



Dawood Hercules

**THIRD QUARTERLY ACCOUNTS  
(UN-AUDITED)**

**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024**



# Contents

<b>Company Information</b>	<b>02</b>
<b>Directors' Report</b>	<b>03</b>
<b>Directors' Report (Urdu)</b>	<b>11</b>
<b>Unconsolidated Condensed Interim Financial Statements</b>	<b>12</b>
<b>Consolidated Condensed Interim Financial Statements</b>	<b>28</b>

# COMPANY INFORMATION

## Board of Directors

Mr. Hussain Dawood - Chairman  
Mr. Abdul Samad Dawood – Director  
Ms. Sabrina Dawood – Director  
Mr. Muhammed Amin – Independent Director  
Mr. Isfandiyar Shaheen – Independent Director  
Mr. Zamin Zaidi – Director  
Mr. Muhammad Bilal Ahmed – Director  
Mr. Mohammad Shamoon Chaudry – CEO / Director

## Board Audit Committee

Mr. Muhammed Amin – Chairman  
Mr. Isfandiyar Shaheen – Member  
Mr. Muhammad Bilal Ahmed – Member

## Board HR & Remuneration Committee

Mr. Isfandiyar Shaheen – Chairman  
Mr. Abdul Samad Dawood – Member  
Ms. Sabrina Dawood – Member

## Board Investment Committee

Mr. Abdul Samad Dawood – Chairman  
Mr. Muhammed Amin – Member  
Mr. Isfandiyar Shaheen – Member  
Mr. Muhammad Bilal Ahmed – Member

## Chief Financial Officer

Mr. Kamran Hanif Jangda

## Company Secretary

Mr. Imran Chagani

## Registered Office

Dawood Centre, M.T. Khan Road Karachi-75530  
Tel: +92 (21) 35686001 Fax: +92 (21) 35644147  
Email: [shareholders@dawoodhercules.com](mailto:shareholders@dawoodhercules.com)  
Website: [www.dawoodhercules.com](http://www.dawoodhercules.com)

## Auditors

A.F. Ferguson & Co. Chartered Accountants  
State Life Building 1-C, I.I. Chundrigar Road, P.O.  
Box 4716, Karachi-74000.  
Tel: +92 (21) 32426682-6  
Fax: +92 (21) 32415007, 32427938

## Share Registrar/Transfer Agent

FAMCO Share Registration Services (Pvt) Limited  
8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S.,  
Shahra-e-Faisal Karachi  
Tel # (92-21) 34380101-5 Fax: (92-21) 34380106  
Website: [www.famcosrs.com](http://www.famcosrs.com)

## Tax Consultant

A.F. Ferguson & Co. Chartered Accountants  
State Life Building 1-C, I.I. Chundrigar Road, P.O.  
Box 4716, Karachi-74000.  
Tel: +92 (21) 32426682-6  
Fax: +92 (21) 32415007, 32427938

## Legal Advisor

Haidermota & Co. (Barristers at law)  
Plot No.101, Almurtaza Lane 1, DHA Phase VIII,  
Karachi  
Tel: +92 (021) 111 520 000, 35879097  
Fax: +92 (21) 35862329, 35871054

## Bankers

Allied Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Limited  
United Bank Limited  
MCB Islamic Bank Limited

# DIRECTORS' REPORT

The Directors of Dawood Hercules Corporation (the "Company") are pleased to submit their report along with the condensed interim financial statements of the Company for the nine months period ended September 30, 2024.

## The Environment in Which We Operated

The global economy demonstrated continued improvement in the last quarter. Energy prices and global interest rates persistently declined in most advanced economies amid disinflation, promoting conditions for greater economic activity. This is an especially positive signal for emerging markets as it indicates a greater appetite for risk taking and investment in developing economies.

However, this easing of cost pressures is balanced on a very tenuous geopolitical situation, especially in the Middle East. Any entrants or escalations in the War may cause severe supply shocks (notably, oil) and trade disruptions that could significantly reverse economic momentum. Aside from the unfathomable human cost this war has directly had on people in the region, the ramifications of further adverse movements are likely to indirectly affect billions more around the world. A similar impact was seen when the Russia-Ukraine War rattled energy and food markets globally; this is, therefore, a necessary watch-out and call-out.

In sync with global trends, economic indicators continued improving in Pakistan. Inflation fell to a single-digit as a result of tight monetary policy and a stable exchange rate; the State Bank of Pakistan, thus, cut the policy rate to 17.5%, a decline of 200bps since July. While this progress is commendable, the rate is still too high to significantly stimulate investment and consumption. All eyes will remain on the policy rate in the months to come.

In addition to this, Pakistan's foreign exchange reserves grew because of robust remittances, export earnings, and decreased volatility in currency markets. Additionally, the first tranche of USD 1 billion came through at the end of September as the IMF's Executive Board green-lighted a new IMF package (formally known as Extended Fund Facility, or EFF). The release of the first tranche of the EFF meant that at the end of September, Pakistan's foreign exchange reserves reached a total of USD 10.7 billion, a 30-month high.

One important development in the past quarter was the renegotiation of contracts of Independent Power Producers (IPPs). Undermining contract integrity in the power sector has raised concerns about future investment in this space, largely due to the private sector bearing the costs of improper planning. It is key to remember that the countries that have prospered the most in the world have done so based on a fundamental respect for capital and contracts. Renegotiations may be considered necessary now, but this fact about contract enforcement must be an essential consideration in any dialogue with the private sector, who are partners in national growth.

All in all, our assessment of the last quarter's macro developments is this: steady but tenuous gains.

The Government of Pakistan must be recognized for negotiating the current IMF package and for their focus on structural macro reform in the last few months, supported by the lender. Despite progress, however, our vulnerabilities and structural challenges remain formidable. A difficult business environment, weak governance and contract enforcement, and the state's considerable presence in the economy may affect investment levels from the domestic and international business community. The tax base also remains too narrow to ensure equitable taxation and, consequently, fiscal sustainability. We trust the State will fully pursue reform efforts in these key areas to overcome its economic challenges and continue on a path to progress.

## Our Investment in Engro Corporation

The Engro portfolio has performed resiliently, even as adverse conditions affected key businesses. The fertilizer business maintained its performance this quarter by facing challenging conditions head on. The agricultural sector was plagued by a wheat crisis that weakened farmers' earnings, resulting in reduced fertilizer usage. Additionally, excess heat and rains disrupted agricultural activities which further strained farmer economics. Combined, these factors have led to a decline in our farmers' demand for fertilizers and as a result, inventory has built up significantly and expensively. Selling this inventory remains a priority area. The business was able to weather these difficult conditions by implementing responsive pricing strategies and optimizing costs.

These challenges have made the issue of inconsistent gas prices for different fertilizer companies a graver concern. Deregulation and market-based reforms are needed to boost the performance of individual companies and ensure competitiveness of the sector. Fertilizers are a key factor in ensuring food security and will remain vital to Pakistan's economy; robust agricultural input is essential for this.

A good example of a relatively deregulated sector is telecommunication infrastructure, in which Engro Corporation owns and operates a leading Independent Tower Company (ITC). On the operational side, it has expanded its presence to a total of 4,143 sites across Pakistan, leading the market as an ITC. Tower deployment has slowed down due to consolidation of MNOs; however, greater potential for tenancies will be a key source of value. Our long-term outlook on the business is positive.

The terminals business demonstrated a stable performance in the third quarter, consistent with the same period last year. It delivered 163.5 bcf of re-gasified LNG into the SSGC network, representing approximately 15% of the country's total gas supply. The chemical storage terminal processed significantly higher volumes due to resumption of economic activity as a result of (relative) macroeconomic stability and ease of LC openings. The terminals business, therefore, remains a stable performer in Engro's underlying portfolio with fixed, currency-hedged returns.

The other dollarized business in their portfolio is Engro Eximp FZE which achieved a turnover of USD 397 million this quarter. This represents a 60%+ growth in revenue over the same period last year. The management's focus on delivering dollarized revenues in this business is appreciated as it provides a significant hedge against adverse currency movements. This business has the potential to grow into an international trading house and we are excited to see it develop in coming years.

As disclosed earlier, Engro Energy Limited has entered into an agreement with Liberty Power Holding (Pvt) Limited and other parties acting in concert for the sale of its thermal assets. The process of obtaining stakeholders' approvals to execute the transaction is underway. Meanwhile, coal mining operations progressed steadily, and the Thar and Qadirpur power plants maintained reliable electricity generation, with the latter securing a license to use an alternative fuel source.

The polymer business continues to face a challenging situation due to multiple factors including low international PVC prices, higher local energy prices, relatively high interest rates on short-term borrowings, and suppressed local demand because of a slowdown in construction activity. The result of these forces is that the business is facing a loss after tax of PKR 2,288 million compared to a profit after tax of PKR 5,387 million in the previous year. Given the cyclicity of the business, all eyes will remain on global commodity prices, an increase in which will be key to a better performance of the business. Resumption of economic activity resulting from decreasing interest rates is also expected to improve the business outlook.

Engro Corporation has a significant investment in FrieslandCampina Engro Pakistan Limited (FCEPL) which has been adversely impacted by high taxation on the dairy sector. Despite the challenges mentioned in the Report for last quarter, the company has remarkably increased its top and bottom line compared to Q3 2023 due to rigorous cost savings and strategic consumer offerings. We commend the management of FCEPL for this impressive performance, as well as the global leadership team at Royal FrieslandCampina for consistently unlocking value in this asset.

Overall, Engro Corporation continues to provide significant returns to the Company. Many of Engro's portfolio companies are facing challenging conditions; however, robust business fundamentals at this time will aid them in overcoming these difficulties. Our faith in the management team to tackle adversity with character and determination remains strong.

### **The Non-Engro Portfolio**

Our portfolio continues to display a strong performance. It has generated a return of 40% in the ongoing calendar year which is an outperformance of approx. 2.5% over the KSE-100 Index performance of 37.5%. We are delighted to note that the core thesis on which our portfolio was constructed is playing out well.

Our top holding continues to be in the banking sector, which has performed very well over the past few quarters. The top company in our portfolio, UBL, continues to report higher profitability in the latest quarterly reports, even as interest rates come down which is commendable. However, there is an imminent risk to profitability given the hanging sword of taxation based on Advance-to-Deposit Ratio (ADR). UBL has one of the lowest ADRs among its peers and increasing the ratio in a short span of time i.e., by December 2024 may be quite challenging. Similarly, Meezan Bank has performed exceptionally well. Being an Islamic bank, Meezan may have a sharper impact on profitability, but it has done well to strengthen its capital base to increase its advances sustainably.

It is worth mentioning here that the banking sector is highly regulated and that banks spend significant time and effort in managing these regulations. This time could be better spent in productive and value-additive activities such as advancing business development and profitability. Evidence around the world shows that while some amount of regulation is healthy, excessive regulation leads to value losses, especially in the long-term.

Our thesis of energy sector reforms has also started to bear fruit – the impact of rising gas prices on the collections of OGDCL and PPL is now visible. The collection rate has increased to 100% – the next step will be the gradual recovery of prior receivables, which we believe will begin soon. This, along with the effective use of cash by these companies, will likely lead to value being unlocked.

Our position in the IT sector through Systems Limited has yet to bear fruit. We have confidence in the company's ability to continually generate value for its shareholders by growing their business. While a stable currency has restricted the growth of profitability in the near term, we believe in the company's ability to generate business growth to ensure a rise in core profitability.

In our assessment, the Company's portfolio is well-balanced in terms of growth and value assets, which will continue to provide a consistent upside to our shareholders over the long-term.

## **Future Outlook**

Economic reforms under the IMF's extended fund facility are expected to boost growth and ease inflation in Pakistan, with growth projected to increase from 2.4% in FY2024 to 2.8% in FY2025, driven by the government's stabilization efforts. This recovery will be supported by a favourable external environment, stable exchange rates, declining inflation, and an accommodative monetary policy, while the government's commitment to fiscal consolidation strengthens the State's fiscal position. However, risks remain from trade tensions and rising oil prices due to ongoing geopolitical challenges in the Middle East.

## **Financial Performance**

The Company's consolidated revenue for the first nine months of 2024 was PKR 279,018 million compared to PKR 249,856 million in the same period last year, resulting in an increase of 12%. The consolidated Profit After Tax (PAT) was PKR 24,327 million compared to PKR 43,107 million in September 2023. Profit after tax attributable to owners was declined to PKR 6,359 million from PKR 7,978 million in the same period of 2023, primarily due to lower profits from discontinued operations.

On a standalone basis, return on investments stood at PKR 8,452 million compared to PKR 11,873 million in September 2023, mainly due to lower dividend income which is partly offset by higher gains on equity portfolio. Unconsolidated Profit After Tax (PAT) stood at PKR 6,114 million as compared to PKR 8,006 million for the same period last year.

## **Earnings Per Share**

The unconsolidated earnings per share for the nine months of 2024 was PKR 12.70 compared to PKR 16.64 for the same period in 2023.

The consolidated earnings per share from continuing operations for the nine months of 2024 was PKR 12.12 compared to PKR 5.71 for the same period in 2023. The consolidated earnings per share from discontinued operations for the nine months of 2024 was PKR 1.09 compared to PKR 10.86 for the same period in 2023.

### **Acknowledgment**

The Directors express their gratitude to all our shareholders for their confidence and support in the Company to steward their capital. We would also like to thank all stakeholders, including the Government, regulators, market players, and especially financial institutions for their support and cooperation; we would like to assure them of our commitment to look after their respective interests. We would also like to thank the management and employees for their sincere contributions towards the growth and prosperity of Dawood Hercules Corporation.

**Muhammed Amin**  
Director

**Mohammad Shamoan Chaudry**  
Chief Executive Officer

Dated: October 29, 2024

12% اضافہ ہوا۔ بعد از ٹیکس مجموعی منافع 24,327 ملین روپے رہا جو ستمبر 2023 میں 43,107 ملین روپے رہا تھا۔ مالکان سے قابل نسبت بعد از ٹیکس نفع 2023 کی اسی مدت کے دوران ہونے والے 7,978 ملین روپے سے کم ہو کر 6,359 ملین روپے ہو گیا۔ کمی کی بنیادی وجہ منقطع کئے گئے آپریشنوں سے ہونے والے منافع میں کمی تھی۔

انفرادی بنیاد پر سرمایہ کاری سے ملنے والی آمدنی 8,452 ملین روپے رہی جو ستمبر 2023 کے اختتام پر 11,873 ملین روپے رہی تھی۔ کمی کی بڑی وجہ منافع منقسمہ کی کم آمدنی تھی جسکی کسی حد تک تلافی ایکویٹی پورٹ فولیو میں ہونے والی زیادہ بچتوں سے ہوئی۔ غیر منظم بعد از ٹیکس منافع 6,114 ملین روپے رہا جو گزشتہ برس کی اسی مدت کے اختتام پر 8,006 ملین روپے رہا تھا۔

## فی شیئر کمائی

2024 کی نو ماہی میں غیر منظم فی شیئر کمائی 12.70 روپے تھی جو 2023 کی اسی مدت کے دوران 16.64 روپے رہی تھی۔

2024 کی نو ماہی مدت کے اختتام پر جاری کاروبار سے فی شیئر منظم کمائی 12.12 روپے تھی جو 2023 کی اسی مدت کے اختتام پر 5.71 روپے رہی تھی۔ 2024 کے نو ماہ کے اختتام پر منقطع کردہ کاروبار سے ہونے والی فی شیئر منظم کمائی 1.09 روپے تھی جو 2023 کی اسی مدت کے اختتام پر 10.86 روپے رہی تھی۔

## اظہار تشکر

ان کا سرمایہ سنبھالنے کے لئے غیر متزلزل بھروسہ اور اعتماد کرنے پر ڈائریکٹرز، اپنے شیئر ہولڈروں کو ہدیہ تہنیت پیش کرتے ہیں۔ ہم حکومت، صابطہ کاروں، مارکیٹ کے اہم کرداروں، اور خاص طور سے مالیاتی اداروں سمیت اپنے تمام اسٹیک ہولڈروں کا بھی شکریہ ادا کرنا چاہیں گے کہ انہوں نے اپنا تعاون جاری رکھا۔ ہم انہیں یقین دلاتے ہیں کہ ان کے متعلقہ مفادات کی دیکھ بھال کا ہمارا عہدہ پختہ ہے۔ ہم انتظامیہ اور اپنے ملازمین کے بھی شکر گزار ہیں کہ داؤد ہر کولیس کارپوریشن کی ترقی اور خوشحالی میں انہوں نے مخلصانہ کردار ادا کیا ہے۔

محمد شمعون چوہدری

چیف ایگزیکٹو آفیسر

محمد امین

ڈائریکٹر

مورخہ: 29 اکتوبر 2024



تاہم اس سیکٹر پر منافع پرائیڈوانس اور ڈپازٹ کی شرح پر مبنی ٹیکس کاری کی تلوار لٹک رہی ہے۔ یو بی ایل کا اپنے معاصر بینکوں کے مقابلے میں کم ترین ایڈوانس اور ڈپازٹ کی شرح کا حامل ہونا اور اس میں ایلبل مدت یعنی دسمبر 2024 تک اضافہ ہونا مشکلات پیدا کر سکتا ہے۔ اسی طرح میزبان بینک نے بھی غیر معمولی کارکردگی دکھائی ہے۔ اسلامی بینک ہونے کی حیثیت سے میزبان کی منافع حاصل کرنے کی صلاحیت پر اثر پڑ سکتا ہے لیکن اس نے اپنی سرمائے کی بنیاد کو مضبوط کرنے اور اپنے ایڈوانسز بڑھانے کے ضمن میں اچھی کارکردگی دکھائی ہے۔

یہاں یہ تذکرہ بے جا نہ ہوگا کہ بینکاری سیکٹر پر سب سے زیادہ قواعد و ضوابط عائد ہیں اور بینک ان قواعد و ضوابط کے انتظام پر کافی وقت اور محنت صرف کرتے ہیں۔ یہ وقت کاروبار میں اضافہ کر کے منافع بڑھانے جیسی پیداواری اور ویلیو ایڈ کرنے والی سرگرمیوں پر صرف کیا جاسکتا ہے۔ دنیا کے تجربات نے ثابت کیا ہے کہ کسی حد تک قواعد و ضوابط صحت مند ہوتے ہیں لیکن بہت زیادہ ضوابط کاری، خاص طور سے طویل مدت میں قیمتوں کے نقصان کا باعث بنتی ہے۔

توانائی کے شعبہ میں ہمارا نظریہ اب شمر آؤر ثابت ہو رہا ہے کہ OGDC اور PPL کی وصولیوں پر گیس کی بڑھتی ہوئی قیمتوں کا اثر اب نظر آنا شروع ہو گیا ہے۔ وصولیوں کی شرح میں 100% اضافہ ہوا ہے اور اگلا مرحلہ بقایا جات کی وصولی کا ہوگا جو ہمیں یقین ہے کہ جلد شروع ہو جائے گا۔ یہ اور ان کمپنیوں کی جانب سے نقدی کا بر محل استعمال قدر میں اضافے کے درکھول دے گا۔

سسٹم لمیٹڈ کے توسط سے انفارمیشن ٹیکنالوجی میں بھی پھل ملنا باقی ہے۔ ہمیں اس کمپنی کی انتظامیہ کی اہلیت پر کامل یقین ہے کہ وہ کاروبار کو بڑھا کر اپنے شیئر ہولڈروں کے لئے قدر سازی کا عمل جاری رکھے گی۔ اگرچہ ملکی کرنسی میں استحکام آنے کے سبب قلیل مدت میں اس کمپنی کی منافع حاصل کرنے کی صلاحیت پر اثر پڑا ہے تاہم ہم بدستور پر اعتماد ہیں کہ یہ کمپنی آنے والے برسوں میں کاروبار میں اضافہ کر کے اپنا منافع بڑھانے کی بھرپور صلاحیت رکھتی ہے۔

ہمارا تخمینہ ہے کہ اس کمپنی کا پورٹ فولیو بڑھوتی اور اثاثہ جات کے حوالے سے انتہائی متوازن ہے جو طویل مدت میں ہمارے شیئر ہولڈروں کو مسلسل منافع دینا جاری رکھے گی۔

## مستقبل کا منظر

آئی ایم ایف کے توسیعی فنڈ کی سہولت کے تحت کی جانے والی اصلاحات سے توقع ہے کہ پاکستان کی اقتصادی صورت حال میں بہتری آئے گی اور مہنگائی میں کمی واقع ہوگی۔ تخمینہ لگایا گیا ہے کہ ملک میں استحکام لانے کے حکومتی اقدامات کے نتیجے میں شرح نمو مالی سال 2024 میں 2.4% سے بڑھ کر 2025 میں 2.8% ہو جائے گی۔ اس بازیابی میں موافق بیرونی ماحول، شرح مبادلہ میں استحکام، افراط زر میں کمی، اور بہتر زری پالیسی اہم کردار ادا کریں گے اور حکومت کی مالیاتی استحکام لانے میں سنجیدگی ملک کی مالیاتی حیثیت مستحکم کرے گی۔ تاہم مشرق وسطیٰ کی صورتحال کے نتیجے میں تناؤ اور تیل کی بڑھتی ہوئی قیمتوں کے سبب خطرات بہر حال موجود رہیں گے۔

## مالیاتی کارکردگی

سال 2024 کے پہلے نو مہینوں میں کمپنی کی مجموعی آمدنی 279,018 ملین روپے رہی جو گزشتہ سال کی اسی مدت کے دوران 249,856 ملین روپے رہی تھی یعنی

ڈالر کی صورت میں آمدنی حاصل کرنے والا پورٹ فولیو میں ایک اور کاروبار Engro Eximp FZE ہے جس کا زیر جائزہ سہ ماہی میں ٹرن اوور 397 ملین امریکی ڈالر رہا ہے۔ یہ اعداد و شمار گزشتہ برس کی اسی مدت کے دوران ہونے والے ٹرن اوور سے 60% زیادہ ہے۔ ڈالر کی شکل میں آمدنی حاصل کرنے پر انتظامیہ کی توجہ قابل تعریف ہے کیونکہ یہ مقامی کرنسی میں اتار چڑھاؤ سے محفوظ ہے۔ یہ کاروبار ایک بین الاقوامی تجارتی ادارے میں تبدیل ہونے کی پوری صلاحیت رکھتا ہے اور ہم آئندہ سالوں میں ایسا ہوتا ہوا دیکھنے کے لئے بے چین ہیں۔

جیسا کہ ظاہر کیا جا چکا ہے کہ اینگرو انرجی لمیٹڈ اپنے تھرمل اثاثہ جات کی فروخت کی غرض سے لبرٹی پاور ہولڈنگ (پرائیویٹ) لمیٹڈ اور دیگر پارٹیوں کے ساتھ ایک معاہدے میں داخل ہوئی ہے۔ اس سودے کی تکمیل کیلئے اسٹیک ہولڈروں کی منظوری حاصل کرنے کی کارروائی جاری ہے۔ اس دوران کوئلہ نکالنے کا کاروبار مستحکم انداز میں آگے بڑھتا رہا ہے اور تھر اور قادر پور پاور پلانٹس نے بجلی کی قابل بھروسہ پیداوار دی ہے جبکہ قادر پور پاور پلانٹ کو متبادل ذریعے سے بجلی پیدا کرنے کا لائسنس بھی جاری ہو چکا ہے۔

عالمی مارکیٹوں میں پی وی سی کی قیمتیں کم ہونے، ملک میں بجلی کی قیمتیں بلند تر ہونے، قلیل مدتی قرضوں پر مقابلتاً زیادہ شرح سود اور تعمیراتی سرگرمیوں میں سست رفتاری آجانے کے نتیجے میں ملکی سطح پر طلب میں کمی سمیت متعدد عناصر کے سبب پولیمر کا کاروبار مشکلات کا سامنا کر رہا ہے۔ ان قوتوں کا نتیجہ یہ نکلا ہے کہ اس کاروبار کو 2,288 ملین روپے کا بعد از ٹیکس خسارہ اٹھانا پڑا ہے جبکہ گزشتہ برس کی اسی مدت کے دوران اس کاروبار نے 5,387 ملین روپے کا بعد از ٹیکس منافع حاصل کیا تھا۔ کاروبار کی دائرہ کاری کے پیش نظر تمام نظریں ایشیائے صرف کی عالمی قیمتوں پر رہیں گی جن میں اضافہ اس کاروبار کی کارکردگی بہتر بنانے میں اہم کردار ادا کرے گا۔ شرح سود میں کمی کئے جانے کے نتیجے میں اقتصادی سرگرمیوں کی بحالی کے سبب بھی اس کاروبار میں بہتری آنے کی امید ہے۔

فرانز لینڈ کمپنی اینگرو پاکستان لمیٹڈ (FCEPL) میں اینگرو کارپوریشن نے بھاری سرمایہ کاری کی ہوئی ہے لیکن اس کمپنی کے منافع پر ڈیری سیکٹر پر بھاری ٹیکس عائد کئے جانے کے سبب منفی اثر پڑا ہے۔ گزشتہ سہ ماہی کی رپورٹ میں متذکرہ مشکلات کے باوجود اس کمپنی نے 2023 کی تیسری سہ ماہی کے مقابلے میں اپنی ٹاپ اور باٹم لائن قائم رکھی ہے جس کی وجہ لاگت میں کمی لانا اور گاہکوں کو پرکشش پیشکشیں دینا ہیں۔ متاثر کن کارکردگی دکھانے پر ہم FCEPL کی انتظامیہ کے ساتھ ساتھ رائل فرانز لینڈ کمپنی کی گلوبل لیڈرشپ ٹیم کی تعریف کئے بغیر نہیں سکتے کہ وہ اس اثاثے میں مستقل طور سے قدر شامل کرتے رہے ہیں۔

مجموعی طور سے اینگرو کارپوریشن کمپنی کو شاندار آمدنی کی فراہمی کا تسلسل جاری رکھے ہوئے ہے۔ اینگرو کارپوریشن کے پورٹ فولیو میں شامل کئی کمپنیاں مشکل حالات کا سامنا کر رہی ہیں تاہم پُر توانا کاروباری بنیادی عوامل اس وقت ان مشکلات پر قابو پانے میں مددگار ہوں گے۔ باوجود مخالف میں مضبوط قدموں سے جے رہنے اور آگے بڑھنے کی ہماری انتظامی ٹیم پر ہمیں کامل بھروسہ ہے۔

## دیگر پورٹ فولیو

ہمارا پورٹ فولیو بدستور مضبوط کارکردگی دکھا رہا ہے۔ جاری تقویمی سال میں اس نے 40% آمدنی حاصل کی ہے جو KSE-100 انڈیکس کی 37.5% کارکردگی سے 2.5% زیادہ ہے۔ ہمیں خوشی ہے کہ وہ بنیاد جس پر ہمارا پورٹ فولیو قائم کیا گیا تھا، کام دکھا رہا ہے۔

ہمارا سب سے زیادہ سرمایہ بینکاری کے شعبہ میں لگا ہے جو گزشتہ کئی سہ ماہیوں سے بہت اچھی کارکردگی کا مظاہرہ کر رہا ہے۔ ہمارے پورٹ فولیو میں شامل اہم ترین کمپنی، یو بی ایل، تازہ ترین سہ ماہی رپورٹوں میں اسکے باوجود کہ شرح سود میں کمی کی گئی ہے، منافع کی بلند ترین شرح ظاہر کر رہا ہے جو قابل تعریف ہے۔

خلاصہ یہ ہے کہ گزشتہ سہ ماہی میں ہونے والے میکرو اکنامک کے متعلق ہمارا تخمینہ ہے: مستقل لیکن نازک فوائد۔

کامیاب مذاکرات کے بعد آئی ایم ایف کا حالیہ پیکیج حاصل کرنے اور گزشتہ چند مہینوں کے دوران میکرو نظام میں اصلاحات پر توجہ مرکوز کرنے پر حکومت پاکستان کی کوششوں کی تعریف کی جانی چاہئے جس کیلئے انہیں قرض دینے والے ادارے کی حمایت حاصل ہے۔ تاہم اس سمت میں بہتری کے باوجود ہماری کم زوریاں اور درپیش چیلنج خوفناک ہیں۔ کاروبار کرنے کا مشکل ماحول، کمزور حکمرانی، اور اپنی مرضی کے معاہدوں کو تھوپنا، اور ملکی معیشت میں ریاست کا کافی بڑا کردار ہونا ملکی اور غیر ملکی کاروباری برادری کی جانب سے سرمایہ کاری کی سطح کو متاثر کر سکتا ہے۔ ٹیکسوں کی بنیاد بھی اس قدر وسیع نہیں کہ منصفانہ ٹیکس کاری کی جا سکے اور مالیاتی استحکام حاصل کیا جاسکے۔ ہمیں بھروسہ ہے کہ ریاست ان اہم علاقوں میں درپیش مشکلات پر قابو پانے کی غرض سے اصلاحات کا عمل جاری رکھے گی اور ترقی کی راہ پر گام زن ہوگی۔

## اینگر و کارپوریشن میں ہماری سرمایہ کاری

مخالف حالات کے سبب اہم کاروبار حالانکہ مضر اثرات کا شکار ہیں تاہم اینگر و پورٹ فولیوں نے مشکلات برداشت کرنے کی اپنی صلاحیت ظاہر کی ہے۔ مشکلات کا سامنا کرتے ہوئے فریٹلائزر کے کاروبار نے اپنی کارکردگی قائم رکھی۔ ملک کے زرعی شعبہ کو گندم کی قلت کا سامنا رہا جس نے کاشتکاروں کی آمدنیوں کو متاثر کیا اور جس کے نتیجے میں فریٹلائزر کا استعمال انہیں کم کرنا پڑا۔ اس کے علاوہ شدید گرمیوں اور بارشوں نے بھی زرعی سرگرمیوں میں رکاوٹ پیدا کی جس سے کسانوں کی آمدنیوں میں مزید کمی واقع ہوئی۔ ان تمام عناصر نے مل کر کسانوں کی جانب سے فریٹلائزر کی طلب میں کمی پیدا کی جس سے فریٹلائزر کی فروخت میں بھی کافی کمی آئی اور اسے سنبھالنے کے اخراجات میں اضافہ ہوا۔ باقی بچ جانے والی فریٹلائزر کی فروخت ہماری اولین ترجیح ہے۔ تاہم پرکشش قیمتیں پیش کر کے اور لاگوں میں کمی لاکریہ کاروبار سختیاں سہنے میں کامیاب رہا۔

فریٹلائزر کی کمپنیوں کیلئے ان مشکلات نے گیس کی غیر مستحکم قیمتوں کا ایٹو اور بھی گھمبیر بنا دیا ہے۔ اس میدان میں ضوابط میں نرمی اور مٹی بر مارکیٹ اصلاحات کی اشد ضرورت ہے تاکہ انفرادی کمپنیوں کی کارکردگی بہتر بنائی جاسکے اور اس شعبہ میں شفاف مسابقت کو یقینی بنایا جاسکے۔ غذائی تحفظ میں فریٹلائزر کا کردار انتہائی اہم ہے اور پاکستان کی اقتصادیات میں یہ کردار اور بھی اہم رہے گا لہذا تیز رفتار زرعی اصلاحات بنیادی اہمیت کی حامل ہیں۔

نسبتاً آسان قواعد و ضوابط والے سیکٹر کی ایک بہتر مثال ٹیلی کمیونیکیشن انفراسٹرکچر کا شعبہ ہے جس میں اینگر و کارپوریشن ایک اہم کمپنی، 'انڈیپنڈنٹ ٹاور کمپنی (ITC)' کی مالک اور اسے چلاتی ہے۔ کام کرتے ہوئے اور کمپنی نے پاکستان بھر میں اپنی موجودگی 4,143 سائٹوں تک پھیلا لی ہے اور اس سیکٹر میں رہنما کردار کی حامل ہے۔ کثیر القومی کارپوریشنوں کے انضمام کے سبب ٹاوروں کی تنصیب کا عمل سست روی کا شکار ہو گیا ہے تاہم کرایہ داروں کے بڑھنے کے روشن امکانات اس کی قدر میں اضافے کا اہم ذریعہ ثابت ہوں گے۔ اس کاروبار کا مستقبل ہمیں روشن دکھائی دیتا ہے۔

گزشتہ برس کی اسی مدت کی طرح ٹریڈ منٹل کے کاروبار نے رواں مالی سال کی تیسری سہ ماہی میں بھی مستحکم کارکردگی کا مظاہرہ کیا۔ اس کاروبار نے SSGC نیٹ ورک میں 163.5 bcf ری گیسفائیڈ ایل این جی فراہم کی جو ملک میں گیس کی کل سپلائی کا 15% ہے۔ ملک کے میکرو اکنامک ماحول میں (نسبتاً) استحکام آنے اور ایل سی کھولنے میں آسانیاں ہو جانے کے نتیجے میں معاشی سرگرمیوں کی شروعات کے سبب کیمیکل اسٹوریج ٹریڈ منٹل نے بہت زیادہ مقدار میں کیمیکل تیار کیا۔ چنانچہ ٹریڈ منٹل کا کاروبار اینگر و کے پورٹ فولیوں میں مستحکم کارکردگی کا مظاہرہ کرنے والا کاروبار ہے جو مقررہ نقدی کی صورت میں آمدنی دیتا ہے۔

## ڈائریکٹرز کی جائزہ رپورٹ

داؤد ہرکولیس کارپوریشن لمیٹڈ (کمپنی) کے ڈائریکٹرز نہایت مسرت کے ساتھ 30 ستمبر 2024 کو ختم ہونے والی نو ماہی مدت کے لئے اپنی رپورٹ کے ہمراہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### ماحول جس میں ہم نے کام کیا

گزشتہ سہ ماہی میں عالمی معیشت نے مسلسل بہتری کا مظاہرہ کیا۔ ضبط افراط زر، وسیع تر اقتصادی سرگرمیوں کے ماحول کی ترویج کے تناظر میں توانائی کی قیمتوں اور دنیا کی ترقی یافتہ ترین معیشتوں میں شرح سود میں مسلسل کمی دیکھنے میں آئی۔ یہ صورت حال خاص طور سے ابھرتی ہوئی (emerging) مارکیٹوں کیلئے ایک مثبت علامت ہے کیونکہ یہ ترقی پذیر معیشتوں میں رسک اٹھانے اور سرمایہ کاری کرنے کی خواہش کا مظہر ہے۔

تاہم لاگتوں پر موجود دباؤ میں کمی دراصل عالمی جغرافیائی سیاست خصوصاً مشرق وسطیٰ کے حالات کے پل صراط پر کھڑی ہے۔ (خدا نخواستہ) جنگ پھیل جانے کی صورت میں (خصوصاً) تیل کی سپلائی اور تجارتی سرگرمیوں میں بڑی رکاوٹ پیدا ہو جائیگی جو اقتصادی بہتری کو بھی برباد کر دے گی۔ مشرق وسطیٰ میں جاری جنگ نے ویسے تو خطے میں بسنے والے انسانوں کو براہ راست متاثر کیا ہے لیکن جنگ پھیل جانے کی صورت میں دنیا میں رہنے والے اربوں انسان اس کے اثرات سے متاثر ہوں گے۔ روس، یوکرین جنگ کے نتیجے میں دنیا جنگ کے اثرات دیکھ چکی ہے جب توانائی اور خوراک کی مارکیٹیں اٹھل پھل ہو گئی تھیں لہذا ضروری ہے کہ عالمی برادری مشرق وسطیٰ میں جاری جنگ کو پھیلنے سے روکنے کی کوششیں کرے۔

عالمی رجحان کی طرز پر پاکستان میں بھی اقتصادی اشاریے بہتری کا مظاہرہ کرتے رہے۔ مہنگائی کم ہو کر ایک ہندسے پر آگئی ہے جو زری پالیسی میں مزید سختی اور زرمبادلہ میں استحکام کا نتیجہ ہے؛ چنانچہ اسٹیٹ بینک آف پاکستان نے جولائی کے بعد پالیسی ریٹ میں 200bps کمی کر کے 17.5% مقرر کی۔ اگرچہ یہ بہتری قابل تعریف ہے تاہم پالیسی ریٹ اب بھی کافی زیادہ ہے جو سرمایہ کاری اور ایشیاے صرف کا استعمال بڑھانے میں ایک بڑی رکاوٹ ہے۔ آنے والے مہینوں میں سب کی نظریں پالیسی ریٹ پر رہیں گی۔

اس کے ساتھ ساتھ بیرون ملک سے ترسیلات میں اضافے، برآمدات سے ہونے والی آمدنیوں، اور کرنسی مارکیٹ میں کسی حد تک بہتری آنے سے پاکستان کے زرمبادلہ کے ذخائر میں اضافہ ہوا۔ مزید یہ کہ آئی ایم ایف کے ایکریڈیٹو بورڈ کی جانب سے نئے پیکیج (EFF یا Extended Fund Facility) کی پہلی قسط کے اجراء کے نتیجے میں پاکستان کے زرمبادلہ کے ذخائر بڑھ کر 10.7 بلین ڈالر تک پہنچے جو گزشتہ 30 مہینوں میں سب سے زیادہ ہیں۔

گزشتہ سہ ماہی میں ایک اہم واقعہ انڈیپنڈنٹ پاور پروڈیوسرز (IPPs) کے معاہدوں پر نظر ثانی کیا جانا تھا۔ توانائی کے شعبہ میں ایسے معاہدوں کو کم زور کرنے سے اس شعبہ میں مستقبل میں ہونے والی سرمایہ کاری پر سوالات پیدا ہو گئے ہیں خاص طور سے اس صورت میں کہ غیر مناسب منصوبہ بندی کی بدولت پرائیویٹ سیکٹر کو سارا بوجھ اٹھانا پڑ رہا ہے۔ یہ بات یاد رکھنے کی ہے کہ دنیا کے جن ممالک نے ترقی کی ہے وہ سرمائے اور معاہدوں کا احترام کر کے کی ہے۔ معاہدوں پر مذاکرات فی الوقت ضروری سمجھے جا رہے ہیں لیکن قومی ترقی میں حصہ دار پرائیویٹ سیکٹر کے ساتھ گفت و شنید میں معاہدہ کے ضمن میں کسی قسم کی زبردستی کرنے سے پہلے سوچنا چاہیے۔

**DAWOOD HERCULES CORPORATION LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM FINANCIAL**  
**STATEMENTS**

FOR THE NINE MONTHS PERIOD ENDED  
SEPTEMBER 30, 2024

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

	Note	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	39,932	44,485
Right-of-use assets		10,035	22,938
Investment properties		48,793	50,680
Long-term investments	6	<u>23,309,927</u>	<u>23,308,927</u>
		<b>23,408,687</b>	<b>23,427,030</b>
<b>CURRENT ASSETS</b>			
Advances, deposits and prepayment		13,747	11,301
Other receivables		138,841	101,972
Short-term investments	7	12,217,181	8,550,096
Cash and bank balances		55,502	33,123
		<u>12,425,271</u>	<u>8,696,492</u>
<b>TOTAL ASSETS</b>		<u><b>35,833,958</b></u>	<u><b>32,123,522</b></u>
<b>EQUITY</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital	8	<u>12,500,000</u>	<u>10,000,000</u>
Issued, subscribed and paid-up share capital		4,812,871	4,812,871
Revenue reserves		<u>26,025,075</u>	<u>23,760,295</u>
<b>TOTAL EQUITY</b>		<u><b>30,837,946</b></u>	<u><b>28,573,166</b></u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		-	7,870
Defined benefit liabilities		7,355	5,103
Deferred taxation		<u>1,017,424</u>	<u>213,490</u>
		<b>1,024,779</b>	<b>226,463</b>
<b>CURRENT LIABILITIES</b>			
Current portion of lease liabilities		13,541	20,002
Trade and other payables		48,504	79,491
Unclaimed dividend		981,463	901,814
Taxation - net		<u>2,927,725</u>	<u>2,322,586</u>
		<b>3,971,233</b>	<b>3,323,893</b>
<b>TOTAL LIABILITIES</b>		<u><b>4,996,012</b></u>	<u><b>3,550,356</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>35,833,958</b></u>	<u><b>32,123,522</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

**Kamran Hanif Jangda**  
Chief Financial Officer

**Mohammad Shamooun Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Note	<u>Quarter ended</u>		<u>Nine months period ended</u>	
		<b>September 30, 2024</b>	September 30, 2023 (Restated)	<b>September 30, 2024</b>	September 30, 2023 (Restated)
		----- (Rupees in '000) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Return on investments - net	10	<b>2,743,146</b>	1,760,531	<b>8,452,311</b>	11,872,596
Administrative expenses		<b>(59,832)</b>	(42,063)	<b>(174,202)</b>	(126,780)
		<b>2,683,314</b>	1,718,468	<b>8,278,109</b>	11,745,816
Other income - net		<b>15,516</b>	14,858	<b>46,931</b>	83,277
Operating profit		<b>2,698,830</b>	1,733,326	<b>8,325,040</b>	11,829,093
Finance cost		<b>(687)</b>	(8,902)	<b>(2,442)</b>	(327,154)
Profit before taxation and levy		<b>2,698,143</b>	1,724,424	<b>8,322,598</b>	11,501,939
Levy	2.4 & 11	<b>(124,505)</b>	(79,758)	<b>(257,214)</b>	(300,309)
<b>Profit after taxation</b>		<b>2,573,638</b>	1,644,666	<b>8,065,384</b>	11,201,630
Taxation	2.4 & 11	<b>(636,247)</b>	(276,592)	<b>(1,951,113)</b>	(3,195,314)
Profit after taxation		<b>1,937,391</b>	1,368,074	<b>6,114,271</b>	8,006,316
		------(Rupees)-----			
Earnings per share (Rupees) - basic and diluted	12	<b>4.03</b>	2.84	<b>12.70</b>	16.64

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

**Kamran Hanif Jangda**  
Chief Financial Officer

**Mohammad Shamooun Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME-(UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	<u>Quarter ended</u>		<u>Nine months period ended</u>	
	<b>September 30, 2024</b>	September 30, 2023	<b>September 30, 2024</b>	September 30, 2023
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Profit after taxation	<b>1,937,391</b>	1,368,074	<b>6,114,271</b>	8,006,316
<b>Other comprehensive income / (loss) for the period</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of post-retirement benefit liabilities	-	-	<b>806</b>	(564)
Total comprehensive income for the period	<u><b>1,937,391</b></u>	<u>1,368,074</u>	<u><b>6,115,077</b></u>	<u>8,005,752</u>

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

**Kamran Hanif Jangda**  
Chief Financial Officer

**Mohammad Shamooun Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director



# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	----- Revenue reserves -----				Total
	Issued, subscribed and paid up share capital	General reserve	Un-appro- priated profit	Sub-total	
----- (Rupees in '000) -----					
<b>Balance as at January 1, 2023</b>	4,812,871	700,000	21,371,883	22,071,883	26,884,754
<b>Total comprehensive income</b>					
Profit for the period	-	-	8,006,316	8,006,316	8,006,316
Other comprehensive loss	-	-	(564)	(564)	(564)
Total comprehensive income for the period	-	-	8,005,752	8,005,752	8,005,752
<b>Transaction with owners</b>					
1 <sup>st</sup> Interim cash dividend @ 150% for the year ended December 31, 2023 (Rs 15 per ordinary share)	-	-	(7,219,307)	(7,219,307)	(7,219,307)
2 <sup>nd</sup> Interim cash dividend @ 10% for the year ended December 31, 2023 (Rs 1 per ordinary share)	-	-	(481,287)	(481,287)	(481,287)
<b>Balance as at September 30, 2023 (Un-audited)</b>	4,812,871	700,000	21,677,041	22,377,041	27,189,912
<b>Balance as at January 1, 2024</b>	4,812,871	700,000	23,060,295	23,760,295	28,573,166
<b>Total comprehensive income</b>					
Profit for the period	-	-	6,114,271	6,114,271	6,114,271
Other comprehensive income	-	-	806	806	806
Total comprehensive income for the period	-	-	6,115,077	6,115,077	6,115,077
<b>Transaction with owners</b>					
1 <sup>st</sup> Interim cash dividend @ 50% for the year ending December 31, 2024 (Rs 5 per ordinary share)	-	-	(2,406,436)	(2,406,436)	(2,406,436)
2 <sup>nd</sup> Interim cash dividend @ 30% for the year ending December 31, 2024 (Rs 3 per ordinary share)	-	-	(1,443,861)	(1,443,861)	(1,443,861)
<b>Balance as at September 30, 2024 (Un-audited)</b>	4,812,871	700,000	25,325,075	26,025,075	30,837,946

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

**Kamran Hanif Jangda**  
Chief Financial Officer

**Mohammad Shamooun Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS - (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Note	<b><u>Nine months period ended</u></b>	
		<b>September 30, 2024</b>	September 30, 2023
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash utilised in operations	13	<b>(105,500)</b>	(31,686)
Finance costs paid		<b>(400)</b>	(471,262)
Taxes and levy paid		<b>(799,255)</b>	(1,831,558)
Defined benefit liabilities paid		<b>(1,846)</b>	(2,365)
Interest received on bank deposits and investments		<b>23,106</b>	23,286
Short-term investments purchased and redeemed - net		<b>(585,740)</b>	5,749,411
Dividends received		<b>5,264,084</b>	10,417,564
<b>Net cash generated from operating activities</b>		<b>3,794,449</b>	13,853,390
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(2,726)</b>	-
Sale proceeds from disposal of property, plant and equipment		<b>670</b>	1,588
Long-term investment made in DHPL		<b>(1,000)</b>	-
<b>Net cash (used in) / generated from investing activities</b>		<b>(3,056)</b>	1,588
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease rentals paid during the period		<b>(16,373)</b>	(9,923)
Dividends paid		<b>(3,770,648)</b>	(7,367,324)
<b>Net cash used in financing activities</b>		<b>(3,787,021)</b>	(7,377,247)
Net (decrease) / increase in cash and cash equivalents		<b>4,372</b>	6,477,731
Cash and cash equivalents at the beginning of the period		<b>51,130</b>	(6,459,981)
Cash and cash equivalents at the end of the period	14	<b>55,502</b>	17,750

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

**Kamran Hanif Jangda**  
Chief Financial Officer

**Mohammad Shamoan Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

## 1. THE COMPANY AND ITS OPERATIONS

- 1.1 Dawood Hercules Corporation Limited (the Company) was incorporated in Pakistan on April 17, 1968 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange (PSX). The principal activity of the Company is to manage investments including in its subsidiaries and associated companies. The registered office of the Company is situated at Dawood Center, M. T. Khan Road, Karachi and a liaison office is in Islamabad.
- 1.2 Based on the concept of 'control' as stipulated in the International Financial Reporting Standard (IFRS) - 10 'Consolidated Financial Statements', the Company continues to conclude that although the Company has less than 50% voting rights in Engro Corporation Limited (ECL), yet, based on the absolute size of the Company's shareholding, the relative size of other shareholdings and the number of representation on ECL's Board of Directors, the Company has the ability to exercise control over ECL. Accordingly, the Company is deemed to be the Holding Company of ECL.
- 1.3 These unconsolidated condensed interim financial statements are the separate financial statements of the Company in which investments in subsidiaries have been accounted for at cost less accumulated impairment losses, if any.
- 1.4 During the period, the Company, along with ECL and DH Partners Limited (DHPL) filed a petition in the Islamabad High Court in respect of a Scheme of Arrangement (the Scheme) under which it is envisaged that:
- (i) the Company shall be demerged into two legal entities whereby all its assets, liabilities and obligations other than its investment in shares of ECL as specified in the Scheme shall vest into DHPL against which DHPL shall issue its shares to the existing shareholders of the Company in the same proportion in which they hold shares in the Company;
  - (ii) shares held by the shareholders of ECL, other than the Company, ("the Transferred Shareholders") shall vest with and into the Company (i.e., ECL shall become a wholly owned subsidiary of the Company) in exchange whereof the Company shall issue shares in its share capital to the Transferred Shareholders in a proportion such that the Transferred Shareholders shall hold their present proportionate shareholding in ECL indirectly through the Company; and
  - (iii) name of the Company shall be changed to "Engro Holdings Limited".

On July 18, 2024, through its order, the IHC has sanctioned the Scheme. As per the Scheme, it shall become effective from January 1, 2025.

## 2. STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICY INFORMATION

- 2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- (a) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Act; and
  - (b) 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 accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the Company's unconsolidated audited financial statements for the year ended December 31, 2023, except relating to the matters stated in notes 2.3 and 2.4 below.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

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

2.4 **Amendments to published accounting and reporting standards and interpretation / guidance which became effective during the period ended September 30, 2024:**

There were certain amendments to accounting and reporting standards which became effective for the Company during the current period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements except that during the year, the Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these unconsolidated condensed interim financial statements. The effects of restatements are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
--	---	---	--

----- (Rupees in '000) -----

*Effect on condensed interim statement of profit or loss*

**For the quarter ended September 30, 2024**

Levy	-	124,505	124,505
Profit before taxation	2,698,143	(124,505)	2,573,638
Taxation	(760,752)	124,505	(636,247)
Profit after taxation	1,937,391	-	1,937,391

**For the quarter ended September 30, 2023**

Levy	-	79,758	79,758
Profit before taxation	1,724,424	(79,758)	1,644,666
Taxation	(356,350)	79,758	(276,592)
Profit after taxation	1,368,074	-	1,368,074

**For the nine months period ended September 30, 2024**

Levy	-	257,214	257,214
Profit before taxation	8,322,598	(257,214)	8,065,384
Taxation	(2,208,327)	257,214	(1,951,113)
Profit after taxation	6,114,271	-	6,114,271

**For the nine months period ended September 30, 2023**

Levy	-	300,309	300,309
Profit before taxation	11,501,939	(300,309)	11,201,630
Taxation	(3,495,623)	300,309	(3,195,314)
Profit after taxation	8,006,316	-	8,006,316

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after taxation and earnings per share, basic and diluted and the statement of financial position.

## 2.5 **New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company:**

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after January 1, 2025. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures both with applicability date of January 1, 2027 as per IASB. These standards will become part of the Company's financial reporting framework upon adoption by the Securities and Exchange Commission of Pakistan (SECP). The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective January 1, 2026. The Company's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

## 2.6 **Basis of preparation**

2.6.1 These unconsolidated condensed interim financial statements include the unconsolidated condensed statement of financial position as at September 30, 2024 and the unconsolidated condensed interim statement of profit or loss, the unconsolidated condensed interim statement of comprehensive income, the unconsolidated condensed interim statement of changes in equity, the unconsolidated condensed interim statement of cash flows and notes thereto for the nine months period then ended. These unconsolidated condensed interim financial statements also include the unconsolidated condensed interim statement of profit or loss and the unconsolidated condensed interim statement of comprehensive income for the quarter ended September 30, 2024.

2.6.2 The comparative statement of financial position presented in these unconsolidated condensed interim financial statements as at December 31, 2023 has been extracted from the December 31, 2023 unconsolidated financial statements. The comparative statement of profit or loss, statement of total comprehensive income, statement of changes in equity and statement of cash flows for the nine months period ended September 30, 2023 have been extracted from the unconsolidated condensed interim financial statements of the Company for the nine months period then ended.

2.6.3 These unconsolidated condensed interim financial statements should be read in conjunction with the unconsolidated audited financial statements of the Company for the year ended December 31, 2023 as these provide an update of previously reported information.

## 3. **MATERIAL ACCOUNTING POLICY INFORMATION**

3.1 The preparation of these condensed interim financial statements in conformity with approved accounting and reporting standards for interim reporting requires the use of certain accounting estimates. It also requires management to exercise its judgments 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 expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.2 During the preparation of these unconsolidated condensed interim financial statements, significant judgements made by management in applying the Company's accounting policies and key sources of estimation were the same as those applied in the December 2023 financial statements.

3.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the December 2023 unconsolidated financial statements.

## 4. **SEASONALITY OF OPERATIONS**

The principal activity of the Company is to manage investments including in its subsidiaries. Revenue of the Company mainly comprises dividend income which is dependent on the profitability and the decisions of directors and shareholders of the subsidiaries regarding the declaration and approval of dividends. Whereas the majority of costs of the Company are fixed and hence are more evenly spread throughout the year.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Note	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
----- (Rupees in '000) -----			
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets (WDV) opening balance - As at January 1		<b>44,485</b>	110,616
Additions during the period / year	5.1	<b>2,726</b>	191
		<b>47,211</b>	110,807
Disposals during the period / year (WDV)	5.2	<b>(237)</b>	(287)
Transfers to investment properties during the period / year (WDV)		<b>-</b>	(53,196)
Depreciation charge for the period / year		<b>(7,042)</b>	(12,839)
Operating fixed assets (WDV) - closing balance		<b>(7,279)</b>	(66,322)
		<b>39,932</b>	44,485
----- (Rupees in '000) -----			
<b>September 30, 2024 (Un-audited)</b>			
----- (Rupees in '000) -----			
5.1 Additions during the period		<b>165</b>	-
Vehicles		<b>746</b>	-
Furniture, fittings and equipment		<b>1,815</b>	-
Data processing equipment		<b>2,726</b>	-
5.2 Disposals during the period - net book value		<b>-</b>	7
Furniture, fittings and equipment		<b>219</b>	-
Vehicles		<b>18</b>	217
Data processing equipment		<b>237</b>	224
----- (Rupees in '000) -----			
<b>September 30, 2024 (Un-audited)</b>			
----- (Rupees in '000) -----			
<b>6. LONG-TERM INVESTMENTS</b>			
Investment in a subsidiary - at cost	6.1	<b>23,309,927</b>	23,308,927
Other investments - at fair value through profit or loss	6.2	<b>-</b>	-
		<b>23,309,927</b>	23,308,927
<b>6.1 Investment in a subsidiary - at cost</b>			
Engro Corporation Limited (ECL) - quoted 214,469,810 (December 31, 2023: 214,469,810) ordinary shares of Rs 10 each. Percentage of holding 39.97% (December 31, 2023: 39.97%)	6.1.1 & 6.1.2	<b>23,308,927</b>	23,308,927
DH Partners Limited (DHPL) - unquoted 100,000 (December 31, 2023: Nil) ordinary shares of Rs 10 each. Percentage of holding 100% (December 31, 2023: Nil)	6.1.3	<b>1,000</b>	-
		<b>23,309,927</b>	23,308,927

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

6.1.1 The market value of investment in ECL as at September 30, 2024 was Rs 65,139 million (December 31, 2023: Rs 63,249 million).

6.1.2 The details of shares pledged as security against various facilities are as follows:

Bank	As at September 30, 2024			As at December 31, 2023		
	Number of shares pledged	Face value of pledged shares	Market value of pledged shares	Number of shares pledged	Face value of pledged shares	Market value of pledged shares
	------(Rupees in '000) -----			------(Rupees in '000) -----		
<b>Pledged in favor of Fatima Fertilizer Company Limited against potential liabilities of DH Fertilizer Limited</b>						
Meezan Bank Limited - as agent (note 9.2)	-	-	-	10,491,800	104,918	3,094,137

6.1.3 As disclosed in note 1.4 to these unconsolidated condensed interim financial statements and pursuant to the Scheme of Arrangement, DHPL has been incorporated and registered under the Companies Act, 2017, as a public unlisted company and a wholly owned subsidiary of the Company. DHPL will also become listed on the Pakistan Stock Exchange (PSX) in due course.

	Note	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
----- (Rupees in '000) -----			
<b>6.2 Other investments - at fair value through profit or loss</b>			
e2e Business Enterprises (Private) Limited - unquoted [23,770,701 (December 31, 2023: 23,770,701) ordinary shares of Rs 10 each] Percentage of holding 39% (December 31, 2023: 39%)		<b>237,707</b>	237,707
Less: Accumulated impairment		<b>(237,707)</b>	(237,707)
		-	-

## 7. SHORT-TERM INVESTMENTS

### At amortized cost

Term Deposit Receipts (TDRs) 7.1 **18,007** 18,007

### At fair value through profit or loss

Mutual Funds	<b>549,510</b>	617,560
Quoted shares	<b>11,649,664</b>	7,914,529
	<b>12,199,174</b>	8,532,089
	<b>12,217,181</b>	8,550,096

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

7.1 These carry profit at the rate of 19.90% per annum (December 31, 2023: 17.45% per annum). The TDR is due to mature on March 12, 2025. The bank has marked lien over this TDR against Corporate Credit Card facilities.

## 8. AUTHORISED SHARE CAPITAL

During the period ended September 30, 2024 and in pursuance of the matter stated in note 1.4 of these unconsolidated condensed interim financial statements, the authorized share capital of the Company has been increased from Rs 10 billion, divided into 1 billion ordinary shares of Rs 10 each to Rs 12.5 billion, divided into 1.25 billion ordinary shares of Rs 10 each. The new 250 million ordinary shares of Rs 10 each shall rank pari passu in every respect with the existing ordinary shares of the Company.

## 9. CONTINGENCIES AND COMMITMENTS

9.1 There has been no significant change in the status of matters stated in notes 19.1 and 19.2 to the unconsolidated audited financial statements for the year ended December 31, 2023 except for the matter disclosed in note 9.2 below.

9.2 During the period ended September 30, 2024, the Company has replaced all pledged shares of Engro Corporation Limited (ECL), previously held as collateral for guarantees in favor of DH Fertilizer Limited (DHFL, now Fatima Fertilizer Company Limited - FFCL) with alternative security provided by Dawood Investments (Private) Limited (DIPL), an associated company. These guarantees were related to potential tax and WWF liabilities up to June 30, 2015 as disclosed in note 19.1.1 to the December 2023 financial statements. This replacement is pursuant to the scheme of arrangement as disclosed in note 1.4 to these unconsolidated condensed interim financial statements.

DIPL has pledged 21.625 million shares of its investment in the Company with Meezan Bank Limited as agent on behalf of FFCL.

The Company, DIPL, and FFCL have agreed that the terms of the Share Pledge and Escrow Agreement, including provisions for the release of pledged shares, will apply mutatis mutandis to these alternate shares i.e., shares of DHCL.

	Note	Quarter ended		Nine months period ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
		(Un-audited)		(Un-audited)	
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>10. RETURN ON INVESTMENTS - net</b>					
Dividend income	10.1	<b>1,955,221</b>	747,969	<b>5,274,164</b>	10,431,514
Interest income	10.2	<b>8,417</b>	3,697	<b>22,602</b>	15,232
Others	10.3	<b>779,508</b>	1,008,865	<b>3,155,545</b>	1,425,850
		<b>2,743,146</b>	1,760,531	<b>8,452,311</b>	11,872,596
<b>10.1 Dividend income</b>					
Subsidiary - Engro Corporation Limited		<b>1,715,758</b>	428,940	<b>4,503,866</b>	9,222,202
Other investments		<b>239,463</b>	319,029	<b>770,298</b>	1,209,312
		<b>1,955,221</b>	747,969	<b>5,274,164</b>	10,431,514
<b>10.2 Interest income</b>					
- Income on T-Bills / PIBs		<b>462</b>	-	<b>462</b>	3,466
- Return on TDRs		<b>903</b>	810	<b>2,575</b>	2,066
- Profit on savings accounts		<b>7,052</b>	2,887	<b>19,565</b>	9,700
		<b>8,417</b>	3,697	<b>22,602</b>	15,232
<b>10.3 Others</b>					
Gain / (loss) on sale of quoted shares		<b>(98,398)</b>	(284,397)	<b>(92,813)</b>	(984,231)
Gain on sale of mutual funds units		<b>781</b>	7,242	<b>32,623</b>	7,242
Unrealised gain on quoted shares		<b>864,443</b>	1,283,006	<b>3,202,566</b>	2,399,825
Unrealised gain on mutual funds		<b>12,682</b>	3,014	<b>13,169</b>	3,014
		<b>779,508</b>	1,008,865	<b>3,155,545</b>	1,425,850



# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Note	<u>Quarter ended</u>		<u>Nine months period ended</u>	
		<b>September 30, 2024</b>	September 30, 2023 (Restated)	<b>September 30, 2024</b>	September 30, 2023 (Restated)
		<b>(Un-audited)</b>		<b>(Un-audited)</b>	
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>11. LEVY AND TAXATION</b>					
Levy	11.1	<b>124,505</b>	79,758	<b>257,214</b>	300,309
Taxation	11.2	<b>636,247</b>	276,592	<b>1,951,113</b>	3,195,314
Total levy and tax charged		<b>760,752</b>	356,350	<b>2,208,327</b>	3,495,623

11.1 This represents final taxes paid under section 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

## 11.2 Taxation

Current					
- for the period		<b>416,966</b>	116,216	<b>1,147,179</b>	2,340,568
- for the prior period		-	-	-	522,323
		<b>416,966</b>	116,216	<b>1,147,179</b>	2,862,891
Deferred		<b>219,281</b>	160,376	<b>803,934</b>	332,423
		<b>636,247</b>	276,592	<b>1,951,113</b>	3,195,314

## 12. EARNINGS PER SHARE

Profit for the period after levy & taxation		<b>1,937,391</b>	1,368,074	<b>6,114,271</b>	8,006,316
		----- (Number of shares in '000) -----			
Weighted average number of ordinary shares outstanding during the period		<b>481,287,116</b>	481,287,116	<b>481,287,116</b>	481,287,116
		----- (Rupees) -----			
Earning per share - basic and diluted		<b>4.03</b>	2.84	<b>12.70</b>	16.64

12.1 There were no convertible dilutive potential ordinary shares outstanding as at September 30, 2024 and September 30, 2023.

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Note	<b><u>Nine months period ended</u></b>	
		<b>September 30, 2024</b>	September 30, 2023 (Restated) (Un-audited)
		----- (Rupees in '000) -----	
<b>13. CASH (UTILISED IN) / GENERATED FROM OPERATIONS</b>			
Profit before taxation		<b>8,065,384</b>	11,201,630
<i>Adjustments for non cash expenses and other items:</i>			
Levy		<b>257,214</b>	300,309
Depreciation on property, plant and equipment		<b>7,042</b>	11,842
Depreciation on right-of-use assets		<b>12,903</b>	8,602
Depreciation on investment properties		<b>1,887</b>	-
Write-off of capital work-in-progress		-	1,921
Finance costs		<b>2,442</b>	327,154
Provision for employees' retirement and other service benefits		<b>4,904</b>	3,365
Return on investments		<b>(8,452,311)</b>	(11,872,596)
Gain on disposal of property, plant & equipment		<b>(433)</b>	(1,364)
Working capital changes	13.1	<b>(4,532)</b>	(12,549)
Cash utilised in operations		<b>(105,500)</b>	(31,686)
<b>13.1 Working capital changes</b>			
(Increase) / decrease in current assets			
Advances, deposits and prepayment		<b>(2,446)</b>	(3,366)
Other receivables		<b>28,901</b>	(9,464)
		<b>26,455</b>	(12,830)
(Decrease) / increase in trade and other payables		<b>(30,987)</b>	281
		<b>(4,532)</b>	(12,549)
<b>14. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>55,502</b>	17,750
		<b>55,502</b>	17,750
<b>15. FINANCIAL RISK MANAGEMENT AND FINANCIAL DISCLOSURES</b>			
<b>15.1 Financial risk factors</b>			
<p>The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk.</p> <p>These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at December 31, 2023. There have been no changes in any risk management policies since the year end.</p>			
<b>15.2 Fair value of financial assets and liabilities</b>			
<p>Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying value and the fair value estimates.</p>			

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

- Level I: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level II: Valuation techniques based on observable inputs, either directly (i.e. market prices) or indirectly (i.e. derived from prices).
- Level III: Valuation techniques using significant un-observable inputs.

The fair value of the Company's short term investments carried at fair value as disclosed in note 7 is based on quoted price of shares at the PSX (Level I) while for mutual funds, it is based on net asset value (Level II). The carrying value of all other financial assets and liabilities reflected in these unconsolidated condensed interim financial statements approximate their fair values.

During the period, there were no transfers between level 1, level 2 and level 3 fair value measurements.

## 16. RELATED PARTY TRANSACTIONS

16.1 The related parties comprise subsidiaries, associated companies, related group companies, key management personnel (KMP) / directors of the Company, companies in which directors are interested, staff retirement benefits and close members of the family of KMP. The Company, in the normal course of business, carries out transactions with various related parties on mutually agreed terms.

16.2 Transactions with related parties are as follows:

	<b>September 30, 2024 (Un-audited)</b>	September 30, 2023 (Un-audited)
	----- (Rupees in '000) -----	
<b>Subsidiary Companies</b>		
Dividend income	<b>4,503,866</b>	9,235,850
Sale of services	<b>39,712</b>	76,650
Reimbursement of expenses made by the Company	<b>38,243</b>	3,005
Advances and deposits	-	29,550
Investment made	<b>1,000</b>	104,938
Investment sold	-	104,938
<b>Associated companies and undertakings</b>		
Dividend paid	<b>1,155,048</b>	2,310,095
Purchase of services	<b>17,092</b>	15,939
Reimbursement of expenses made by associates	<b>92,966</b>	83,334
Reimbursement of expenses made to associates	<b>15,255</b>	4,969
Donation	<b>437</b>	463
Accrued markup on loan / Markup on delayed payment	<b>6,579</b>	5,251
<b>Other related parties</b>		
Purchase of services	-	
Member Subscription and other fee	<b>2,500</b>	563
Contribution to staff gratuity fund	<b>2,931</b>	2,500
Contribution to staff provident fund	<b>5,276</b>	2,652
		4,741
<b>Key management personnel</b>		
Salaries and other short-term employee benefits	<b>42,670</b>	41,983
Post retirement benefit plans	<b>4,057</b>	3,458
Director's fee	<b>8,000</b>	8,000
Disposal of vehicle to key management personnel (net book value)	<b>72</b>	930

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

## 17. GENERAL

17.1 All financial information, except as otherwise stated, has been rounded to the nearest thousand Pakistan rupees.

17.2 These unconsolidated condensed interim financial statements have been authorised for issue by the Board of Directors on October 29, 2024.

17.3 The Board of Directors in its meeting held on October 29, 2024 declared an interim cash dividend of Rs 2.5 per share amounting to Rs 1,203.218 million for the quarter ended September 30, 2024 (Rs 2 per share amounting to Rs 962.574 million for the quarter ended September 30, 2023). These unconsolidated condensed interim financial statements do not recognise this interim dividend as deduction from unappropriated profit as it has been declared subsequent to the reporting date.

**Kamran Hanif Jangda**  
Chief Financial Officer

**Mohammad Shamoony Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

**DAWOOD HERCULES CORPORATION LIMITED**

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

FOR THE NINE MONTHS PERIOD ENDED  
SEPTEMBER 30, 2024

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

		<b>Consolidated</b>	
	Note	<b>September 30, 2024</b>	December 31, 2023
		<b>(Un-audited)</b>	(Restated) (Audited)
		----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	<b>194,103,173</b>	339,373,902
Right-of-use assets		<b>12,513,220</b>	13,142,135
Intangible assets		<b>6,029,472</b>	6,530,945
Long-term investments		<b>30,303,973</b>	34,485,322
Financial assets at amortized cost		<b>4,421,527</b>	1,051,611
Derivative financial instruments		<b>607,908</b>	963,207
Net investment in leases		<b>49,850,802</b>	56,961,334
Long-term loans, advances, deposits and other receivables		<b>5,425,780</b>	4,925,619
		<b>303,255,855</b>	457,434,075
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		<b>13,426,811</b>	12,939,358
Stock-in-trade		<b>61,428,360</b>	33,736,767
Trade debts		<b>14,195,068</b>	75,497,556
Loans, advances, deposits and prepayments		<b>19,324,537</b>	9,551,732
Other receivables		<b>21,885,545</b>	50,184,492
Accrued Income		<b>174,590</b>	4,396,241
Contract assets		<b>-</b>	16,880,213
Current portion of net investment in leases		<b>8,321,962</b>	7,887,464
Short term investments		<b>69,718,782</b>	78,630,124
Cash and bank balances		<b>19,451,073</b>	67,128,803
		<b>227,926,728</b>	356,832,750
Assets classified as held for sale		<b>276,453,682</b>	1,525,396
<b>TOTAL ASSETS</b>		<b>807,636,265</b>	815,792,221

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

	Note	September 30, 2024 (Un-audited)	December 31, 2023 (Restated) (Audited)
----- (Rupees in '000) -----			
<b>EQUITY</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital	6	<b>12,500,000</b>	10,000,000
Issued, subscribed and paid-up share capital		<b>4,812,871</b>	4,812,871
Reserves		<b>64,279,624</b>	61,378,540
		<b>69,092,495</b>	66,191,411
Non-controlling interest		<b>154,782,248</b>	168,762,578
<b>TOTAL EQUITY</b>		<b>223,874,743</b>	234,953,989
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		<b>61,544,780</b>	162,072,043
Government grant		<b>1,613,068</b>	2,020,187
Deferred taxation		<b>4,400,801</b>	16,809,752
Lease liabilities		<b>62,515,804</b>	66,785,160
Deferred liabilities		<b>994,054</b>	4,457,982
		<b>131,068,507</b>	252,145,124
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>111,197,468</b>	182,915,947
Accrued interest / mark-up		<b>2,909,069</b>	2,807,643
Current portion of :			
- borrowings		<b>11,364,197</b>	28,580,236
- Government grant		<b>452,651</b>	452,387
- lease liabilities		<b>10,803,661</b>	10,637,203
- deferred liabilities		<b>575,190</b>	626,493
Taxation - Net		<b>15,069,932</b>	15,713,564
Provisions		<b>26,802,595</b>	27,153,499
Contract liabilities		-	14,427,927
Short term borrowings		<b>48,059,095</b>	31,639,719
Unclaimed dividend		<b>1,857,987</b>	13,738,490
		<b>229,091,845</b>	328,693,108
Liabilities classified as held for sale		<b>223,601,170</b>	-
<b>TOTAL LIABILITIES</b>		<b>583,761,522</b>	580,838,232
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>807,636,265</b>	815,792,221

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.

**Kamran Hanif Jangda**  
Chief Financial Officer

**Mohammad Shamoan Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Note	Quarter ended		Nine months period ended	
		September 30, 2024	September 30, 2023 (Restated)	September 30, 2024	September 30, 2023 (Restated)
----- (Rupees in '000) -----					
<b>CONTINUING OPERATIONS</b>					
Net sales		<b>100,129,634</b>	102,694,456	<b>279,018,279</b>	249,855,626
Cost of sales		<b>(75,660,701)</b>	(71,566,138)	<b>(219,267,350)</b>	(179,636,339)
Gross profit		<b>24,468,933</b>	31,128,318	<b>59,750,929</b>	70,219,287
Selling and distribution expenses		<b>(1,446,718)</b>	(2,786,520)	<b>(6,564,868)</b>	(6,821,711)
Administrative expenses		<b>(3,220,592)</b>	(2,487,858)	<b>(10,506,102)</b>	(7,976,718)
Loss allowance on subsidy receivable from GoP		<b>464,412</b>	1,264	<b>699,703</b>	(503,081)
		<b>20,266,035</b>	25,855,204	<b>43,379,662</b>	54,917,777
Other income		<b>4,058,934</b>	3,630,950	<b>14,138,348</b>	11,147,469
Other operating expenses		<b>(1,325,353)</b>	(2,391,971)	<b>(3,577,724)</b>	(6,097,150)
Finance cost		<b>(5,668,920)</b>	(4,029,419)	<b>(15,197,696)</b>	(12,465,136)
Share of income from associates & joint ventures		<b>591,237</b>	577,798	<b>1,859,339</b>	1,648,528
<b>Profit before taxation and levy</b>		<b>17,921,933</b>	23,642,562	<b>40,601,929</b>	49,151,488
Levy		<b>(1,190,263)</b>	(1,112,568)	<b>(3,286,200)</b>	(3,206,442)
<b>Profit before taxation</b>		<b>16,731,670</b>	22,529,994	<b>37,315,729</b>	45,945,046
Taxation		<b>(6,977,583)</b>	(8,913,269)	<b>(16,588,486)</b>	(26,909,927)
<b>Profit from continuing operations</b>		<b>9,754,087</b>	13,616,725	<b>20,727,243</b>	19,035,119
<b>DISCONTINUED OPERATIONS</b>					
Profit from discontinued operations		<b>746,045</b>	9,770,479	<b>3,599,888</b>	24,072,136
<b>Profit for the period</b>		<b>10,500,132</b>	23,387,204	<b>24,327,131</b>	43,107,255
Profit attributable to:					
- Owners of the Holding Company		<b>2,468,016</b>	5,824,503	<b>6,359,257</b>	7,978,160
- Non-controlling interest		<b>8,032,116</b>	17,562,701	<b>17,967,874</b>	35,129,095
		<b>10,500,132</b>	23,387,204	<b>24,327,131</b>	43,107,255
<b>Earnings per share (Rupees)</b>					
- basic and diluted	8				
- Continuing operations		<b>5.18</b>	9.47	<b>12.12</b>	5.71
- Discontinued operations		<b>(0.06)</b>	2.63	<b>1.09</b>	10.86
		<b>5.12</b>	12.10	<b>13.21</b>	16.57

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.

Kamran Hanif Jangda  
Chief Financial Officer

Mohammad Shamoony Chaudry  
Chief Executive Officer

Muhammed Amin  
Director



# CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Quarter ended		Nine months period ended	
	September 30, 2024	September 30, 2023 (Restated)	September 30, 2024	September 30, 2023 (Restated)
	----- (Rupees in '000) -----			
Profit for the period	10,500,132	23,387,204	24,327,131	43,107,255
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
<b>Hedging reserve - cash flow hedges</b>				
Profit / (loss) arising during the period	(125,541)	188,259	(355,300)	517,561
<b>Revaluation reserve on business combination</b>				
Exchange differences on translation of foreign operations	(8,016)	(4,307)	(53,722)	798,132
Continuing operations' (loss) / gain on remeasurement of long-term investments classified at fair value through other comprehensive income	1,151,003	(750,133)	1,382,801	(1,477,041)
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurement of post employment benefits obligation	-	-	806	(564)
Loss on remeasurement of long-term investments classified at fair value through other comprehensive income	19,166	(7,500)	5,250	(21,999)
<b>Other comprehensive income for the period - net of tax</b>	1,036,612	(573,681)	979,835	(183,911)
<b>Total comprehensive income for the period</b>	<b>11,536,744</b>	<b>22,813,523</b>	<b>25,306,966</b>	<b>42,923,344</b>
<b>Total comprehensive income attributable to:</b>				
- Continuing operations	10,790,699	13,043,044	21,707,078	18,851,208
- Discontinued operations	746,045	9,770,479	3,599,888	24,072,136
	<b>11,536,744</b>	<b>22,813,523</b>	<b>25,306,966</b>	<b>42,923,344</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Holding Company	2,882,350	5,595,203	6,751,381	7,904,312
- Non-controlling interest	8,654,394	17,218,320	18,555,585	35,019,032
	<b>11,536,744</b>	<b>22,813,523</b>	<b>25,306,966</b>	<b>42,923,344</b>

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.

Kamran Hanif Jangda  
Chief Financial Officer

Mohammad Shamooun Chaudry  
Chief Executive Officer

Muhammed Amin  
Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Attributable to owners of the Holding Company										Sub total	Non-Con-rolling Interest	Total
	Share capital	Capital reserves				Revenue reserves							
	Revaluation reserve on business combination	Maintenance reserve	Other equity	Exchange revaluation reserve	Hedging reserve	Remeasure-ment of investments	General reserve	Un-appropri-ated profit	Remeasure-ment of post employment benefits - Actuarial gain / (loss)				
	(Rupees in '000)												
<b>Balance as at December 31, 2022 (audited) / January 01, 2023</b>	4,812,871	1,665	60,117	-	601,674	259,838	(322,661)	700,000	64,115,162	(66,652)	65,349,143	178,498,202	248,660,216
Effect of retrospective application of change in accounting policy (note 4.3)	-	-	-	-	-	-	-	-	346,406	-	346,406	1,201,208	1,547,614
<b>Balance as at January 1, 2023 - Restated</b>	<b>4,812,871</b>	<b>1,665</b>	<b>60,117</b>	<b>-</b>	<b>601,674</b>	<b>259,838</b>	<b>(322,661)</b>	<b>700,000</b>	<b>64,461,568</b>	<b>(66,652)</b>	<b>65,695,549</b>	<b>179,699,410</b>	<b>250,207,830</b>
<b>Total comprehensive income / (loss) for the nine months period ended September 30, 2023 (un-audited)</b>													
Profit for the period - restated	-	-	-	-	-	-	-	-	7,978,160	-	7,978,160	35,129,095	43,107,255
Other comprehensive income	-	-	-	319,013	206,869	(599,166)	-	-	(564)	(73,848)	(73,848)	(110,063)	(183,911)
Own shares purchased by Engro Corporation for cancellation	-	-	-	319,013	206,869	(599,166)	-	-	(564)	(4,328,426)	7,904,312	35,019,032	42,923,344
	-	-	-	-	-	-	-	-	-	(4,328,426)	(4,328,426)	(7,300,876)	(11,629,302)
<b>Transaction with owners</b>													
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(23,512,268)	(23,512,268)
1st interim cash dividend @150% for the year ended December 31, 2023 (Rs 15 per share)	-	-	-	-	-	-	-	-	(7,219,307)	-	(7,219,307)	-	(7,219,307)
2nd interim cash dividend @150% for the year ended December 31, 2023 (Rs 1 per share)	-	-	-	-	-	-	-	-	(481,287)	-	(481,287)	-	(481,287)
	-	-	-	-	-	-	-	-	(7,700,594)	-	(7,700,594)	(23,512,268)	(31,212,862)
<b>Balance as at September 30, 2023 (un-audited) - Restated</b>	<b>4,812,871</b>	<b>1,665</b>	<b>60,117</b>	<b>-</b>	<b>920,687</b>	<b>466,707</b>	<b>(921,827)</b>	<b>700,000</b>	<b>64,739,134</b>	<b>(67,216)</b>	<b>65,899,267</b>	<b>191,206,174</b>	<b>261,918,312</b>
<b>Balance as at December 31, 2023 (audited) / January 01, 2024</b>	4,812,871	1,665	258,607	(3,932,955)	854,909	341,086	(524,630)	700,000	63,277,411	(57,912)	60,918,181	167,166,220	232,897,272
Effect of retrospective application of change in accounting policy (note 4.3)	-	-	-	-	-	-	-	-	460,359	-	460,359	1,596,358	2,056,717
<b>Balance as at January 1, 2024 - Restated</b>	<b>4,812,871</b>	<b>1,665</b>	<b>258,607</b>	<b>(3,932,955)</b>	<b>854,909</b>	<b>341,086</b>	<b>(524,630)</b>	<b>700,000</b>	<b>63,737,770</b>	<b>(57,912)</b>	<b>61,378,540</b>	<b>168,762,578</b>	<b>234,953,989</b>
<b>Total Comprehensive income / (loss) for the nine months ended September 30, 2024 (un-audited)</b>													
Profit for the period	-	-	-	-	-	-	-	-	6,359,257	-	6,359,257	17,967,874	24,327,131
Other comprehensive income	-	-	-	(21,473)	(142,013)	554,804	-	-	806	392,124	392,124	587,711	979,835
	-	-	-	(21,473)	(142,013)	554,804	-	-	806	6,359,257	6,751,381	18,555,585	25,306,966
<b>Transaction with owners</b>													
Dividend by subsidiaries allocable to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(32,535,915)	(32,535,915)
1st interim cash dividend @50% for the year ending December 31, 2024 (Rs 5 per share)	-	-	-	-	-	-	-	-	(2,406,436)	-	(2,406,436)	-	(2,406,436)
2nd interim cash dividend @50% for the year ending December 31, 2024 (Rs 3 per share)	-	-	-	-	-	-	-	-	(1,443,861)	-	(1,443,861)	-	(1,443,861)
	-	-	-	-	-	-	-	-	(3,850,297)	-	(3,850,297)	(32,535,915)	(36,386,212)
<b>Balance as at September 30, 2024 (un-audited)</b>	<b>4,812,871</b>	<b>1,665</b>	<b>258,607</b>	<b>(3,932,955)</b>	<b>833,436</b>	<b>199,073</b>	<b>30,174</b>	<b>700,000</b>	<b>66,246,730</b>	<b>(57,106)</b>	<b>64,279,624</b>	<b>154,782,248</b>	<b>223,874,743</b>

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.

Kamran Hanif Jangda  
Chief Financial Officer

Mohammad Shamoony Chaudry  
Chief Executive Officer

Muhammed Amin  
Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Note	Nine months period ended	
		September 30, 2024	September 30, 2023 (Restated)
----- (Rupees in '000) -----			
<b>Cash flows from operating activities</b>			
Cash generated from operations	9	42,193,716	119,617,346
Retirement and other service benefits paid		(140,113)	(171,500)
Finance cost paid		(27,924,389)	(24,405,164)
Taxes and levy paid		(33,196,881)	(26,916,411)
Proceeds from net investment in lease		6,762,932	5,238,495
Finance income received on net investment in lease		5,328,903	5,756,625
Deferred incentive		(53,934)	439,058
Long term loans and advances - net		308,470	90,763
Bank balance held as margin		-	(1,053,243)
Net cash (used in) / generated from operating activities		<b>(6,721,296)</b>	78,595,969
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment (PPE)		(18,517,448)	(25,685,609)
Sale proceeds on disposal of PPE		3,186,296	294,746
Payment for acquisition of shares of DHPL		(1,000)	-
Income on deposits / other financial assets		16,502,233	13,179,254
Short term investment purchased and redeemed - net		11,606,309	32,947,650
Dividends received		10,676,732	2,736,500
Net cash generated from investing activities		<b>23,453,122</b>	23,472,541
<b>Cash flows from financing activities</b>			
Repayment of borrowings - net		(3,896,762)	(12,885,002)
Repayment of lease liability		(3,783,315)	(5,740,128)
Finance cost paid on lease liability		(3,456,824)	(4,189,504)
Payment for own shares purchased for cancellation		-	(11,629,302)
Dividends paid		(46,877,098)	(28,819,394)
Net cash used in financing activities		<b>(58,013,999)</b>	(63,263,330)
Net (decrease) / increase in cash and cash equivalents		<b>(41,282,173)</b>	38,805,180
Effect of exchange rate changes on cash and cash equivalents		<b>(246,251)</b>	3,074,282
Cash and cash equivalents at beginning of the period		<b>46,760,981</b>	18,906,710
Cash and cash equivalents at end of the period	10	<b>5,232,557</b>	60,786,172

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.

**Kamran Hanif Jangda**  
Chief Financial Officer

**Mohammad Shamooun Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

## 1. LEGAL STATUS AND OPERATIONS

1.1 Dawood Hercules Corporation Limited (the Holding Company) was incorporated in Pakistan on April 17, 1968 as a public limited company under the Companies Act 1913 (now Companies Act, 2017) (the Act) and its shares are quoted on Pakistan Stock Exchange Limited (the PSX). The principal activity of the Company is to manage investments including in its subsidiary and associated companies. The registered office of the Holding Company is situated at Dawood Center, M.T. Khan Road, Karachi and a liaison office is in Islamabad.

1.2 The "Group" consists of:

**Ultimate Parent Company:** Dawood Hercules Corporation Limited;

**Holding Company:** Dawood Hercules Corporation Limited;

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

	<b>Percentage of direct holding %</b>	
	<b>September 30, 2024</b>	<b>December 31, 2023</b>
- Engro Corporation Limited (ECL)	39.97	39.97
- DH Partners Limited (DHPL) (note 1.3 and 1.4)	100.00	-

1.3 During the period, the Holding Company, along with ECL and DHPL filed a petition in the Islamabad High Court in respect of a Scheme of Arrangement (the Scheme) under which it is envisaged that:

- the Holding Company shall be demerged into two legal entities whereby all its assets, liabilities and obligations other than its investment in shares of ECL as specified in the Scheme shall vest into DHPL against which DHPL shall issue its shares to the existing shareholders of the Holding Company in the same proportion in which they hold shares in the Holding Company;
- shares held by the shareholders of ECL, other than the Holding Company, ("the Transferred Shareholders") shall vest with and into the Holding Company (i.e., ECL shall become a wholly owned subsidiary of the Holding Company) in exchange whereof the Holding Company shall issue shares in its share capital to the Transferred Shareholders in a proportion such that the Transferred Shareholders shall hold their present proportionate shareholding in ECL indirectly through the Holding Company; and
- name of the Holding Company shall be changed to "Engro Holdings Limited".

On July 18, 2024, through its order, the IHC has sanctioned the Scheme. As per the Scheme, it shall become effective from January 1, 2025.

1.4 As disclosed in note 1.3 above and pursuant to the Scheme of Arrangement, DHPL has been incorporated and registered under the Companies Act, 2017, as a public unlisted company and a wholly owned subsidiary of the Holding Company. DHPL will also become listed on the Pakistan Stock Exchange (PSX) in due course.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

1.5 **Other Subsidiary Companies:** Companies in which ECL owns over 50% of voting rights, or companies directly controlled by the ECL:

	<b>Percentage of direct holding %</b>	
	<b>September 30, 2024</b>	December 31, 2023
- Engro Energy Limited	100	100
- Engro Eximp Agriproducts (Private) Limited	100	100
- Engro Connect (Private) Limited	100	100
- Engro Eximp FZE	100	100
- Engro Infiniti (Private) Limited	-	100
- Engro Fertilizers Limited	56.27	56.27
- Engro Polymer and Chemicals Limited	56.19	56.19
- Elengy Terminal Pakistan Limited	56	56
- Thermal Vision (Private) Limited	100	100
<b>Joint Venture Company:</b>		
- Engro Vopak Terminal Limited	50	50
<b>Associated Company:</b>		
- FrieslandCampina Engro Pakistan Limited	39.9	39.9

## 2. BASIS FOR PREPARATION

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

2.3 During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that apply to the consolidated financial statements of the Group for the year ended December 31, 2023.

2.4 These consolidated condensed interim financial statements do not include all the information required for consolidated annual financial statements and therefore should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended December 31, 2023.

## 3. BASIS OF CONSOLIDATION

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

- 3.2 Non-controlling interest has been presented as a separate item in these consolidated condensed interim financial statements. All material intercompany balances and transactions have been eliminated.
- 3.3 The Group's interest in jointly controlled and associated entity i.e. Engro Vopak Terminal Limited and FrieslandCampina Engro Pakistan Limited has been accounted for using the equity method.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION AND CHANGES THEREIN

- 4.1 The material accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of audited annual consolidated financial statements of the Group for the year ended December 31, 2023 except relating to the matters stated in notes 4.2 and 4.3 below.
- 4.2 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- 4.3 **Amendments to published accounting and reporting standards and interpretation / guidance which became effective during the period ended September 30, 2024:**

There were certain amendments to accounting and reporting standards which became effective for the Group during the current period. However, these do not have any significant impact on the Group's financial reporting and, therefore, have not been detailed in these condensed interim financial statements except that during the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Group has changed its accounting policy to recognise minimum and final taxes as 'levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Group has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these consolidated condensed interim financial statements. The effects of restatements are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----- (Rupees in '000) -----		
<i>Effect on consolidated condensed interim statement of financial position</i>			
<b>As at September 30, 2024</b>			
Deferred tax liability	6,602,641	(2,201,840)	4,400,801
Unappropriated profit	65,753,888	492,842	66,246,730
Non-controlling interest	153,073,250	1,708,998	154,782,248
<b>As at December 31, 2023</b>			
Deferred tax liability	18,866,469	(2,056,717)	16,809,752
Unappropriated profit	63,277,411	460,359	63,737,770
Non-controlling interest	167,166,220	1,596,358	168,762,578

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----- (Rupees in '000) -----		
<b>As at December 31, 2022</b>			
Deferred tax liability	13,395,214	(1,547,614)	11,847,600
Unappropriated profit	64,115,162	346,406	64,461,568
Non-controlling interest	178,498,202	1,201,208	179,699,410
<i>Effect on consolidated condensed interim statement of profit or loss</i>			
<b>For the quarter ended September 30, 2024</b>			
Levy	-	(941,253)	(941,253)
Profit before taxation	17,921,933	(1,190,263)	16,731,670
Taxation	(8,167,846)	1,190,263	(6,977,583)
Profit after taxation	9,754,087	-	9,754,087
<b>For the quarter ended September 30, 2023</b>			
Levy	-	(953,052)	(953,052)
Profit before taxation	23,642,562	(1,112,568)	22,529,994
Taxation	(10,025,837)	1,112,568	(8,913,269)
Profit after taxation	13,616,725	-	13,616,725
<b>For the nine months period ended September 30, 2024</b>			
Levy	-	(2,771,772)	(2,771,772)
Profit before taxation	40,601,929	(3,286,200)	37,315,729
Taxation	(19,874,686)	3,286,200	(16,588,486)
Profit after taxation	20,727,243	-	20,727,243
<b>For the nine months period ended September 30, 2023</b>			
Levy	-	(2,605,824)	(2,605,824)
Profit before taxation	49,151,488	(3,206,442)	45,945,046
Taxation	(30,116,369)	3,206,442	(26,909,927)
Profit after taxation	19,035,119	-	19,035,119

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

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

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	<b>September 30, 2024 (Un-audited)</b>	December 31, 2023 (Audited)
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
	----- (Rupees in '000) -----	
Operating assets, at net book value	<b>153,778,012</b>	301,893,784
Capital work in progress - Expansion and other projects	<b>38,170,596</b>	33,110,396
Capital spares and standby equipments	<b>2,154,565</b>	4,369,722
	<b>194,103,173</b>	339,373,902

5.1 Additions to operating assets during the period are as follows:

	<b>September 30, 2024 (Un-audited)</b>	December 31, 2023 (Audited)
	----- (Rupees in '000) -----	
Land	-	23,000
Building	<b>3,226,846</b>	3,647,845
Plant and machinery	<b>7,823,595</b>	9,462,582
Furniture, fixture and equipment	<b>487,014</b>	6,275,481
Vehicles	<b>985,691</b>	1,776,889
Catalyst	-	886,638
Aircraft	-	595,315
Dredging	-	245,630
Data processing equipment	<b>1,815</b>	-
	<b>12,524,961</b>	22,913,380

5.2 Operating assets costing Rs. 794,565 (December 31, 2023: Rs. 937,639), having net book value of Rs. 350,809 (December 31, 2023: Rs. 391,445) were disposed off during the period / year for Rs. 486,902 (December 31, 2023: Rs. 485,561).

## 6. AUTHORISED SHARE CAPITAL

During the period ended September 30, 2024 and in pursuance of the matter stated in note 1.3 of these consolidated condensed interim financial statements, the authorized share capital of the Holding Company has been increased from Rs 10 billion, divided into 1 billion ordinary shares of Rs 10 each to Rs 12.5 billion, divided into 1.25 billion ordinary shares of Rs 10 each. The new 250 million ordinary shares of Rs 10 each shall rank pari passu in every respect with the existing ordinary shares of the Holding Company.

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

There has been no significant change in the status of matters stated in note 34 to the consolidated audited financial statements for the year ended December 31, 2023 except for the matter disclosed in note 7.2 below.

7.2 During the period ended September 30, 2024, the Holding Company has replaced all pledged shares of Engro Corporation Limited (ECL), previously held as collateral for guarantees in favor of DH Fertilizer Limited (DHFL, now Fatima Fertilizer Company Limited - FFCL) with alternative security provided by Dawood Investments (Private) Limited (DIPL), an associated company. These guarantees were related to potential tax and WWF liabilities up to June 30, 2015 as disclosed in note 34.1.1 to the December 2023 financial statements. This replacement is pursuant to the scheme of arrangement as disclosed in note 1.3 to these consolidated condensed interim financial statements.

DIPL has pledged 21.625 million shares of its investment in the Holding Company with Meezan Bank Limited as agent on behalf of FFCL.

The Holding Company, DIPL, and FFCL have agreed that the terms of the Share Pledge and Escrow Agreement, including provisions for the release of pledged shares, will apply mutatis mutandis to these alternate shares i.e., shares of DHCL.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

## 7.3 Commitments

Commitments in respect of capital and operational expenditure contracted but not incurred amount to Rs. 56,526,197 (December 31, 2023: Rs. 77,623,023).

## 8. EARNINGS PER SHARE - BASIC AND DILUTED

	<u>Quarter ended</u>		<u>Nine months period ended</u>	
	<u>September 30, 2024</u>	September 30, 2023	<u>September 30, 2024</u>	September 30, 2023
	<b>(Un-audited)</b>		<b>(Un-audited)</b>	
	----- (Rupees in '000) -----			
Profit after taxation (attributable to the owners of the Holding Company) from:				
- Continuing operations	<b>2,494,780</b>	4,557,352	<b>5,832,508</b>	2,750,326
- Discontinued operations	<b>(26,764)</b>	1,267,151	<b>526,749</b>	5,227,834
	<b>2,468,016</b>	5,824,503	<b>6,359,257</b>	7,978,160
	----- (Number in '000) -----			
Weighted average number of ordinary shares	<b>481,287</b>	481,287	<b>481,287</b>	481,287
	----- (Rupees in '000) -----			
Earnings per share - basic and diluted				
- Continuing operations	<b>5.18</b>	9.47	<b>12.12</b>	5.71
- Discontinued operations	<b>(0.06)</b>	2.63	<b>1.09</b>	10.86
	<b>5.12</b>	12.10	<b>13.21</b>	16.57

8.1 There were no convertible dilutive potential ordinary shares outstanding as at September 30, 2024 and September 30, 2023.

## 9. CASH GENERATED FROM OPERATIONS

	<u>Nine months period ended</u>	
	<u>September 30, 2024</u>	September 30, 2023 (Restated)
	<b>(Un-audited)</b>	
	----- (Rupees in '000) -----	
Profit before taxation from continuing operations	<b>37,315,729</b>	55,167,248
Add: profit before taxation attributable to discontinued operations	<b>5,148,043</b>	25,910,707
Profit before taxation	<b>42,463,772</b>	81,077,955
Adjustment for non cash expenses and other items:		
Levy	<b>3,286,200</b>	3,206,442
Depreciation and amortization	<b>67,505,825</b>	15,122,224
Loss / (gain) on disposal / write-off of property, plant and equipment	<b>185,356</b>	(63,244)
Provision for retirement and other service benefits	<b>141,955</b>	125,832
Provisions - net	<b>(4,654,506)</b>	726,553
Income on deposits / other financial assets	<b>(13,679,433)</b>	(13,228,509)
Share of income from joint venture and associate	<b>(2,587,905)</b>	(3,085,277)
Return on investments	<b>(8,452,311)</b>	(11,872,596)
Finance cost	<b>33,209,022</b>	29,348,753
Stock-in-trade / stores and spares written-off	-	208,846
Adjustment in respect of carrying amount of thermal energy assets	<b>(30,028,436)</b>	-
Finance income on net investment in lease	<b>(5,886,002)</b>	(5,756,625)
Finance cost on lease liability	<b>3,456,824</b>	4,189,504
Exchange gain / (loss) on lease liability	<b>(873,915)</b>	14,815,181
Exchange loss / (gain) on net investment in lease	<b>470,201</b>	(15,479,997)
Foreign currency translations	<b>18,435</b>	2,109,143
Working capital changes (note 9.1)	<b>(42,381,366)</b>	18,173,161
	<b>42,193,716</b>	119,617,346

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	<b>Nine months period ended</b>	
	<b>September 30, 2024 (Un-audited)</b>	September 30, 2023 (Un-audited)
	----- (Rupees in '000) -----	
<b>9.1 Working capital changes</b>		
Increase in current assets	<b>(1,024,706)</b>	(2,263,483)
- Stores, spares and loose tools	<b>(29,015,121)</b>	6,350,052
- Stock-in-trade	<b>21,341,035</b>	(4,816,851)
- Trade debts and contract assets	<b>(12,056,816)</b>	(3,984,349)
- Loans, advances, deposits and prepayments	<b>(8,100,722)</b>	(6,220,475)
- Other receivables - net	<b>(28,856,330)</b>	(10,935,106)
 (Decrease) / increase in current liabilities		
- Trade and other payables	<b>(13,525,036)</b>	29,108,267
	<b>(42,381,366)</b>	18,173,161
 <b>10. CASH AND CASH EQUIVALENTS</b>		
<b>Attributable to continuing operations:</b>		
Cash and bank balances	<b>20,511,822</b>	77,899,149
Short term investments - with original maturity less than 3 months	<b>12,504,410</b>	8,928,987
Bank balances under lien	<b>(2,733,897)</b>	(2,282,601)
Short term borrowings	<b>(50,577,974)</b>	(23,759,363)
	<b>(20,295,639)</b>	60,786,172
 <b>Attributable to discontinued operations:</b>		
Cash and bank balances	<b>45,973,668</b>	-
Short term borrowings	<b>(20,445,472)</b>	-
	<b>25,528,196</b>	-
	<b>5,232,557</b>	60,786,172

## 11. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### Financial risk factors

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

These consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements as at December 31, 2023. There have been no changes in any risk management policies since the year end.

### Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. 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)

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	----- (Rupees in '000) -----			
Financial assets at fair value through profit and loss	11,649,664	12,682,266	-	24,331,930
Financial assets at fair value through other comprehensive income	70,831	14,206,811	-	14,277,642

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

- Level 1 fair values have been determined using price quoted on Pakistan Stock Exchange.
- Level 2 fair values have been determined on the basis of PKRV rates and closing net asset values for government securities and mutual funds units, respectively.

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

## 12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiaries, associated companies, related group companies, key management personnel (KMP) / directors of the Group, companies in which directors are interested, staff retirement benefits and close members of the family of KMP. The Group, in the normal course of business, carries out transactions with various related parties on mutually agreed terms.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

**Nine months period ended**  
**September**                      September  
**30, 2024**                              30, 2023  
**(Un-audited)**                      (Un-audited)  
 ----- (Rupees in '000) -----

## **Associated companies, joint ventures and other related parties**

Purchases and services	<b>48,212,914</b>	46,681,897
Services rendered / sale of goods	<b>3,868,764</b>	-
Dividends received / receivable	<b>562,500</b>	1,554,786
Dividend paid / payable	<b>21,188,436</b>	3,355,718
Reimbursements of expenses made by associates and joint ventures	<b>1,076,733</b>	587,886
Reimbursements of expenses made to associates and joint ventures	<b>207,462</b>	268,239
Reimbursement of expenses of other related parties	<b>126</b>	465
Donations	<b>391,005</b>	512,301
Member Subscription and other fee	<b>2,500</b>	2,500
Utilization of overdraft facility	<b>2,100,456</b>	-
Loans repaid	<b>3,172,887</b>	62,840
Finance costs	<b>4,641,543</b>	4,220,943

## **Directors and Key Management Personnel**

Remuneration paid to key management personnel / directors	<b>2,520,182</b>	1,820,840
Post retirement benefit plans	<b>4,057</b>	3,458
Dividend paid	<b>793,657</b>	1,648,335
Directors' fee	<b>86,830</b>	67,845
Advisory agreement	<b>-</b>	55,224
Disposal of vehicle to key management personnel	<b>72</b>	930

<b>Contribution for retirement benefits</b>	<b>952,533</b>	940,680
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## 13. **SEGMENT REPORTING**

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments.

### 13.1 **Type of segments      Nature of business**

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

Other operations It includes management of investments in associates and joint venture by the Holding Company. It also includes investments made in the foods, dairy and commodities trading businesses.

13.2 Information regarding the Group's operating segment is as follows:

	<b>Quarter ended</b>		<b>Nine months period ended</b>	
	<b>September 30, 2024</b>	September 30, 2023 (Restated)	<b>September 30, 2024</b>	September 30, 2023 (Restated)
	<b>(Un-audited)</b>		<b>(Un-audited)</b>	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>Revenue</b>				
Fertilizer	<b>58,640,620</b>	66,164,543	<b>171,844,834</b>	148,530,719
Polymer	<b>20,067,017</b>	25,015,742	<b>54,451,693</b>	62,038,106
Terminal	<b>5,049,019</b>	5,422,403	<b>15,174,194</b>	16,292,632
Power and mining	<b>32,166,079</b>	34,332,473	<b>101,905,574</b>	90,051,054
Connectivity and telecom	<b>4,216,228</b>	3,418,078	<b>11,986,921</b>	9,558,308
Other operations	<b>58,989,826</b>	30,367,953	<b>132,149,788</b>	88,834,628
Elimination - net	<b>(46,829,674)</b>	(27,904,577)	<b>(106,958,163)</b>	(76,006,860)
Consolidated	<b>132,299,115</b>	136,816,615	<b>380,554,841</b>	339,298,587
Less: Discontinued operations	<b>(32,169,481)</b>	(34,122,159)	<b>(101,536,562)</b>	(89,442,961)
Continuing operations	<b>100,129,634</b>	102,694,456	<b>279,018,279</b>	249,855,626
<b>Profit / (loss) before taxation for the period</b>				
Fertilizer	<b>14,029,543</b>	15,785,188	<b>28,695,429</b>	29,703,784
Polymer	<b>(1,458,554)</b>	4,372,672	<b>(4,100,515)</b>	9,226,276
Terminal	<b>1,383,021</b>	1,624,882	<b>5,071,498</b>	4,153,034
Power and mining	<b>2,419,334</b>	10,350,653	<b>4,784,516</b>	24,752,388
Connectivity and telecom	<b>(435,567)</b>	(972,061)	<b>(1,660,800)</b>	(1,812,294)
Other operations	<b>8,142,424</b>	6,499,176	<b>32,544,604</b>	29,320,675
Elimination - net	<b>(4,840,328)</b>	(2,586,689)	<b>(22,870,960)</b>	(23,488,110)
Consolidated	<b>19,239,873</b>	35,073,821	<b>42,463,772</b>	71,855,753
Less: Discontinued operations	<b>(2,508,203)</b>	(12,543,827)	<b>(5,148,043)</b>	(25,910,707)
Continuing operations	<b>16,731,670</b>	22,529,994	<b>37,315,729</b>	45,945,046
			<b>September 30, 2024</b>	December 31, 2023
			<b>(Un-audited)</b>	(Audited)
			----- (Rupees in '000) -----	
<b>Assets</b>				
Fertilizer			<b>188,496,307</b>	160,842,670
Polymer			<b>97,220,156</b>	90,597,810
Terminal			<b>78,261,689</b>	83,026,306
Power and mining			<b>287,727,545</b>	331,476,813
Connectivity and telecom			<b>69,516,187</b>	69,097,845
Other operations			<b>179,636,247</b>	155,594,269
Elimination - net			<b>(93,221,866)</b>	(74,843,492)
Consolidated			<b>807,636,265</b>	815,792,221

# NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

## 14. SEASONALITY

14.1 The Group's fertilizer business is subject to seasonal fluctuations as a result of two different farming seasons viz, Rabi (from October to March) and Kharif (from April to September). On an average, fertilizer sales are more tilted towards Rabi season. The Group manages seasonality in business through appropriate inventory management.

14.2 The Group's agri business is subject to seasonal fluctuation as majority of paddy / unprocessed rice is procured during the last quarter of the year which is the harvesting period for all rice varieties grown in Pakistan. However, rice is sold evenly throughout the year. The Group manages seasonality in business through appropriate inventory management.

## 15. CORRESPONDING FIGURES

15.1 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material.

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

## 16. GENERAL

16.1 All financial information, except as otherwise stated, has been rounded to the nearest thousand Pakistan rupees.

16.2 These consolidated condensed interim financial statements have been authorised for issue by the Board of Directors on October 29, 2024.

16.3 The Board of Directors in its meeting held on October 29, 2024 declared an interim cash dividend of Rs 2.5 per share amounting to Rs 1,203.218 million for the quarter ended September 30, 2024 (Rs 2 per share amounting to Rs 962.574 million for the quarter ended September 30, 2023). These consolidated condensed interim financial statements do not recognise this interim dividend as deduction from unappropriated profit as it has been declared subsequent to the reporting date.

**Kamran Hanif Jangda**  
Chief Financial Officer

**Mohammad Shamoony Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director



# Dawood Hercules

Dawood Centre, M.T. Khan Road, Karachi - 75530  
Tel: +92-21-35686001 Fax: +92-21-35644147  
[www.dawoodhercules.com](http://www.dawoodhercules.com)

