	69,424,498
Capital work in progress (note 3.2)	12,533,681	7,734,005
Major spare parts and stand-by equipment	1,842,835	1,281,578
	<u>82,015,094</u>	<u>78,440,081</u>

AFU

(Amounts in thousand)

3.1 Additions to and disposals from operating assets during the period are as follows:

	Unaudited (Additions at cost)		Unaudited (Disposals / write-offs at net book value)	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	-----Rupees-----			
Building on freehold land	5,453	57,438	-	-
Plant and machinery	46,217	1,204,487	-	-
Catalyst	-	728,839	-	-
Office equipment	31,837	72,934	176	167
Vehicles	246,184	188,664	45,285	42,752
	<u>329,691</u>	<u>2,252,362</u>	<u>45,461</u>	<u>42,919</u>

The above disposals / write-offs represent assets having a cost of Rs. 112,646 (June 30, 2023: Rs. 137,284) and net book value of Rs. 45,461 (June 30, 2023: Rs. 42,919), which were disposed off for Rs. 111,945 (June 30, 2023: Rs. 122,438).

	Unaudited June 30, 2024	Audited December 31, 2023
		-----Rupees-----
3.2 Capital work in progress		
Balance at beginning of the period /	7,734,005	7,793,135
Additions during the period / year	5,154,943	6,112,481
Transferred to:		
- operating assets	(329,691)	(6,071,669)
- intangible assets	(25,576)	(99,912)
Balance at end of the period / year	<u>12,533,681</u>	<u>7,734,035</u>

3.2.1 Includes Rs. 1,998,502 (December 31, 2023: Rs. 1,299,378) representing the Holding Company's share in respect of a joint operation arrangement related to Pressure Enhancement Facility (PEF) project being undertaken to ensure sustainable gas supplies and enhancement of delivery pressures at one of the gas supply sites. All amounts charged to the Holding Company in respect of PEF project have been paid as at June 30, 2024.

	Unaudited June 30, 2024	Audited December 31, 2023
		-----Rupees-----
4. LONG-TERM INVESTMENTS		
At amortised cost		
Pakistan Investment Bonds (note 4.1)	<u>202,134</u>	<u>202,134</u>

4.1 These bonds carry interest at the rate of 13.04% (December 31, 2023: 13.04%) per annum and have maturity in three years (December 31, 2023: four years).

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(Amounts in thousand)

	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----		
5. STORES, SPARES AND LOOSE TOOLS		
Consumable stores, spares and loose tools	9,801,157	9,701,353
Less: Provision for surplus and slow moving items (note 5.1)	<u>(1,240,882)</u>	<u>(971,830)</u>
	<u>8,560,275</u>	<u>8,729,523</u>
5.1 Provision for surplus and slow moving items		
Balance at beginning of the period / year	971,830	907,932
Charge for the period / year	269,052	324,181
Reversal during the period / year	-	(260,176)
Written off during the period / year	-	(107)
Balance at end of the period / year	<u>1,240,882</u>	<u>971,830</u>
6. STOCK-IN-TRADE		
Raw materials (note 6.1)	2,220,820	3,322,973
Packing materials	1,544,347	1,168,432
Work in process	<u>174,269</u>	<u>279,974</u>
	3,939,436	4,771,379
Finished goods:		
- manufactured products	<u>8,144,526</u>	<u>740,739</u>
- purchased and packaged products (note 6.2)	<u>9,740,059</u>	<u>9,880,978</u>
	17,884,585	10,621,717
Less: Provision for impairment against stock-in-trade (note 6.3)	<u>(37,341)</u>	<u>(37,341)</u>
	<u>21,786,680</u>	<u>15,355,755</u>
6.1	Includes stock-in-transit amounting to Rs. 283,418 (December 31, 2023: Rs. 643,764).	
6.2	Includes stock-in-transit amounting to Rs. 2,795,558 (December 31, 2023: Rs. 9,655,519).	

	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----		
6.3 Provision for impairment against stock-in-trade		
Balance at beginning of the period / year	37,341	208,410
Charge for the period / year	-	327,389
Written off during the period / year	-	(498,458)
Balance at end of the period / year	<u>37,341</u>	<u>37,341</u>

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(Amounts in thousand)

7. OTHER RECEIVABLES

This includes Rs. 8,903,324 (December 31, 2023: Rs. 1,936,432) paid to a gas supplier pursuant to an arrangement under which the Holding Company has committed to fulfil certain obligations in case of default by another gas company. The gas supplier will return the amount so paid once another gas company settles its outstanding amount.

	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----		
8. SHORT-TERM INVESTMENTS		
At fair value through profit or loss		
- Investment in units of mutual funds (note 8.1)	440,919	21,848,356
At amortised cost		
- Pakistan Investment Bonds (note 8.2)	3,689,073	1,764,472
- Term Deposit Receipts (note 8.3)	1,200,000	450,000
	4,889,073	2,214,472
	<u>5,329,992</u>	<u>24,062,828</u>

8.1 This represents investments in 4,787,174 units (December 31, 2023: 423,230,988 units) of Mutual Funds having cost amounting to Rs. 441,405 (December 31, 2023: Rs. 21,772,717).

8.2 These bonds carry interest at the rates ranging from 17.57% to 22.2% (December 31, 2023: 17.57% to 21.50%) per annum and maturing in three months (December 31, 2023: maturing in nine months).

8.3 Term deposit receipts carry interest at the rate of 19.50% per annum (December 31, 2023: 19.50% per annum).

	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----		
9. CASH AND BANK BALANCES		
Cash at banks in:		
- deposit accounts (notes 9.1 and 9.2)	1,461,005	2,369,498
- current accounts	2,557,021	1,672,573
	<u>4,018,026</u>	<u>4,042,071</u>
Cash in hand	11,613	11,613
	<u>4,029,639</u>	<u>4,053,684</u>

9.1 Deposit accounts carry return at the rate of 20.50% (December 31, 2023: 14.50% to 20.50%) per annum.

9.2 Includes Rs. 494,160 (December 31, 2023: Rs. 644,279) held in foreign currency bank accounts.

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(Amounts in thousand)

10. ASSETS CLASSIFIED AS HELD FOR SALE

Certain assets of the Holding Company had been classified as held for sale as at December 31, 2023, due to the decision of the directors of the Holding Company to sell its E-Logistics business (previously classified under vehicles in operating assets) and the Holding Company being in the process of finalization of deal. During the period ended June 30, 2024, the Holding Company 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.

	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----		
11. BORROWINGS - Secured (Non-participatory)		
Long term finance utilised under mark-up arrangements (notes 11.1 and 11.2)	1,936,006	2,541,404
Temporary Economic Refinance Facility (TERF) loans (note 11.3)	4,091,081	4,398,126
Less: Fair value adjustment for loan at below market rate	(840,006)	(957,089)
	3,251,075	3,441,037
Less: Current portion shown under current liabilities	(2,328,290)	(2,715,014)
	2,858,791	3,267,427

11.1 All senior debts are secured by an equitable mortgage upon immovable property of the Holding Company and equitable charge over current and future operating assets excluding immovable property of the Holding Company.

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

11.3 During the period, the Holding Company repaid 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. 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 installments starting from January 2022.

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(Amounts in thousand)

	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----		
12. TRADE AND OTHER PAYABLES		
Creditors	1,316,948	2,272,404
Accrued liabilities (note 12.1)	55,777,267	42,189,804
Advances from customers, contract liabilities	9,669,281	18,851,279
Payable to:		
- Engro Corporation Limited	422,171	670,916
- FrieslandCampina Engro Pakistan Limited	1,020	1,020
- Engro Eximp FZE	2,479,561	7,697,587
- Engro Foundation	194,925	247,760
- Engro Powergen Thar (Private) Limited	-	1,225
- Engro Energy Limited	67,375	-
- Defined Contribution Provident Fund	1,340	1,222
- Defined Contribution Provident Fund - NMPT	39	43
- Defined Contribution Gratuity Fund - MPT	4,537	4,583
- Defined Benefit Pension Fund	16,674	16,674
- Defined Benefit Gratuity Fund - NMPT	149,286	136,157
Deposits / Retention from dealers and contractors (note 12.2)	402,932	348,949
Workers' profits participation fund	761,458	-
Workers' welfare fund	1,786,952	1,508,416
Withholding tax payable	216,403	87,670
Others	225,782	60,120
	<u>73,493,951</u>	<u>74,095,829</u>

12.1 Includes Rs. 21,219,869 (December 31, 2023: Rs. 16,736,935) accrued in respect of concessionary gas pricing under the Gas Sale and Purchase Agreement.

12.2 The amount is kept in separate term deposits account as per the terms of agreements and is not utilised for the purpose of the business of the Group.

13. SHORT-TERM BORROWINGS

13.1 Holding Company

13.1.1 The Holding Company has funded facilities for short-term finances available from various banks and institutional investors amounting to Rs. 50,220,000 (December 31, 2023: Rs. 20,930,000) along with non-funded facilities of Rs. 18,432,000 (December 31, 2023: Rs. 18,432,000) for bank guarantees. The rates of mark-up on funded bank overdraft facilities ranged from 0.2% to 0.5% (December 31, 2023: 0.2% to 0.65%) per annum over 1-month and 3-month KIBOR and all facilities are secured by floating charge upon all present and future stocks including raw and packing materials, finished goods, stores and spares and other merchandise and on all present and future book debts, outstanding monies, receivable claims and bills of the Holding Company. The Holding Company has utilised Rs. 25,551,616 (December 31, 2023: Rs. 322,899) from funded facilities and Rs. 6,753,659 (December 31, 2023: Rs. 6,278,418) from non-funded facilities as at the reporting date.

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(Amounts in thousand)

13.2 Subsidiary Company

13.2.1 The facilities for short-term borrowings, available from various banks, aggregate to Rs. 11,525,000 (December 31, 2023: Rs. 11,525,000). The rates of markup on the funded bank overdraft facilities ranged from 0.02% to 0.5% (December 31, 2023: 0.02% to 0.5%) per annum over 1-month & 3-month KIBOR. These facilities are secured by floating charge upon all present and future stocks including raw and packing materials, finished goods, stores, and spares, and other merchandise and on all present and future book debts, outstanding monies, receivable claims, and bills of the Holding Company. As at June 30, 2024, the Subsidiary Company has utilised Rs. 3,630,042 (December 31, 2023: Rs. 207,211) out of the aforementioned facilities.

14. CONTINGENCIES AND COMMITMENTS

Contingencies

14.1 As at June 30, 2024, bank guarantees of Rs. 9,919,795 (December 31, 2023: Rs. 8,444,554) have been issued in favour of third parties.

14.2 As at June 30, 2024, there is no material change in the status of matters reported as contingencies in note 26 of the audited annual consolidated financial statements of the Group for the year ended December 31, 2023, except for the below.

14.3 In 2022, in respect of tax year 2018, the Holding Company 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. The Holding Company 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) confirming certain additions, certain issues were remanded back whereas certain issues were allowed. An appeal effect in this respect is yet to be issued. The Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR(A).

14.4 Other tax related matters against which provision is maintained are disclosed in note 18 to these consolidated condensed interim financial statements.

Unaudited June 30, 2024	Audited December 31, 2023
-------------------------------	---------------------------------

-----Rupees-----

Commitments

14.5 Commitments in respect of capital expenditure, purchase of goods and other operational items

34,395,367

46,344,052

14.6 Commitment in respect of gas supply arrangement amounting to Rs. 1,462,531 (December 31, 2023: Rs. 7,776,485).

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(Amounts in thousand)

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	-----Rupees-----			
15. NET SALES				
Manufactured products				
- Gross sales	31,271,093	30,073,557	81,945,223	62,792,308
- Less: Sales tax and Federal Excise Duty (FED)	(4,075,292)	-	(4,075,292)	-
	27,195,801	30,073,557	77,869,931	62,792,308
Purchased and packaged products				
- Gross sales	10,789,915	8,241,839	38,221,655	19,459,736
- Less: Sales tax and FED	1,519,879	(38,935)	(3,089,776)	(42,649)
	12,309,794	8,202,904	35,131,879	19,417,087
Services				
- Gross sales	(33,673)	217,862	255,027	544,679
- Less: Sales tax	(47,357)	(40,301)	(47,357)	(75,973)
	(81,030)	177,561	207,670	468,706
Less: Trade discount	(3,794)	(78,945)	(5,266)	(311,925)
	<u>39,420,771</u>	<u>38,375,077</u>	<u>113,204,214</u>	<u>82,366,176</u>

16. Includes Rs. 5,743,585 in respect of additional cost of imported urea. In January 2024, Ministry of Industries and Production ("MoIP") directed the Fertilizer Industry to sell higher cost imported urea at a lower price similar to locally produced urea. To recover the additional imported urea cost, the fertilizer manufacturers increased the price of locally produced urea to the extent that additional cost is recovered in 12 months.

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	-----Rupees-----			
17. OTHER INCOME				
On financial assets				
Income on deposits / other financial assets	603,826	359,355	1,758,491	1,028,635
On non-financial assets				
Gain on disposal of operating assets	-	79,519	-	79,519
Scrap sales	1,486	7,233	11,191	20,324
Others	139,968	555	261,951	35,217
	141,454	87,307	273,142	135,060
	<u>745,280</u>	<u>446,662</u>	<u>2,031,633</u>	<u>1,163,695</u>
18. TAXATION				
Current				
- for the period	3,193,294	3,089,703	7,725,988	5,441,203
- for prior year	4,478,588	1,406,069	8,022,129	1,406,069
	7,671,882	4,495,772	15,748,117	6,847,272
Deferred (note 18.7)	(6,778,430)	1,573,024	(10,508,392)	1,607,447
	<u>893,452</u>	<u>6,068,796</u>	<u>5,239,725</u>	<u>8,454,719</u>

- 18.1 As at June 30, 2024, there is no material change in the status of tax related matters reported in note 35 of the audited annual consolidated financial statements of the Group for the year ended December 31, 2023, except for the below:

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(Amounts in thousand)

- 18.2** Section 4C 'Super tax on high earning persons' of the Ordinance introduced through the Finance Act, 2022 had been further amended through the Finance Act, 2023, whereby super tax rate had been increased to ten percent where the income exceeds Rs. 500,000. This is retrospectively applicable from tax year 2023 onwards. Accordingly, the Group increased super tax provision to 10% which resulted in additional provision of Rs. 1,406,069, for tax year 2023 recorded in prior year tax charge during the year 2023. The Group has filed a petition against the retrospective imposition of 6% additional super tax before the Islamabad High Court (IHC), which gave a decree against this retrospective increase, in favour of the taxpayers. During the period ended June 30, 2024, the tax department has filed an intra-court appeal against the IHC judgement, which is currently pending adjudication. However, the Group maintains adequate provision in these consolidated condensed interim financial statements.
- 18.3** During the period, the Holding Company received an order from the Additional Commissioner Inland Revenue (ACIR), in respect of tax year 2023, amending the Group return filed along with the Subsidiary Company to make disallowances having a tax impact of Rs. 4,603,257. These pertain to disallowance of provisions made for Sindh Infrastructure Development Cess 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. The Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) [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.
- 18.4** In 2023, the Holding Company received an order from the Deputy Commissioner Inland Revenue (DCIR), in respect of tax year 2022, amending the Group return filed along with the Subsidiary Company to make disallowances having a tax impact of Rs. 3,718,104. The Holding Company 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.
- 18.5** In 2023, the Holding Company received an amendment order in respect of tax year 2021, creating disallowances having a tax impact of Rs. 916,584. The Holding Company 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 the Holding Company whereas certain disallowances have been confirmed. The Holding Company 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.
- 18.6** In 2023, the Holding Company received an order from the ACIR creating a demand of Rs. 494,108 in respect of tax year 2017. The Holding Company 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.
- 18.7** Includes Rs. 10,083,152 representing net deferred tax income on disallowances resulting from aforementioned tax orders.

The Holding Company maintains adequate provision in these condensed interim financial statements in respect of these years.

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(Amounts in thousand)

	Unaudited	
	Half year ended	
	June 30, 2024	June 30, 2023
	-----Rupees-----	
19. CASH GENERATED FROM OPERATIONS		
Profit before taxation	14,665,886	13,918,596
Adjustment for non-cash charges and other items:		
Depreciation	1,940,344	1,763,970
Amortisation of intangibles	120,702	100,592
Amortisation of deferred income	(5,798)	(966)
Loss / (gain) on disposal of operating assets	275,514	(79,519)
Provision for retirement and other service benefits	40,032	38,128
Income on deposits / other financial assets	(1,758,491)	(1,028,635)
Finance cost	1,385,765	935,229
Exchange loss on revaluation of long-term borrowings	-	202,394
Remeasurement loss on provision for GIDC	-	456,276
(Gain) / loss allowance on subsidy receivable from GoP	(235,291)	504,345
Reversal of provision against stock-in-trade	-	(5,954)
Provision for impairment against trade debts	14,827	22,478
Provision for impairment against stock-in-trade	-	197,486
Provision for surplus and slow moving stores and spares	269,052	201,675
Working capital changes (note 19.1)	(17,571,967)	(3,914,053)
	<u>(859,425)</u>	<u>13,312,042</u>
19.1 Working capital changes		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(99,804)	(898,850)
- Stock-in-trade	(6,430,925)	(4,680,438)
- Trade debts	(1,314,387)	513,176
- Loans, advances, deposits and prepayments	(7,522,883)	(3,155,043)
- Other receivables (net)	(1,602,090)	(635,979)
	<u>(16,970,089)</u>	<u>(8,857,134)</u>
(Decrease) / increase in trade and other payables	(601,878)	4,943,081
	<u>(17,571,967)</u>	<u>(3,914,053)</u>
20. CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,029,639	2,149,558
Short-term investments	950,000	-
Short-term borrowings	(29,181,658)	(12,653,323)
	<u>(24,202,019)</u>	<u>(10,503,765)</u>

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(Amounts in thousand)

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

21.1 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 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 consolidated financial statements.

21.2 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).

	Level 1	Level 2	Level 3	Total
	Rupees			
As at June 30, 2024 (Unaudited)				
Financial assets at fair value through profit or loss	-	440,919	-	440,919
As at December 31, 2023 (Audited)				
Financial assets at fair value through profit or loss	-	21,848,356	-	21,848,356

Represents investment in units of mutual funds that are measured at fair value using the fund's respective net asset value.

21.3 Valuation techniques used to determine fair values

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

21.4 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)

22. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Parent Company, Subsidiary 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:

	<u>Unaudited</u>	
	<u>Half year ended</u>	
	<u>June 30,</u>	<u>June 30,</u>
	<u>2024</u>	<u>2023</u>
	-----Rupees-----	
Parent Company		
Dividend paid	12,020,993	6,386,153
Mark-up paid on loan from Parent Company	-	42,976
Reimbursements made:		
- by the Parent Company	63,500	66,827
- to the Parent Company	1,284,281	723,330
Royalty	1,255,887	1,034,018
Repayment of loan from Parent Company	-	1,000,000
Use of assets	4,474	541,292
Associated Companies		
Purchases and services received	26,913,119	16,813,027
Services provided	15,086	56,439
Reimbursements made:		
- by the Associated Companies	110,245	243,603
- to the Associated Companies	4,146	105,489
Dividend paid to Trustees of Engro Foods Limited		
Defined Benefit Gratuity Fund	-	246
Use of assets	2,068	437,615
Donations	-	18,000
Contribution to staff retirement benefits		
Pension fund	1,912	6,576
Gratuity fund	88,826	84,599
Provident fund	114,004	103,698
Dividend paid to staff retirement benefits		
Pension fund	-	120
Gratuity fund	2,484	2,743
Provident fund	3,691	6,002
Others		
Remuneration of key management personnel	184,757	164,519
Directors' fee	8,487	12,073

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(Amounts in thousand)

23. OPERATING SEGMENT RESULTS

	Urea		Phosphates		Specialty Fertilizers Business		Others		Total	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	Rupees									
Sales	61,047,411	48,620,879	37,578,774	20,481,340	21,726,827	12,671,789	310,124	1,423,823	120,663,136	83,197,831
Intersegment sales	13,479,484	5,340,959	-	-	-	-	-	943,284	13,479,484	6,284,243
Sales tax and FED	(2,771,044)	-	(3,306,993)	-	(1,087,031)	(29,816)	(47,357)	(88,806)	(7,212,425)	(118,622)
	<u>71,755,851</u>	<u>53,961,838</u>	<u>34,271,781</u>	<u>20,481,340</u>	<u>20,639,796</u>	<u>12,641,973</u>	<u>262,767</u>	<u>2,278,301</u>	<u>126,930,195</u>	<u>89,363,452</u>
Profit / (loss) before tax	<u>8,877,746</u>	<u>11,002,731</u>	<u>4,523,140</u>	<u>1,829,990</u>	<u>1,700,000</u>	<u>1,205,676</u>	<u>(435,000)</u>	<u>(119,801)</u>	<u>14,665,865</u>	<u>13,918,586</u>
Depreciation & Amortisation	<u>1,678,001</u>	<u>1,661,697</u>	<u>-</u>	<u>-</u>	<u>46,079</u>	<u>30,748</u>	<u>336,966</u>	<u>172,117</u>	<u>2,061,046</u>	<u>1,864,562</u>
Capital expenditure	<u>4,617,283</u>	<u>2,360,415</u>	<u>-</u>	<u>-</u>	<u>99,823</u>	<u>51,239</u>	<u>1,008,092</u>	<u>1,446,931</u>	<u>5,716,198</u>	<u>3,858,585</u>

	Urea		Phosphates		Specialty Fertilizers Business		Others		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	Rupees									
Segment assets	118,945,578	99,929,761	12,004,672	13,142,925	12,057,434	5,926,228	13,091,176	13,408,481	156,098,860	132,407,395
Unallocated assets	-	-	-	-	-	-	-	-	9,639,088	28,435,275
Total assets	<u>118,945,578</u>	<u>99,929,761</u>	<u>12,004,672</u>	<u>13,142,925</u>	<u>12,057,434</u>	<u>5,926,228</u>	<u>13,091,176</u>	<u>13,408,481</u>	<u>165,737,948</u>	<u>160,842,670</u>

Unaudited	
June 30, 2024	June 30, 2023
----- Rupees -----	

23.1 Reconciliation of reportable segment net sales

Total net sales for reportable segment	126,930,195	89,363,452
Elimination of intersegment net sales	(13,479,484)	(6,284,243)
Elimination of net sales to subsidiary	(246,497)	(713,033)
Total net sales	<u>113,204,214</u>	<u>82,366,176</u>

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

23.2 Reconciliation of reportable segment total assets

Total assets for reportable segments	156,098,860	132,407,395
Add: Unallocated assets		
- Accrued income	77,323	116,629
- Short-term investments	5,329,992	24,062,828
- Long-term investments	202,134	202,134
- Cash and bank balances	4,029,639	4,053,684
	<u>9,639,088</u>	<u>28,435,275</u>
Total assets	<u>165,737,948</u>	<u>160,842,670</u>

AA

(Amounts in thousand)

24. SEASONALITY

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.

25. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the consolidated condensed interim statement of financial position has been compared with the balances of audited annual consolidated financial statements of the preceding financial year, whereas the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been compared with the balances / amounts of comparable period of immediately preceding financial year.

26. NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors of the Holding Company in its meeting held on July 30, 2024 has approved an interim cash dividend of Rs. 3.00 per share for the year ending December 31, 2024, amounting to Rs. 4,005,898. These consolidated condensed interim financial statements do not include the effect of the said interim dividend.

27. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on July 30, 2024 by the Board of Directors of the Holding Company.

A Z Syed




Muhammad Imran Khalil
Chief Financial Officer



Ali Rathore
Chief Executive Officer



Ahsan Zafar Syed
Chairman



**condensed interim financial statements
(unaudited) for the half year ended
June 30, 2024**



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Engro Fertilizers Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Engro Fertilizers Limited as at June 30, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these 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 condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss, 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 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 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 Azhar Hussain.

Chartered Accountants
Karachi

Date: August 26, 2024

UDIN: RR202410290Lchl7o6KV

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

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

(Amounts in thousand)

	Note	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment	3	82,015,094	78,440,081
Intangible assets		5,088,700	5,184,192
Investment in subsidiary		100	100
Long-term investments	4	101,067	101,067
Long-term loans, advances and deposits		180,003	209,806
		87,384,964	83,935,246
Current assets			
Stores, spares and loose tools	5	8,560,275	8,729,523
Stock-in-trade	6	11,831,041	5,364,420
Trade debts		2,693,982	2,069,174
Other receivables	7	19,894,025	14,301,939
Loans, advances, deposits and prepayments		9,336,919	2,691,814
Working capital loan to subsidiary	8	1,372,321	1,552,107
Accrued income		483,692	518,468
Taxation - net		6,614,438	-
Short-term investments	9	3,844,010	23,601,793
Cash and bank balances	10	3,306,378	3,436,825
		67,937,081	62,266,063
Assets classified as held for sale	11	-	1,525,396
TOTAL ASSETS		155,322,045	147,726,705
		<i>APL</i>	

(Amounts in thousand)

	Unaudited June 30, 2024	Audited December 31, 2023
Note	-----Rupees-----	
EQUITY & LIABILITIES		
Equity		
Share capital	13,352,993	13,352,993
Reserves		
Share premium	3,384,904	3,384,904
Reserve on amalgamation	(304,027)	(304,027)
Remeasurement of post employment benefits	(74,384)	(74,384)
Unappropriated profit	19,163,634	28,666,858
	<u>22,170,127</u>	<u>31,673,351</u>
TOTAL EQUITY	35,523,120	45,026,344
Liabilities		
Non-current liabilities		
Borrowings	2,858,791	3,267,427
Government grant	618,217	721,334
Deferred taxation	774,169	10,401,710
Deferred liabilities	206,169	232,130
	<u>4,457,346</u>	<u>14,622,601</u>
Current liabilities		
Trade and other payables	66,529,839	64,725,828
Accrued interest / mark-up	1,044,877	72,526
Taxation - net	-	337,052
Current portion of:		
- borrowings	2,328,290	2,715,014
- government grant	221,789	235,755
- deferred liabilities	62,356	62,356
Provision for Gas Infrastructure Development Cess (GIDC)	19,558,031	19,558,031
Short-term borrowings	25,551,616	322,899
Unclaimed dividend	44,781	48,299
	<u>115,341,579</u>	<u>88,077,760</u>
TOTAL LIABILITIES	119,798,925	102,700,361
Contingencies and Commitments	15	
TOTAL EQUITY & LIABILITIES	<u>155,322,045</u>	<u>147,726,705</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

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Muhammad Imran Khalil
Chief Financial Officer

Ali Rathore
Chief Executive Officer

Ahsan Zafar Syed
Chairman


ENGRO FERTILIZERS LIMITED
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-----					
Net sales	16	29,700,415	30,451,702	83,504,803	63,779,109
Cost of sales	17	(24,122,655)	(20,493,618)	(65,017,782)	(45,234,023)
Gross profit		5,577,760	9,958,084	18,487,021	18,545,086
Selling and distribution expenses		(1,299,502)	(2,073,175)	(5,150,615)	(4,333,927)
Administrative expenses		(1,770,294)	(816,456)	(2,874,555)	(1,369,465)
		2,507,964	7,068,453	10,461,851	12,841,694
Other income	18	5,995,372	2,063,286	7,696,800	5,230,132
Other operating expenses		(784,282)	(545,532)	(1,487,926)	(1,136,644)
Finance cost		(1,127,142)	(639,170)	(1,285,509)	(1,096,209)
Other gains / (losses):					
- Remeasurement loss on provision for GIDC		-	(255,768)	-	(456,276)
- Gain / (loss) allowance on subsidy receivable from GoP		177,508	(71,896)	235,291	(504,345)
		177,508	(327,664)	235,291	(960,621)
Profit before taxation		6,769,420	7,619,373	15,620,507	14,878,352
Taxation	19	(683,830)	(5,079,990)	(3,758,941)	(6,818,710)
Profit for the period		6,085,590	2,539,383	11,861,566	8,059,642
Earnings per share - basic and diluted		4.56	1.90	8.88	6.04

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

APR 2024


 Muhammad Imran Khalil
 Chief Financial Officer


 Ali Rathore
 Chief Executive Officer


 Ahsan Zafar Syed
 Chairman

ENGRO FERTILIZERS LIMITED
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	6,085,590	2,539,383	11,861,566	8,059,642
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	6,085,590	2,539,383	11,861,566	8,059,642

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

ABE



Muhammad Imran Khalil
Chief Financial Officer



Ali Rathore
Chief Executive Officer



Ahsan Zafar Syed
Chairman

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

(Amounts in thousand)

	CAPITAL		RESERVES		Unappropriated profit	Total
	Share capital	Share premium	Reserve on amalgamation	Remeasurement of post employment benefits		
-----Rupees-----						
Balance as at January 1, 2024 (Audited)	13,352,993	3,384,904	(304,027)	(74,384)	28,666,858	45,026,344
Transactions with owners:						
Dividends:						
- Final 2023: Rs. 8.00 per share	-	-	-	-	(10,682,395)	(10,682,395)
- 1st interim 2024: Rs. 8.00 per share	-	-	-	-	(10,682,395)	(10,682,395)
Total comprehensive income for the half year ended June 30, 2024	-	-	-	-	(21,364,790)	(21,364,790)
Profit for the period	-	-	-	-	11,861,566	11,861,566
Other comprehensive income	-	-	-	-	-	-
Balance as at June 30, 2024 (Unaudited)	13,352,993	3,384,904	(304,027)	(74,384)	19,163,634	35,523,120
Balance as at January 1, 2023 (Audited)	13,352,993	3,384,904	(304,027)	(100,348)	26,356,179	42,689,701
Transactions with owners:						
Dividends:						
- Final 2022: Rs. 5.00 per share	-	-	-	-	(6,676,497)	(6,676,497)
- 1st interim 2023: Rs. 3.50 per share	-	-	-	-	(4,673,548)	(4,673,548)
Total comprehensive income for the half year ended June 30, 2023	-	-	-	-	(11,350,045)	(11,350,045)
Profit for the period	-	-	-	-	8,059,642	8,059,642
Other comprehensive income	-	-	-	-	-	-
Balance as at June 30, 2023 (Unaudited)	13,352,993	3,384,904	(304,027)	(100,348)	23,065,776	39,399,298

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

ABE


Muhammad Imran Khalil
Chief Financial Officer


Ali Rathore
Chief Executive Officer


Ahsan Zafar Syed
Chairman


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


(Amounts in thousand)

	Half year ended	
	June 30, 2024	June 30, 2023
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	20 (3,197,272)	15,125,599
Retirement and other service benefits paid	(59,837)	(68,637)
Taxes paid	(20,337,972)	(6,955,991)
Long-term loans, advances and deposits	29,803	25,803
Income on deposits / other financial assets	2,353,139	1,635,975
Net cash (utilised in) / generated from operating activities	(21,212,139)	9,762,749
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangibles	(5,716,198)	(3,858,585)
Proceeds from disposal of operating assets	1,425,513	122,438
Disbursement of working capital loan to subsidiary	(45,136,714)	(32,116,449)
Payment received against working capital loan to subsidiary	45,316,500	26,922,551
Short-term investments - net	19,757,783	6,639,456
Dividends received	2,800,000	3,519,949
Net cash generated from investing activities	18,446,884	1,229,360
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(912,443)	(2,492,292)
Repayment of loan from Holding Company	-	(1,000,000)
Finance cost paid	(313,158)	(835,098)
Dividends paid	(21,368,308)	(11,350,340)
Net cash utilised in financing activities	(22,593,909)	(15,677,730)
Net decrease in cash and cash equivalents	(25,359,164)	(4,685,621)
Cash and cash equivalents at beginning of the period	3,113,926	(4,870,445)
Cash and cash equivalents at end of the period	21 (22,245,238)	(9,556,066)

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

ARL


Muhammad Imran Khalil
Chief Financial Officer


Ali Rathore
Chief Executive Officer


Ahsan Zafar Syed
Chairman

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

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

Engro Fertilizers Limited (the Company) is a public company incorporated in Pakistan on June 29, 2009 as a wholly owned subsidiary of Engro Corporation Limited (the Holding Company), which is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Company is listed on Pakistan Stock Exchange Limited (PSX). As at June 30, 2024, the Holding Company holds 56.27% share capital of the Company.

The Company is engaged in the manufacturing, purchasing and marketing of fertilizers and providing logistics services. The registered / head office of the Company is situated at 6th floor, The Harbour Front Building, HC-3, Marine Drive, Block 4, Clifton, Karachi.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards 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 These 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 wholly owned subsidiary i.e. EFERT Agritrade (Private) Limited (EAPL) are presented separately. The cumulative figures for the half year ended June 30, 2024 presented in these 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 condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2023.

2.3 The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2023.

2.4 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 Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

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(Amounts in thousand)

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 condensed interim financial statements.

- 2.5** The preparation of these 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 judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgements and estimates made by the management are the same as those that were applied to the audited annual financial statements of the Company for the year ended December 31, 2023.

- 2.6** 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.

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

3. PROPERTY, PLANT AND EQUIPMENT

Operating assets at net book value (note 3.1)	67,638,578	69,424,498
Capital work in progress (note 3.2)	12,533,681	7,734,005
Major spare parts and stand-by equipment	1,842,835	1,281,578
	<u>82,015,094</u>	<u>78,440,081</u>

- 3.1** Additions to and disposals from operating assets during the period are as follows:

	Unaudited (Additions at cost)		Unaudited (Disposals / write-offs at net book value)	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
-----Rupees-----				
Building on freehold land	5,453	57,438	-	-
Plant and machinery	46,217	1,204,487	-	-
Catalyst	-	728,839	-	-
Office equipment	31,837	72,934	176	167
Vehicles	246,184	188,664	45,285	42,752
	<u>329,691</u>	<u>2,252,362</u>	<u>45,461</u>	<u>42,919</u>

The above disposals / write-offs represent assets having cost of Rs. 112,646 (June 30, 2023: Rs. 137,284) and net book value of Rs. 45,461 (June 30, 2023: Rs. 42,919), which were disposed off for Rs. 111,945 (June 30, 2023: Rs. 122,438).

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(Amounts in thousand)

	Unaudited June 30, 2024	Audited December 31, 2023
	-----Rupees-----	
3.2 Capital work in progress		
Balance at beginning of the period / year	7,734,005	7,793,135
Additions during the period / year	5,154,943	6,112,481
Transferred to:		
- operating assets	(329,691)	(6,071,699)
- intangible assets	(25,576)	(99,912)
Balance at end of the period / year	<u>12,533,681</u>	<u>7,734,005</u>

- 3.2.1 Includes Rs. 1,998,502 (December 31, 2023: Rs. 1,299,378) representing the Company's share in respect of a joint operation arrangement related to Pressure Enhancement Facility (PEF) project being undertaken to ensure sustainable gas supplies and enhancement of delivery pressures at one of the gas supply sites. All amounts charged to the Company in respect of PEF project have been paid as at June 30, 2024.

	Unaudited June 30, 2024	Audited December 31, 2023
	-----Rupees-----	
4. LONG-TERM INVESTMENTS		
At amortised cost		
Pakistan Investment Bonds (note 4.1)	<u>101,067</u>	<u>101,067</u>

- 4.1 These bonds carry interest at the rate of 13.04% (December 31, 2023: 13.04%) per annum and have maturity in three years (December 31, 2023: four years).

	Unaudited June 30, 2024	Audited December 31, 2023
	-----Rupees-----	
5. STORES, SPARES AND LOOSE TOOLS		
Consumable stores, spares and loose tools	9,801,157	9,701,353
Less: Provision for surplus and slow moving items (note 5.1)	(1,240,882)	(971,830)
	<u>8,560,275</u>	<u>8,729,523</u>

- 5.1 Provision for surplus and slow moving items

Balance at beginning of the period / year	971,830	907,932
Charge for the period / year	269,052	324,181
Reversal during the period / year	-	(260,176)
Written off during the period / year	-	(107)
Balance at end of the period / year	<u>1,240,882</u>	<u>971,830</u>

APL

(Amounts in thousand)

	Unaudited June 30, 2024	Audited December 31, 2023
	-----Rupees-----	
6. STOCK-IN-TRADE		
Raw materials (note 6.1)	2,220,820	3,322,973
Packing materials	1,328,767	1,058,075
Work in process	174,269	279,974
	<u>3,723,856</u>	<u>4,661,022</u>
Finished goods:		
- manufactured products	8,144,526	740,739
Less: Provision for impairment against stock-in-trade (note 6.2)	<u>(37,341)</u>	<u>(37,341)</u>
	<u>11,831,041</u>	<u>5,364,420</u>

6.1 Includes stock-in-transit amounting to Rs. 283,418 (December 31, 2023: Rs. 643,764).

	Unaudited June 30, 2024	Audited December 31, 2023
	-----Rupees-----	
6.2 Provision for impairment against stock-in-trade		
Balance at beginning of the period / year	37,341	187,697
Charge for the period / year	-	327,389
Written off during the period / year	-	(477,745)
Balance at end of the period / year	<u>37,341</u>	<u>37,341</u>

7. OTHER RECEIVABLES

This includes Rs. 8,903,324 (December 31 2023: Rs. 1,936,432) paid to a gas supplier pursuant to an arrangement under which the Company has committed to fulfil certain obligations in case of default by another gas company. The gas supplier will return the amount so paid once another gas company settles its outstanding amount.

8. WORKING CAPITAL LOAN TO SUBSIDIARY

Represents unsecured loan given to EAPL (a subsidiary company) amounting to Rs. 1,372,321 (December 31, 2023: Rs. 1,552,107). The mark-up is receivable on quarterly basis at the rate of 1 month KIBOR + 0.5% (December 31, 2023: 1 month KIBOR + 0.5%) per annum.

APL

(Amounts in thousand)

	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----		
9. SHORT-TERM INVESTMENTS		
At fair value through profit or loss		
- Investment in units of mutual funds (note 9.1)	440,025	21,847,462
At amortised cost		
- Pakistan Investment Bonds (note 9.2)	3,153,985	1,754,331
- Term Deposit Receipts (note 9.3)	250,000	-
	3,403,985	1,754,331
	<u>3,844,010</u>	<u>23,601,793</u>

9.1 This represents investments in 4,778,298 units (December 31, 2023: 423,222,112 units) of Mutual Funds having cost amounting to Rs. 440,511 (December 31, 2023: Rs. 21,771,823).

9.2 These bonds carry interest at the rates ranging from 17.57% to 20.83% (December 31, 2023: 17.57%) per annum and maturing in three months (December 31, 2023: maturing in nine months).

9.3 Term deposit receipts carry interest at the rate of 19.50% per annum.

	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----		
10. CASH AND BANK BALANCES		
Cash at banks in:		
- deposit accounts (notes 10.1 and 10.2)	1,461,005	2,368,768
- current accounts	1,833,760	1,056,444
	<u>3,294,765</u>	<u>3,425,212</u>
Cash in hand	11,613	11,613
	<u>3,306,378</u>	<u>3,436,825</u>

10.1 Deposit accounts carry return at the rate of 20.50% (December 31, 2023: 14.50% to 20.50%) per annum.

10.2 Includes Rs. 494,160 (December 31, 2023: Rs. 644,279) held in foreign currency bank accounts.

AAE

(Amounts in thousand)

11. ASSETS CLASSIFIED AS HELD FOR SALE

Certain assets of the Company had been classified as held for sale as at December 31, 2023, due to the decision of the directors of the Company to sell its E-Logistics business (previously classified under vehicles in operating assets) and the Company being in the process of finalization of deal. During the period ended June 30, 2024, the Company 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.

	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----		
12. BORROWINGS - Secured (Non-participatory)		
Long-term finance utilised under mark-up arrangements (notes 12.1 and 12.2)	1,936,006	2,541,404
Temporary Economic Refinance Facility (TERF) loans (note 12.3)	4,091,081	4,398,126
Less: Fair value adjustment for loan at below market rate	(840,006)	(957,089)
	3,251,075	3,441,037
Less: Current portion shown under current liabilities	(2,328,290)	(2,715,014)
	<u>2,858,791</u>	<u>3,267,427</u>

12.1 All senior debts are secured by an equitable mortgage upon immovable property of the Company and equitable charge over present and future operating assets excluding immovable property of the Company.

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

12.3 During the period, the Company repaid 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. 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 installments starting from January 2022.

APL

(Amounts in thousand)

	Unaudited June 30, 2024	Audited December 31, 2023
-----Rupees-----		
13. TRADE AND OTHER PAYABLES		
Creditors	1,165,335	2,166,926
Accrued liabilities (note 13.1)	52,246,696	39,423,895
Advances from customers, contract liabilities	9,190,527	13,942,402
Payable to:		
- FrieslandCampina Engro Pakistan Limited	1,020	1,020
- Engro Corporation Limited	421,844	669,814
- Engro Foundation	194,925	247,760
- EFERT Agritrade (Private) Limited	-	6,206,173
- Engro Powergen Thar (Private) Limited	-	1,225
- Engro Eximp FZE	-	147,697
- Engro Energy Limited	67,375	-
- Defined Contribution Provident Fund	1,340	1,216
- Defined Contribution Provident Fund - NMPT	39	43
- Defined Contribution Gratuity Fund - MPT	4,537	4,583
- Defined Benefit Pension Fund	16,674	16,898
- Defined Benefit Gratuity Fund - NMPT	149,280	136,158
Deposits / Retention from dealers and contractors (note 13.2)	350,932	295,449
Workers' profits participation fund	761,458	-
Workers' welfare fund	1,529,024	1,324,099
Withholding tax payable	203,191	80,713
Others	225,642	59,757
	<u>66,529,839</u>	<u>64,725,828</u>

13.1 Includes Rs. 21,219,869 (December 31, 2023 Rs. 16,736,935) accrued in respect of concessionary gas pricing under the Gas Sale and Purchase Agreement.

13.2 The amount is kept in separate term deposits account as per the terms of agreements and is not utilised for the purpose of the business of the Company.

14. SHORT-TERM BORROWINGS

The Company has funded facilities for short-term finances available from various banks and institutional investors amounting to Rs. 50,220,000 (December 31, 2023: Rs. 20,930,000) along with non-funded facilities of Rs. 18,432,000 (December 31, 2023: Rs. 18,432,000) for bank guarantees. The rates of mark-up on funded bank overdraft facilities ranged from 0.2% to 0.5% (December 31, 2023: 0.2% to 0.65%) per annum over 1-month and 3-month KIBOR and all facilities are secured by floating charge upon all present and future stocks including raw and packing materials, finished goods, stores and spares and other merchandise and on all present and future book debts, outstanding monies, receivable claims and bills of the Company. The Company has utilised Rs. 25,551,616 (December 31, 2023: Rs. 322,899) from funded facilities and Rs. 6,753,659 (December 31, 2023: Rs. 6,278,418) from non-funded facilities as at the reporting date.

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(Amounts in thousand)

15. CONTINGENCIES AND COMMITMENTS**Contingencies**

15.1 As at June 30, 2024, bank guarantees of Rs. 6,753,659 (December 31, 2023: Rs. 6,278,418) have been issued in favour of third parties.

15.2 As at June 30, 2024, there is no material change in the status of matters reported as contingencies in note 28 of the audited annual financial statements of the Company for the year ended December 31, 2023, except for the below.

15.3 In 2022, in respect of tax year 2018, the Company received an order from the 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. The Company 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) confirming certain additions, certain issues were remanded back whereas certain issues were allowed. An appeal effect in this respect is yet to be issued. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR(A).

15.4 Other tax related matters against which provision is maintained are disclosed in note 19 to these condensed interim financial statements.

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

Commitments

15.5 Commitments in respect of capital expenditure and other operational items

<u>31,417,745</u>	<u>31,423,131</u>
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15.6 Commitment in respect of gas supply arrangement amounting to Rs. 1,462,531 (December 31, 2023: Rs. 7,776,485).

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

16. NET SALES**Manufactured products**

- Gross sales	31,271,094	30,073,557	81,945,223	62,792,308
- Less: Sales tax and Federal Excise Duty (FED)	(1,574,256)	-	(4,075,292)	-
	29,696,838	30,073,557	77,869,931	62,792,308

Purchased and packaged products

- Gross sales	-	192,645	5,376,944	745,783
- Less: Sales tax and FED	-	(9,293)	-	(12,833)
	-	183,352	5,376,944	732,950

Services

- Gross sales	21,424	315,746	310,124	642,564
- Less: Sales tax	(14,172)	(40,301)	(47,357)	(75,973)
	7,252	275,445	262,767	566,591

Less: Trade discount

(3,675)	(80,652)	(4,839)	(312,740)
<u>29,700,415</u>	<u>30,451,702</u>	<u>83,504,803</u>	<u>63,779,109</u>

17. Includes Rs. 5,743,585 in respect of additional cost of imported urea. In January 2024, Ministry of Industries and Production ("MoIP") directed the Fertilizer Industry to sell higher cost imported urea at

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(Amounts in thousand)

a lower price similar to locally produced urea. To recover the additional imported urea cost, the fertilizer manufacturers increased the price of locally produced urea to the extent that additional cost is recovered in 12 months.

	Unaudited			
	Quarter ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	-----Rupees-----			
18. OTHER INCOME				
On financial assets				
Income on deposits / other financial assets	610,350	365,012	1,600,923	879,915
Income on working capital loan to subsidiary	423,074	324,434	717,440	440,086
Dividend income from subsidiary	4,750,000	1,201,949	4,750,000	3,519,949
	5,783,424	1,891,395	7,068,363	4,839,950
On non-financial assets				
Commission income from subsidiary	140,383	82,891	421,331	240,679
Sub-licensing income from subsidiary	5,881	1,693	9,735	14,442
Scrap sales	1,486	7,233	11,191	20,325
Gain on disposal of operating assets	-	79,519	-	79,519
Others	64,198	555	186,180	35,217
	211,948	171,891	628,437	390,182
	<u>5,995,372</u>	<u>2,063,286</u>	<u>7,696,800</u>	<u>5,230,132</u>
19. TAXATION				
Current				
- for the period	2,831,718	2,668,962	6,093,250	4,373,259
- for prior year	3,749,691	838,004	7,293,232	838,004
	6,581,409	3,506,966	13,386,482	5,211,263
Deferred (note 19.7)	(5,897,579)	1,573,024	(9,627,541)	1,607,447
	<u>683,830</u>	<u>5,079,990</u>	<u>3,758,941</u>	<u>6,818,710</u>

- 19.1 As at June 30, 2024, there is no material change in the status of tax related matters reported in note 37 of the audited annual financial statements of the Company for the year ended December 31, 2023, except for the below:
- 19.2 Section 4C 'Super tax on high earning persons' of the Ordinance introduced through the Finance Act, 2022 had been further amended through the Finance Act, 2023, whereby super tax rate had been increased to ten percent where the income exceeds Rs. 500,000. This is retrospectively applicable from tax year 2023 onwards. Accordingly, the Company increased super tax provision to 10% which resulted in additional provision of Rs. 838,004, for tax year 2023 recorded in prior year tax charge during the year 2023. The Company filed a petition against the retrospective imposition of 6% additional super tax before the Islamabad High Court (IHC), which gave a decree against this retrospective increase, in favour of the taxpayers. During the period ended June 30, 2024, the tax department has filed an intra-court appeal against the IHC judgement, which is currently pending adjudication. However, the Company maintains adequate provision in these condensed interim financial statements.
- 19.3 During the period, the Company received an order from the Additional Commissioner Inland Revenue (ACIR), in respect of tax year 2023, amending the Group return filed along with the subsidiary company to make disallowances having a tax impact of Rs. 4,603,257. These pertain to disallowance of provisions made for Sindh Infrastructure Development Cess 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. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [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.

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(Amounts in thousand)

- 19.4 In 2023, the Company received an order from the Deputy Commissioner Inland Revenue (DCIR), in respect of tax year 2022, amending the Group return filed along with the subsidiary company to make disallowances having a tax impact of Rs. 3,718,104. The Company 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.
- 19.5 In 2023, the Company received an amendment order in respect of tax year 2021, creating disallowances having a tax impact of Rs. 916,584. The Company 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 the Company whereas certain disallowances have been confirmed. The Company 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.
- 19.6 In 2023, the Company received an order from the ACIR creating a demand of Rs. 494,108 in respect of tax year 2017. The Company 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.
- 19.7 Includes Rs. 9,202,301 representing net deferred tax income on disallowances resulting from aforementioned tax orders.
- The Company maintains adequate provision in these condensed interim financial statements in respect of these tax years.

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

20. CASH GENERATED FROM OPERATIONS

Profit before taxation	15,620,507	14,878,352
Adjustment for non-cash charges and other items:		
Depreciation	1,940,344	1,763,970
Amortisation of intangibles	120,702	100,592
Amortisation of deferred income	(5,798)	(966)
Loss / (gain) on disposal of operating assets	275,514	(79,519)
Provision for retirement and other service benefits	39,674	38,262
Income on deposits / other financial assets	(2,318,363)	(1,320,001)
Finance cost	1,285,509	893,815
Exchange loss on revaluation of long term borrowings	-	202,394
Dividend income	(4,750,000)	(3,519,949)
Re-measurement loss on provision for GIDC	-	456,276
(Gain) / loss allowance on subsidy receivable from GoP	(235,291)	504,345
Reversal of provision against stock-in-trade	-	(5,954)
Provision for impairment against stock-in-trade	-	197,486
Provision for impairment against trade debts	13,027	22,478
Provision for surplus and slow moving stores and spares	269,052	201,675
Provision for input tax disallowance	-	-
Working capital changes (note 20.1)	(15,452,149)	792,343
	<u>(3,197,272)</u>	<u>15,125,599</u>

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(Amounts in thousand)

	Unaudited	
	Half year ended	
	June 30, 2024	June 30, 2023
	-----Rupees-----	
20.1 Working capital changes		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(99,804)	(898,850)
- Stock-in-trade	(6,466,621)	(2,755,839)
- Trade debts	(637,835)	849,941
- Loans, advances, deposits and prepayments	(6,645,105)	(1,877,258)
- Other receivables (net)	(3,406,795)	1,121,432
	<u>(17,256,160)</u>	<u>(3,560,574)</u>
Increase in trade and other payables	1,804,011	4,352,917
	<u>(15,452,149)</u>	<u>792,343</u>
21. CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,306,378	2,098,004
Short-term borrowings	(25,551,616)	(11,654,070)
	<u>(22,245,238)</u>	<u>(9,556,066)</u>
22. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS		
22.1 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 during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.		
22.2 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-----			
As at June 30, 2024 (Unaudited)				
Financial assets at fair value through profit or loss	-	440,025	-	440,025
As at December 31, 2023 (Audited)				
Financial assets at fair value through profit or loss	-	21,847,462	-	21,847,462

Represents investment in units of mutual funds that are measured at fair value using the fund's respective net asset value.

22.3 Valuation techniques used to determine fair values

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

22.4 Fair value of financial assets and liabilities

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

23. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Holding Company, Subsidiary 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 condensed interim financial statements, are as follows:

	Unaudited	
	Half year ended	
	June 30, 2024	June 30, 2023
	-----Rupees-----	
Holding Company		
Dividend paid	12,020,993	6,386,153
Mark-up paid on loan from holding company	-	42,976
Reimbursements made:		
- by the Holding Company	63,500	66,827
- to the Holding Company	1,284,281	723,330
Royalty	1,255,887	1,034,018
Repayment of loan from holding company	-	1,000,000
Use of assets	4,474	541,292
	<i>A 772 ~</i>	

(Amounts in thousand)

	Unaudited	
	Half year ended	
	June 30, 2024	June 30, 2023
-----Rupees-----		
Subsidiary Company		
Funds collected against sales made on behalf of subsidiary	36,107,262	17,296,951
Income on working capital loan	717,440	440,086
Disbursement of working capital loan	45,136,714	32,116,449
Repayment received against working capital loan	45,316,500	26,922,551
Services provided	55,097	97,885
Dividend income	4,750,000	3,519,949
Commission income	421,331	240,679
Sub-licensing fee charged by the Company	9,735	14,442
Purchase of products	191,400	616,827
Associated Companies		
Purchases and services received	4,943,593	2,166,127
Services provided	15,086	56,439
Reimbursements made:		
- by the Associated Companies	110,245	105,135
- to the Associated Companies	4,146	7,693
Dividend paid to Trustees of Engro Foods Limited Defined Benefit Gratuity Fund	-	246
Use of assets	2,068	437,615
Donations	-	18,000
Contribution to staff retirement benefits		
Pension fund	1,912	6,576
Gratuity fund	88,766	84,533
Provident fund	113,932	103,619
Dividend paid to staff retirement benefits		
Pension fund	-	120
Gratuity fund	2,484	2,743
Provident fund	3,691	6,002
Others		
Remuneration of key management personnel	183,116	163,918
Directors' fees	8,287	11,973

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(Amounts in thousand)

24. OPERATING SEGMENT RESULTS

	Urea		Speciality Fertilizers Business		Others		Total	
	Unaudited		Unaudited		Unaudited		Unaudited	
	Half year ended		Half year ended		Half year ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	Rupees							
Sales	61,047,411	48,620,879	20,347,872	10,647,867	6,232,169	4,599,169	87,627,452	63,867,915
Intersegment sales	13,479,484	5,340,959	-	-	-	943,204	13,479,484	6,284,243
Sales tax and duties	(2,771,045)	-	(1,010,200)	-	(341,404)	(88,806)	(4,122,649)	(88,806)
	71,755,850	53,961,838	19,337,672	10,647,867	5,890,765	5,453,647	96,984,287	70,063,352
Profit before tax	13,627,507	14,521,731	1,629,000	510,578	364,000	(153,957)	15,620,507	14,878,352
Depreciation & amortisation	1,678,001	1,661,697	46,079	30,748	335,966	172,117	2,061,046	1,864,562
Capital expenditure	5,178,540	2,360,415	90,823	51,239	446,835	1,446,931	5,716,198	3,858,585

	Urea		Speciality Fertilizers Business		Others		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	Rupees							
Segment assets	125,434,934	101,481,968	9,060,689	5,178,104	13,091,275	13,400,480	147,586,898	120,068,552
Unallocated assets	-	-	-	-	-	7,735,147	27,658,153	27,658,153
Total assets	125,434,934	101,481,968	9,060,689	5,178,104	13,091,275	13,400,480	155,322,045	147,726,705

Unaudited	
June 30, 2024	June 30, 2023
-----Rupees-----	

24.1 Reconciliation of reportable segment net sales

Total net sales for reportable segment	96,984,287	70,063,352
Elimination of intersegment net sales	(13,479,484)	(6,284,243)
Total net sales	83,504,803	63,779,109

Unaudited	Audited
June 30, 2024	June 30, 2023
-----Rupees-----	

24.2 Reconciliation of reportable segment total assets

Total assets for reportable segments	147,586,898	120,068,552
Add: Unallocated assets		
- Accrued income	483,692	518,468
- Long-term investments	101,067	101,067
- Short-term investments	3,844,010	23,601,793
- Cash and bank balances	3,306,378	3,436,825
	7,735,147	27,658,153
Total assets	155,322,045	147,726,705

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(Amounts in thousand)

25. SEASONALITY

The Company'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 Company manages seasonality in business through appropriate inventory management.

26. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the preceding financial year, whereas the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances / amounts of comparable period of immediately preceding financial year.

27. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors in its meeting held on July 30, 2024 has approved an interim cash dividend of Rs. 3.00 per share for the year ending December 31, 2024, amounting to Rs. 4,005,898. These condensed interim financial statements do not include the effect of the said interim dividend.

28. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on July 30, 2024 by the Board of Directors of the Company.

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Muhammad Imran Khalil
Chief Financial Officer



Ali Rathore
Chief Executive Officer



Ahsan Zafar Syed
Chairman

مستقبل قریب کا جائزہ

مائنٹری پالیسی میٹنگ میں شرح سود میں کمی کے فیصلے سے مہنگائی میں کمی اور قابو پانے کی توقع ہے۔ نتیجے میں کم شرح کے ساتھ کاروباری لاگت کم ہونے سے مثبت اثر پڑے گا۔ تاہم، بجٹ میں ان ڈائریکٹ ٹیکسز میں اضافے کے فیصلے سے مہنگائی کے دباؤ اور زرعی اشیاء و کھاد سمیت عمومی لاگت میں اضافہ متوقع ہے۔

اینگرو فرٹیلائزرز ملکی زرعی ضروریات کو پورا کرنے کے اپنے عزم پر قائم ہے، جس کی مثال EnVen پلانٹ کے غیر معمولی ٹرن اراؤنڈ اور پریشر انہاسمنٹ فیسلٹی (PEF) پروجیکٹ میں جاری کوششوں سے ملتی ہے۔ بورڈ کی طرف سے، کمپنی تمام اسٹیک ہولڈرز کے مسلسل اعتماد اور تعاون کے لیے شکر گزار ہے۔



احسن ظفر سید
چیئرمین



علی راٹھور
چیف ایگزیکٹو آفیسر

کلیدی پیشرفت

اینکروفریٹلائزرز EnVen پلانٹ نے طویل مدتی استحکام کو یقینی بنانے کے لیے ایک اہم ٹرن اراؤنڈ شروع کیا۔ ایک محفوظ ٹرن اراؤنڈ کی طرف سفر کا آغاز با بصیرت منصوبہ بندی کے ساتھ کیا گیا جس میں منظم جائزے، اندرون ملک تربیتی سیشنز، تحفظ سے متعلق فرضی مشقوں پر عمل درآمد، معیار کی جانچ اور تمام ورک فورس کے لیے PPEs کی انویسٹری مینجمنٹ شامل ہیں۔ اپنے ماضی کی روایات اور اقدار کے عین مطابق ہم نے جامع حفاظتی جائزے سرانجام دیئے، چوبیس گھنٹے حفاظتی آڈٹ، ’ٹول باکس ٹاکس‘، اور ایک پر عزم HSE ہیلپ ڈیسک جیسے اقدامات کو نافذ کیا۔ مزید برآں، کنٹریکٹ ورک فورس کے ساتھ ترجیحی حفاظتی سیشنز کا انعقاد کیا گیا۔ کام کے پیچیدہ دائرہ کار سے لے کر 6,000 سے زائد افرادی قوت کی آمد اور شدید گرمی کی لہر کے باوجود، ہماری ٹیم کی مشترکہ کوششیں جاری رہیں۔ نتیجتاً، ہم ٹوٹل ریکارڈ ایبل انسڈنٹ ریٹ (TRIR) کی کم سے کم شرح 0.05 حاصل کرنے میں کامیاب رہے۔ ٹرن اراؤنڈ کی محفوظ اور کامیاب تکمیل اینکروفریٹلائزرز کی انجینئرنگ کی مہارت میں اعلیٰ کارکردگی کا ثبوت ہے، یہ عمل پاکستان میں غذائی تحفظ کو یقینی بنانے میں براہ راست کردار ادا کرتا ہے۔ اس ٹرن اراؤنڈ کے بعد، پلانٹ نے بغیر کسی خلل یا رکاوٹ کے دوبارہ کام شروع کر دیا ہے۔

کمپنی کی کاروباری کارکردگی

کمپنی کی یوریا کی پیداوار 2023 کی پہلی ششماہی کے 1,115 KT کے مقابلے میں 966 KT رہی۔ زیر جائزہ مدت کے دوران فروخت گزشتہ سال کی 1,034 KT کے مقابلے میں 855 KT رہی۔

کمپنی کی فاسفیٹس (DAP، زور آور اور NP) کی فروخت 2024 کی پہلی ششماہی کے دوران 165 KT رہی جو گزشتہ سال کی اسی مدت کے دوران 109 KT تھی۔

کمپنی کی مجموعی آمدنی 2024 کی پہلی ششماہی میں 113.2 ارب روپے رہی جو گزشتہ سال کی اسی مدت میں 82.4 ارب روپے تھی۔ کمپنی کا مجموعی منافع 2024 کی پہلی ششماہی میں 24.3 ارب روپے ریکارڈ کیا گیا جو پچھلے سال کی اسی مدت میں 22.2 ارب روپے تھا۔ کمپنی کا مشترکہ منافع گزشتہ سال کی اسی مدت میں 5.5 ارب روپے کے مقابلے میں 9.4 ارب روپے رہا۔ نتیجے میں گزشتہ سال کی اسی مدت میں ہر ایک شیئر پر منافع 4.09 روپے کے مقابلے میں اس سال 7.06 روپے رہا۔

سال کے آغاز میں منسٹری آف انڈسٹری اینڈ پروڈکشن نے فریٹلائزر کی صنعت سے درخواست کی کہ وہ زیادہ قیمت پر امپورٹڈ یوریا خریدے اور اسے مقامی طور پر تیار کردہ یوریا کی طرح کم قیمت پر فروخت کرے۔ امپورٹڈ یوریا کی اضافی لاگت وصول کرنے کے لیے فریٹلائزر مینوفیکچررز نے مقامی طور پر تیار کردہ یوریا کی قیمت اس حد تک بڑھادی کہ اضافی لاگت 12 ماہ میں وصول ہو جائے۔ اگرچہ اینکروفریٹلائزرز نے مارچ کی سہ ماہی کے دوران امپورٹڈ یوریا کا اپنا پورا اسٹاک فروخت کر دیا، لیکن امپورٹڈ یوریا کی اضافی لاگت کو نفع اور نقصان میں تناسب کی بنیاد پر معاف کر دیا گیا اور 31 مارچ 2024 تک بیلنس شیٹ میں 5.3 ارب روپے کا غیر محفوظ شدہ حصہ برقرار رکھا گیا۔

ششماہی مالیاتی گوشواروں کے جائزے کے دوران، انتظامیہ نے مذکورہ بالا معاملے کا دوبارہ جائزہ لیا اور اکاؤنٹنگ کے لحاظ سے ٹرانزیکشن کو بہتر انداز میں دکھانے کے لیے، 15.3 ارب روپے (3 ارب روپے بعد از ٹیکس اثر) کا پورا غیر محفوظ شدہ حصہ 31 مارچ 2024 کو ختم ہونے والی مدت کے لیے نفع اور نقصان میں وصول کیا گیا۔

بورڈ 30 جون 2024 کو ختم ہونے والی مدت کے لیے 3.00 روپے فی حصص کے نقد منافع کا اعلان کرتے ہوئے خوش ہے۔

3- ٹیکنیکل ٹریڈنگ سینٹر (TTC) ڈہر کی:

ڈہر کی میں قائم ٹیکنیکل ٹریڈنگ سینٹر ہمارے طلباء کے مستقبل کو بہتر بنانے پر توجہ مرکوز رکھتا ہے اور سینٹر کے 447 طلباء (بشمول 23 لڑکیاں) میں سے 175 اسٹوڈنٹس (بشمول 2 لڑکیاں) نے جون 2024 میں گریجویٹ کیا۔

اینگروفاؤنڈیشن نے نیشنل ریفائٹری لمیٹڈ کراچی میں 60 نئے گریجویٹس کی بطور ٹریڈ اپرنٹس تعیناتی کی سہولت فراہم کی جنہوں نے دسمبر 2023 میں گریجویٹیشن مکمل کی تھی۔

4- انڈس ریور ڈولفین کنزرویشن پروگرام: (دریائے سندھ میں ڈولفین کی نسل کے تحفظ کا پروگرام)

دریائے سندھ میں ڈولفین کی نایاب نسل کے تحفظ کے لیے WWF کے ساتھ پانچ سالہ پارٹنرشپ کے تحت صرف دریائے سندھ اور اس کی متعلقہ نہروں میں پائی جانے والی منفرد قسم کی ڈولفین کا تحفظ کرنے کے لیے درج ذیل اقدامات کئے گئے:

- سندھ اور پنجاب کے وائلڈ لائف اور فشریز ڈیپارٹمنٹس کے ساتھ اسٹیک ہولڈرز کی بات چیت کے لیے میٹنگس کی گئیں۔
- بچوں میں آگہی کے لیے انڈس ڈولفین ایجوکیشن ٹول کٹ کا سندھی زبان میں ترجمہ کیا گیا۔
- ماہی گیری کے جالوں میں ڈولفین کی اموات کو کم کرنے کے لیے پنجاب کے غازی گھاٹ اور سندھ میں گڈویراج پر پنکرز (صوتی رکاوٹوں) کے ٹرائلز کے پہلے دو سال مکمل ہو چکے ہیں۔ نتائج سے واضح ہوتا ہے کہ پنکرز ڈولفین کو ماہی گیری کے جالوں کے قریب آنے سے موثر طریقے سے روکتے ہیں۔ اس سے ڈولفین کا جال سے 20 سے 40 میٹر کا محفوظ فاصلہ برقرار رہتا ہے۔ یہ کمپونٹ ”ساؤنڈ آف سیفٹی“ پروجیکٹ کا حصہ ہے، جس کی مالی معاونت اینگروفاؤنڈیشن کرتی ہے۔

مارکیٹ کا جائزہ

زراعت کی مقامی صنعت زیر جائزہ مدت کے لیے دوران شدید بحران کا شکار رہی۔ سیزن کے دوران بمپر کراپ کے باوجود گندم کی کم قیمت خریداری نے کسانوں کو بری طرح متاثر کیا۔ نتیجے میں یوریا کی طلب بھی بہت زیادہ متاثر ہوئی اور گزشتہ سال کی پہلی ششماہی کے 3,098 KT کے مقابلے میں 3,035 KT رہی۔

بین الاقوامی قیمتوں کے لحاظ سے، زیر جائزہ مدت کے دوران فریٹلائزر کی عالمی قیمتیں زیادہ تر مستحکم رہیں۔ یوریا کی قیمت جون 2023 کے آخر میں 260 ڈالر فی ٹن (3,706 روپے فی بیگ کے مساوی پہنچ) کے مقابلے میں جون 2024 کے آخر تک 319 ڈالر فی ٹن (5,962 روپے فی بیگ کے مساوی پہنچ) تک پہنچ گئی۔ ملکی فریٹلائزر انڈسٹری نے اس بات کو یقینی بنایا ہے کہ مقامی کسانوں کو مقامی طور پر تیار کردہ یوریا کی کم قیمتوں سے فائدہ ہوتا رہے۔ مقامی یوریا کی قیمت 30 جون 2024 تک 4,649 روپے فی بیگ تھی جو بین الاقوامی قیمت کے مقابلے میں 22% کی رعایت کا ثبوت ہے۔

سہ ماہی کے دوران، چین سے توقع سے زیادہ ایکسپورٹس کے نتیجے میں DAP کی عالمی قیمتیں گزشتہ سہ ماہی میں 620 ڈالر فی ٹن کی بلند ترین سطح سے کم ہو کر 530 ڈالر فی ٹن تک کم ہوئیں۔ تاہم چین سے فراہمی میں کمی اور بھارت میں طلب کے بڑھنے سے توقع کی جاتی ہے کہ آئندہ ششماہی کے دوران DAP کی قیمتیں ممکنہ طور پر پہلی سہ ماہی کی سطح پر واپس آ جائیں گی۔

اینٹرفرٹیلانز رزلٹیٹڈ ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز برائے ششماہی ختم شدہ 30 جون 2024

ہم 30 جون 2024 کو ختم ہونے والی ششماہی کے لیے اینٹرفرٹیلانز رزلٹیٹڈ (کمپنی/اینٹرفرٹیلانرز) کے بورڈ آف ڈائریکٹرز کی جانب سے غیر آڈٹ شدہ منجمد عبوری مالیاتی گوشواروں (مشترکہ اور انفرادی) کو پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

CSR اقدامات

کمپنی کمیونٹی کی بہتری کے کاموں میں اپنے کردار کو بڑھاتی رہتی ہے اور ان آبادیوں کی مدد کرتی ہے جن میں وہ کام کرتی ہے اور وہاں کے لوگوں کی زندگیوں کو بہتر بناتی ہے۔ 2024 کی پہلی ششماہی کے لیے ہمارے اہم اقدامات درج ذیل ہیں:

1- تعلیمی پروگرام:

- اینٹرو اپنی قریبی آبادیوں میں اسٹوڈنٹس کے لیے معیاری تعلیم کی فراہمی پر مسلسل توجہ مرکوز کرتا ہے۔ زیر جائزہ مدت کے دوران ہمارے اسکولوں میں درج ذیل متعدد نصابی اور اسپورٹس کی سرگرمیاں منعقد کی گئیں۔
- کچا کے اسکول: ضلع گھوٹی کے دریائی پٹی والے کچے کے 115 اسکولوں میں 2,000 سے زائد طلباء (28% لڑکیاں اور 72% لڑکے) زیر تعلیم رہے۔
- زیر انتظام لیے ہوئے سرکاری اسکول: اینٹرفرٹیلانرز کے زیر اہتمام 9 اپنائے ہوئے اسکولوں میں 1950 سے زائد طلباء (36% لڑکیاں اور 64% لڑکے) زیر تعلیم رہے۔
- سہارا اسکول: سہارا ہائی اسکول ڈہر کی میں 500 سے زائد طلباء (47% لڑکیاں اور 53% لڑکے) زیر تعلیم رہے۔
- نئی شراکت داری: سندھ ایجوکیشن فاؤنڈیشن (SEF) کے ساتھ ایک روایتی اسکول اور 3 غیر روایتی اسکولوں کے قیام کے لیے معاہدہ پر دستخط کئے گئے ہیں۔

2- علاج معالجہ (ہیلتھ کیئر) پروگرام:

- اینٹرو فاؤنڈیشن صحت کی دیکھ بھال کی سہولیات کا بہتر انفراسٹرکچر فراہم کرنے کے لیے کئی سہولیات چلا رہی ہے۔ زیر نظر مدت کے دوران:
- سہارا اوپی ڈی کلینک میں 2,029 سے زیادہ مریضوں کا علاج کیا گیا۔
- مصنوعی اعضاء کی سہولت سے ڈہر کی میں 200 مریضوں کا مصنوعی اعضاء سے علاج کیا گیا۔
- سنیک بانٹ کلینک میں 1,902 مریضوں کا علاج کیا گیا۔
- اینٹرو ڈاگ بانٹ سینٹر میں 1,226 مریضوں کو ٹیکے لگائے گئے۔
- ہیٹائٹس کنٹرول پروگرام کے تحت 144 مریضوں کو ویکسین کی سہولت فراہم کی گئی۔

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