

# engro polymer & chemicals

# Financial statements for the half year ended June 30, 2023

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### **COMPANY INFORMATION**

Chairman

Directors

**Company Secretary** 

**Bankers / Lenders** 

Mr. Ghias Khan **Chief Executive Officer** Mr. Jahangir Piracha Mr. Tomoya Kondo Mr. Nazoor Ali Baig Mr. Syed Shahzad Nabi Ms. Ayesha Aziz Mr. Tariq Nasir **Chief Financial Officer** Ms. Rabia Wafah Khan Mr. Khawaja Haider Abbas **Corporate Audit Manager** Mr. Kalimuddin A. Khan Allied Bank Limited Allied Bank Limited (Islamic) Askari Bank Limited Al Baraka Bank (Pakistan) Limited Bank Bank Alfalah Limited (Islamic) Bank Al-Habib Limited (Islamic) Bank of Khyber Bank Islami Pakistan Limited Bank of China Citibank N.A Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Industrial and Commercial Bank of China JS Bank Limited MCB Bank Limited MCB Islamic Bank Meezan Bank Limited National Bank of Pakistan

	Standard Chartered Bank Pakistan Limited
	Samba Bank Limited
	Summit Bank Limited
	United Bank Limited
	The Bank of Punjab United Bank Limited
Auditors	A. F. Ferguson & Company Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road, Karachi-74000, Pakistan.
	Tel: +92(21) 32426682-6 / 32426711-5 Fax: +92(21) 32415007 / 32427938
Registered Office	12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-lqbal.
	Karachi Plant EZ/1/P-11-1, Eastern Zone, Bin Qasim, Karachi
Regional Sales Office	Office No. 601, 6th Floor, Haly Tower, Lalik Chowk, DHA, Lahore
	UAN: 111 211 211
Share Registrar	FAMCO Associates (Private) Limited 8-F, Next to Hotel Faran, Nursery,
	Block 6, P.E.C.H.S. Shahra-e-Faisal, Karachi-74000
	Tel: +92(21) 34380101-5 lines
Website	www.engropolymer.com



### ENGRO POLYMER & CHEMICALS LIMITED

DIRECTOR'S REVIEW TO THE SHAREHOLDERS ON UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30<sup>th</sup>, 2023

On behalf of the Board of Directors of Engro Polymer & Chemicals Limited (the "Company "or "EPCL"), we would like to present the unaudited Financial Information of the Company for the half year ended June 30<sup>th</sup>, 2023.

#### **Business Review**

International PVC prices witnessed an uptick in the initial two months of the year on the back of renewed demand from India post which the market softened across all regions on the back of a depressed economic sentiment, geopolitical turbulence, and high volatility in international energy prices. Ethylene saw some volatility as upward pressure on prices due to supply side crunches in the first quarter were offset by oversupply, volatility in oil and continued weakness in downstream demand in the second quarter. There was an overall low demand for EDC with limited spot activity during the previous six months with prices range bound. The caustic market continued its decline during the period with most regions characterized with oversupply and limited buying interest.

In 1'H 2023, local PVC sales declined ~23% compared to same period last year. Caustic volumes also reflected a similar trend as that of PVC in 1'H 2023 where volumes declined by 28%. The decline comes amid significant challenges posed by a volatile macroeconomic situation in the country. Inflation continued unabated fueled by the massive Rupee devaluation while restrictions on LC establishment for a major part of the period to curb foreign exchange outflows impacted the ability of several industries to function sustainably, adding pressure to the overall sentiment.

The Company recorded revenue of Rs. 37,022 million in 1'H 2023, indicating a decrease of ~18% compared to the same period last year on the back of lower volumetric sales and lower PVC prices. During 1'H 2023, the Company recorded a Profit After Tax of Rs. 2,745 Mn translating into a basic Earnings Per Share of Rs. 2.69, compared to a Profit After Tax of Rs. 7,052 million, translating into basic Earnings Per Share of Rs. 7.55 for the same period last year. The decline in profit is attributed to the impact of lower sales, and higher production costs.

Work on our efficiency and other projects is underway. However, our HTDC and Hydrogen Peroxide projects, that were slated to come online in 2023, face delays due to the overall macroeconomic climate. Our focus remains on ensuring the timely delivery of these projects.

#### Outlook

We expect a demand driven recovery in PVC prices once the monsoon season in India ends, and the challenging global macroeconomic environment improves. Ethylene prices will be impacted by decisions of OPEC+ and its resultant impact on oil prices while EDC prices will be driven by PVC demand and Caustic Soda dynamics. Our key focus areas for the coming quarter will be to ensure safe and sustainable operations at our Plant, completing on-going projects safely and within communicated timelines, and navigating through the turbulent economic situation and LC restrictions to ensure sustained growth.

Chief Executive Officer Karachi, 09 August 2023

Chairman



# A.F.FERGUSON&CO.

### INDEPENDENT AUDITOR'S REVIEW REPORT

### To the members of Engro Polymer and Chemicals Limited

### **Report on review of Consolidated Condensed Interim Financial Statements**

### Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of Engro Polymer and Chemicals Limited and its subsidiaries (the Group) as at June 30, 2023 and the related consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows, and notes to the consolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "consolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these consolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

The figures of the consolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2023.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Waqas Aftab Sheikh.

Chartered Accountants Karachi

Date: August 23, 2023

### UDIN: RR202310069gbronOlZ4

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk> ENGRO POLYMER AND CHEMICALS LIMITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2023

### ENGRO POLYMER AND CHEMICALS LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

#### (Amounts in thousand)

(Amounts in thousand)	Note	(Unaudited) June 30, 2023	(Audited) December 31, 2022
100570		Rup	Jees
ASSETS			
Non-Current Assets Property, plant and equipment Right-of-use asset	5	48,832,636 1,445,586 650,170	45,286,725 1,683,540 686,598
Intangibles assets Investments at amortized cost Long-term loans and advances	6	800	1,317,508 800 48,975,171
Current Assets			
Stores, spares and loose tools Stock-in-trade Trade debts Loans, advances, deposits, prepayments and other receivables Short-term investments Cash and bank balances	7 8 9	2,808,632 12,793,364 1,364,192 5,377,778 7,898,935 7,250,625 37,493,526	2,464,113 10,415,992 2,679,412 3,514,946 14,059,319 3,291,627 36,425,409
TOTAL ASSETS		88,422,718	85,400,580
EQUITY AND LIABILITIES			
Equity Ordinary shares Preference shares Share premium Unappropriated profits		9,089,233 3,000,000 3,874,953 10,421,386 26,385,572	9,089,233 3,000,000 3,874,953 11,157,529 27,121,715
Non-Current Liabilities			
Long-term borrowings Government grant Lease liabilities Provisions Deferred tax liability	10 10 11	17,955,771 1,144,731 1,745,094 610,640 1,865,209 23,321,445	19,834,943 581,338 1,892,238 637,807 2,130,680 25,077,006
Current Liabilities			15,352,341
Trade and other payables Service benefit obligations Current portion of long-term borrowings	12 10	19,119,197 49,469 5,555,779 170,668	74,278 4,826,263 97,328
Current portion of government grant Current portion of lease liabilities Short-term borrowings	10 11	1,948,300 474,360	1,912,744 474,360
Accrued interest / mark-up Unclaimed dividend		573,405 1,522,874 2,690,066	392,062 1,174,365 2,887,239
Taxes payables Provisions		6,611,583 38,715,701 62,037,146	6,010,879 33,201,859 58,278,865
Contingencies and Commitments	13	02,007,140	0014101000
TOTAL EQUITY AND LIABILITIES		88,422,718	85,400,580

1) for a

Jahangir Piracha Chief Executive Officer

Rabia Wafah Khan Chief Financial Officer



Ghias Khan Chairman

### ENGRO POLYMER AND CHEMICALS LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2023

### (Amounts in thousand except for earnings per share)

	Quarter	ended	Half year	ended
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		Rupe	es	
Revenue from contract with customers - net	19,044,034	22,277,064	37,022,364	45,403,932
Cost of sales	(13,592,120)	(14,749,463)	(27,979,164)	(30,211,823)
Gross profit	5,451,914	7,527,601	9,043,200	15,192,109
Distribution and marketing expenses	(139,482)	(134,493)	(285,620)	(284,827)
Administrative expenses	(329,624)	(274,834)	(603,362)	(503,870)
Other expenses	(351,832)	(1,279,664)	(1,118,305)	(2,127,859)
Other income	332,335	419,617	776,351	851,929
Operating profit	4,963,311	6,258,227	7,812,264	13,127,482
Finance costs	(1,551,273)	(737,227)	(2,728,342)	(1,350,685)
Profit before taxation	3,412,038	5,521,000	5,083,922	11,776,797
Taxation 14	(1,850,286)	(3,182,826)	(2,338,833)	(4,725,040)
Profit for the period	1,561,752	2,338,174	2,745,089	7,051,757
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1,561,752	2,338,174	2,745,089	7,051,757
Earnings per share - basic	1.39	2.45	2.69	7.55
Earnings per share - diluted	1.29	1.93	2.27	5.83

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Jahangir Piracha Chief Executive Officer

Rabia Wafah Khan Chief Financial Officer



### ENGRO POLYMER AND CHEMICALS LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED JUNE 30, 2023

### (Amounts in thousand)

Ordinary shares         Proference shares         Share premium shares         Unappropriated profis         Total           Balance as at January 1, 2022 (Audited)         9,089,233         3,000,000         3,874,953         14,003,724         29,087,910           Transaction with owners	Consider season and the season of the season	ISSUED, SUBSCR	SUED, SUBSCRIBED AND PAID-		RESERVES	
shares         Shares         Shares         Shares         Shares         Shares         Shares         Shares         Total           Balance as at January 1, 2022 (Audited)         9,089,233         3,000,000         3,874,953         14,003,724         29,967,910           Transaction with owners		UP CA	UP CAPITAL CAPITAL REVENUE			
Balance as at January 1, 2022 (Audited)         9,085,233         3,000,000         3,874,953         14,003,724         29,987,910           Transaction with owners			shares		profits	Total
Database as at Johnson y, excl. predictory				Constant Constant		9. 
Final dividend for the year ended December 31, 2021       -		9,089,233	3,000,000	3,874,953	14,003,724	29,967,910
- Re. 5.5 per ordinary share - Re. 0.27 per preference share       -       -       (4,999,078) (81,000)       (4,999,078) (81,000)         - Re. 0.27 per preference share       -       -       -       (4,999,078) (81,000)       (4,594,617)         - Re. 5. per ordinary share       -       -       -       (4,544,617)       (4,544,617)         - Re. 5. per ordinary share       -       -       -       (4,544,617)       (4,544,617)         - Re. 5. per ordinary share       -       -       -       (4,544,617)       (4,544,617)         - Re. 5. per ordinary share       -       -       -       (7,051,757       7,061,757         Balance as at June 30, 2022       -       -       -       7,061,757       7,061,757         - Re. 3.5 per ordinary share       -       -       -       (2,272,308)       (2,272,308)         - Re. 2.5 per ordinary share       -       -       -       (2,272,308)       (2,	Transaction with owners					
- Rs. 5 per ordinary share       -	- Rs. 5.5 per ordinary share - Rs. 0.27 per preference share		-	2		
Total comprehensive income for the half year ended June 30, 2022	- Rs. 5 per ordinary share	-	-	-	28530 (State 1997)	
Total comprehensive income for the half year ended June 30, 2022       -       -       7,051,757       7						10 705 005
half year ended June 30, 2022       -       -       7,051,757       7,051,757         Balance as at June 30, 2022 (Unaudited)       9,089,233       3,000,000       3,874,953       11,319,786       27,233,972         Transactions with owners       -	Total comprehensive income for the	-	-	-	(9,735,695)	(9,735,695)
Transactions with owners         Second interim dividend for the year ended December 31, 2022         - Rs. 0.37 per preference share         Third interim dividend for the year ended December 31, 2022         - Rs. 0.37 per preference share         - Rs. 0.38 per preference share         (4,799,616)         (144,000)         (4,799,616)         (144,000)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (4,799,616)         (2,272,308)         (2,272,308)         (2,272,308)         (2,272,308)         (2,272,308)         (2,272,308)		-	+	( <b>*</b>	7,051,757	7,051,757
Second interim dividend for the year ended December 31, 2022       -       -       -       (2,272,300)       (2,272,300)       (111,000)         - Rs. 0.37 per preference share       -       -       -       (2,272,300)       (111,000)       (111,000)         Third interim dividend for the year ended December 31, 2022       -       -       -       (2,272,300)<	Balance as at June 30, 2022 (Unaudited)	9,089,233	3,000,000	3,874,953	11,319,786	27,283,972
1 NS 0.37 per preference share       -       <	Second interim dividend for the year ended December 31, 2022 - Rs. 2.5 per ordinary share		_	-		(2,272,308
- Rs. 2.5 per ordinary share       -       -       -       (2,272,308)       (144,000)         - Rs. 0.48 per preference share       -       -       (4,799,616)       (4,799,616)       (4,799,616)         Total comprehensive income for the half year ended December 31, 2022       -       -       -       4,637,358       4,637,358         Balance as at December 31, 2022 (Audited)       9,089,233       3,000,000       3,874,953       11,157,528       27,121,714         Transaction with owners       -       -       -       -       (2,272,308)		-	-	-		(111,000
Total comprehensive income for the half year ended December 31, 2022       -       -       -       (4,799,616)       (4,799,616)         Balance as at December 31, 2022 (Audited)       9,089,233       3,000,000       3,874,953       11,157,528       27,121,714         Transaction with owners       -       -       -       4,637,358       4,637,358         Final dividend for the year ended December 31, 2022       -       -       -       -       (2,272,308)       (150,000)         -       -       -       -       -       -       -       (2,272,308)       (150,000)       (150,000)         - <td>- Rs. 2.5 per ordinary share</td> <td>:</td> <td>:</td> <td></td> <td></td> <td>(2,272,308 (144,000</td>	- Rs. 2.5 per ordinary share	:	:			(2,272,308 (144,000
half year ended December 31, 2022       -       -       4,637,358       4,637,358         Balance as at December 31, 2022 (Audited)       9,089,233       3,000,000       3,874,953       11,157,528       27,121,714         Transaction with owners       -       -       -       -       (2,272,308)       (2,272,308)       (2,272,306)       (2,272,306)       (150,000)					(4,799,616)	(4,799,616
Transaction with owners         Final dividend for the year ended December 31, 2022         - Rs. 2.5 per ordinary share         - Rs. 0.50 per preference share         First interim dividend for the year ending December 31, 2023         - Rs. 1 per ordinary share         - Rs. 0.50 per preference share		-	-	-	4,637,358	4,637,358
Final dividend for the year ended December 31, 2022(2,272,308)(2,272,308)(2,272,308)(150,000	Balance as at December 31, 2022 (Audited)	9,089,233	3,000,000	3,874,953	11,157,528	27,121,714
Initial dividend for the year ending December 31, 2023       -       -       -       (150,000)       (150,000)         First interim dividend for the year ending December 31, 2023       -       -       -       (150,000)       (150,000)         First interim dividend for the year ending December 31, 2023       -       -       -       (150,000)       (150,000)         - Rs. 1 per ordinary share       -       -       (150,000)       (150,000)       (150,000)         - Rs. 0,50 per preference share       -       -       (150,000)       (150,000)       (150,000)         - Rs. 0,50 per preference share       -       -       -       (3,481,231)       (3,481,237)         - Total comprehensive income for the half year ended June 30, 2023       -       -       -       2,745,089       2,745,089	Transaction with owners	·			۱ <u></u> ۱۲	
- Rs. 1 per ordinary share       -       -       (900,923)       (908,923)         - Rs. 0.50 per preference share       -       -       (150,000)       (150,000)         Total comprehensive income for the       -       -       (3,481,231)       (3,481,231)         half year ended June 30, 2023       -       -       -       2,745,089       2,745,089	- Rs. 2.5 per ordinary share	-	1	:		(2,272,308 (150,000
Total comprehensive income for the         -         -         2,745,089         2,745,089         2,745,089           half year ended June 30, 2023         -         -         -         2,745,089         2,745,089	- Rs. 1 per ordinary share	-	-	:		(908,923 (150,000
half year ended June 30, 2023 2,745,089 2,745,089		· ·	-	-	(3,481,231)	(3,481,231
			÷.	-	2,745,089	2,745,089
	Balance as at June 30, 2023 (Unaudited)	9,089,233	3,000,000	3,874,953	10,421,386	26,385,572

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Jahangir Piracha Chief Executive Officer

Rabia Wafah Khan Chief Financial Officer



### ENGRO POLYMER AND CHEMICALS LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2023

### (Amounts in thousand)

		Half year	ended
		June 30, 2023	June 30, 2022
	NI-6-		
CASH FLOWS FROM OPERATING ACTIVITIES	Note	Rupe	62
CASH FLOWS FROM OF ERATING ACTIVITED			
Cash generated from operations	15	10,362,648	15,924,834
Long-term loans and advances		18-11 2011-10-1	505
Retirement benefits paid		(63,839)	(87,323)
Income tax paid		(2,801,477)	(594,452)
Net cash generated from operating activities		7,497,332	15,243,564
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(4,922,331)	(1,528,842)
Proceeds from disposal of property, plant and equipment		24,280	5,338
Proceeds from alle of Term Deposit Receipts		1,438,490	4,550,517
Proceeds on sale / maturity of short-term investments		38,915,890	121,297,604
Purchase of short-term investments		(31,886,106)	(126,436,334)
Income on short-term investment and bank deposits		670,085	721,212
Net cash generated from / (utilized in) investing activities		4,240,308	(1,390,505)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings - net of transaction costs		1,150,303	217,685
Repayment of long-term borrowings		(2,397,764)	(1,930,600)
Finance costs paid		(2,003,573)	(769,074)
Rentals paid		(1,167,115)	(809,804)
Dividend paid		(3,132,722)	(10,076,490)
Net cash utilized in financing activities		(7,550,871)	(13,368,283)
1			404 770
Net increase in cash and cash equivalents		4,186,769	484,776
Cash and cash equivalents at beginning of the period		3,453,356	5,994,826
Cash and cash equivalents at end of the period	16	7,640,125	6,479,602

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Jahangir Piracha Chief Executive Officer

Rabia Wafah Khan Chief Financial Officer



Ghias Khan Chairman

ENGRO POLYMER AND CHEMICALS LIMITED NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2023

(Amounts in thousand)

### 1. LEGAL STATUS AND OPERATIONS

- 1.1 The "Group" consists of Engro Polymer and Chemicals Limited (here-in-after referred to as the 'Holding Company') and its wholly owned subsidiary companies, Think PVC (Private) Limited, Engro Peroxide (Private) Limited and Engro Plasticizer (Private) Limited (here-in-after referred to as 'the Group').
- 1.2 The Holding Company was incorporated in Pakistan in 1997 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Holding Company is listed on the Pakistan Stock Exchange Limited (PSX). The Holding Company is a subsidiary of Engro Corporation Limited (the Parent Company) which is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Parent Company owns 56.19% shareholding in the Holding Company. The Holding Company's principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals. The Holding Company is also engaged in the supply of surplus power generated from its power plants to Engro Fertilizers Limited, a related party.
- 1.3 The geographical location and addresses of all business units of the Group are as follows:

Business unit	Geographical location
Head office	12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal, Karachi, Pakistan
Manufacturing plant	EZ/I/P-II-I Eastern Zone, Port Bin Qasim Industrial Area, Karachi, Pakistan
Regional sales office	9th floor, 301- R Hally Tower, Phase 11, DHA, Lahore, Pakistan
Branded outlet	Plot 41-C, Bukhari Commercial Lane 2, Phase VI, DHA, Karachi, Pakistan

### 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

2.2 These consolidated condensed interim financial statements for the half year ended June 30, 2023 are unaudited. However, these have been subjected to limited scope review by the statutory auditors of the Holding Company and are being submitted to the shareholders as required by the listing regulations of PSX and section 237 of the Act.

These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022.

2.3 These condensed interim financial statements represents the consolidated condensed interim financial statements of the Holding Company. The unconsolidated condensed interim financial statements of the Holding Company and its subsidiary companies have been presented separately.

### 3. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

- 3.1 The significant accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Company for the year ended December 31, 2022.
- 3.2 There are certain amendments to published International Financial Reporting Standards that are mandatory for the financial year beginning on January 1, 2023. These are considered not to have any significant effect on the Company's financial reporting and operations and therefore, have not been disclosed in these consolidated condensed interim financial statements.
- 3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

### 4. ACCOUNTING ESTIMATES

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 the management to exercise its judgments in the process of applying the Group's accounting policies. Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The significant estimates, judgments and assumptions made by the management in the preparation of these consolidated condensed interim financial statements are the same as those that were applied in the annual audited consolidated financial statements of the Holding Company for the year ended December 31, 2022 unless otherwise specified.

	Unaudited June 30, 2023	Audited December 31, 2022
	Rup	)ees
OPERTY, PLANT AND EQUIPMENT		
erating assets - notes 5.1 and 5.2	34,075,445	34,375,726
	14,509,745	10,698,886
	247,446	212,113
	48,832,636	45,286,725
2	DPERTY, PLANT AND EQUIPMENT rating assets - notes 5.1 and 5.2 ital work-in-progress - note 5.3 ital spares	rating assets - notes 5.1 and 5.2 34,075,445 ital work-in-progress - note 5.3 14,509,745 ital spares 247,446

6.

		Unaudited June 30, 2023 Rur	Audited December 31, 2022 Dees
5.1	Following additions, including transfers from capital work-in-progress, were made during the period / year:		
	Building on leasehold land	52,543	22,975
	Plant and machinery	1,004,607	5,174,012
	Furniture, fixtures and equipment	32,630	143,901
	Vehicles	20,857	128,008
		1,110,637	5,468,896

5.2 During the period, operating assets costing Rs. 36,520 (December 31, 2022: Rs. 311,791) having net book value of Rs. 22,133 (December 31, 2022: Rs. 28,302) were disposed / written off for Rs. 24,280 (December 31, 2022: Rs. 29,385).

5.3 Movement in capital work-in-progress during the period / year is as follows:

	Unaudited June 30, 2023	Audited December 31, 2022
	Rupe	es
Balance as at beginning of the period / year Add: Additions during the period / year	10,698,886 4,922,331	7,094,888 9,113,313
Add: Borrowing cost capitalized during the period / year Less: Transferred to:	52,866	42,669
- Operating assets - note 5.1	(1,110,637)	(5,468,896)
- Intangible assets	(18,368)	(72,212)
- Capital spares	(35,333)	(10,876)
	(1,164,338)	(5,551,984)
Balance at the end of the period / year	14,509,745	10,698,886
INVESTMENTS AT AMORTIZED COST		
Investment in Term Deposit Receipts - note 6.1	3,343,650	4,040,191
Less: Current maturity	(3,343,650)	(2,722,683)
8. A. Martine, M. A. Ramonardov, and Strengtheorem, A. L.	-	1,317,508

6.1 Represents term deposits receipts aggregating to USD 35,000 maintained with Dubai Islamic Bank Pakistan Limited. These carry profit at the rate of six months LIBOR + 0.89% per annum and are due to mature in six equal semi-annual installments of USD 5.833 million starting from July 15, 2021 and ending on January 15, 2024.

		Unaudited June 30, 2023	Audited December 31, 2022
-7	STOCK-IN-TRADE	Rup	)ees
7.	STOCK-IN-TRADE		
	Raw and packing materials - note 7.1	8,737,916	7,283,484
	Less: Provision against stock-in-trade	(99,199)	(99,199)
		8,638,717	7,184,285
	Work-in-process	92,725	-
	Finished goods - manufactured product		
	and trading products - note 7.2	4,061,922	3,231,707
		12,793,364	10,415,992

7.1 This includes stock held with Engro Vopak Terminal Limited, a related party, amounting to Rs. 2,098,115 (December 31, 2022: Rs. 2,672,597) and goods in transit amounting to Rs. 1,532,712 (December 31, 2022: Nil).

7.2 During the period, the Company has written-off stock-in-trade amounting to Nil (December 31, 2022: Rs.18,604).

		Unaudited June 30, 2023	Audited December 31, 2022
8.	TRADE DEBTS - Considered good	Rup	ees
	Includes receivables from following related parties:		
1	Engro Energy Services Limited Engro Eximp FZE Engro Fertilizers Limited	117 562,728 6,815 569,660	- 2,223,250 4,972 2,228,222
9.	LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
1	Includes receivables from following related parties:		
I I I I I I I I I I I I I I I I I I I	Engro Corporation Limited Engro Energy Limited Engro Energy Services Limited Engro Fertilizers Limited Engro Powergen Qadirpur Limited Engro Powergen Thar (Private) Limited Engro Elengy Terminal (Private) Limited Engro Vopak Terminal Limited Sindh Engro Coal Mining Company Limited	129,445 - - 133 - 153 1,284 9 131,024	1,055 562 8 13,402 69 32 - - - - 15,128

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### 10. LONG-TERM BORROWINGS

				Unaudited June 30,	Audited December 31,
	Mark-up rate	Ir	nstallments	2023	2022
	per annum	Number	Commencing	Rup	86S
Loan from International Finance Corporation	6 months LIBOR + 3.25%	6 half yearly	July 15, 2021	3,321,427	3,913,259
Bilateral Loan	6 months KIBOR + 0%	6 half yearly	July 15, 2021	1,807,167	2,710,751
Islamic Long Term Financing Facility	SBP rate + 1.2%	32 quarterly	December 14, 2022	1,747,704	1,868,317
	D		June 2023		
Islamic Temporary Economic Refinance Facility (ITERF)	Ranging from SBP rate + 0.75% to 1%	32 quarterly	to September 2023	2,867,002	1,716,699
Loan under Diminishing Musharka Agreement	3 months KIBOR + 0.4%	6 half yearly	June 28, 2023	350,000	400,000
Syndicated Long Term Islamic Financing Facility	3 months KIBOR + 0.3%	12 quarterly	March 27, 2028	8,733,649	8,730,846
Loan under Diminishing Musharka Agreement	3 months KIBOR + 0.3%	16 quarterly	March 30, 2026	6,000,000	6,000,000
				24,826,949	25,339,872
Less: Current portion shown under current liabilities				(5,555,779)	(4,826,263)
Less: Deferred Income - Government grant				(1,315,399)	(678,666)
Less. Derened income - Government grant				17,955,771	19,834,943
			13		And the second second second second

- 10.1 As at June 30, 2023, there is no material change in the terms and conditions of the borrowings as disclosed in the note 18 of the annual consolidated financial statements of the Holding Company for the year ended December 31, 2022.
- 10.2 During the period further drawdown amounting to Rs. 1,150,303 was made against the ITERF facility. The impact of below market mark-up rate on this additional loan has been accounted for as government grant.

### 11. LEASE LIABILITIES

This includes lease liability outstanding in respect of storage arrangements with Engro Vopak Terminal Limited, a related party, amounting to Rs. 3,578,602 (December 31, 2022: Rs. 3,679,819).

		Unaudited June 30, 2023	Audited December 31, 2022
		Rup	ees
12.	TRADE AND OTHER PAYABLES		
	Includes due to following related parties:		
	Engro Corporation Limited Engro Fertilizers Limited Engro Energy Limited Engro Foundation Engro Vopak Terminal Limited Engro Eximp FZE The Dawood Foundation Sindh Engro Coal Mining Company Limited Provident funds Gratuity funds Pension funds	383,431 135,509 30,250 - 272,245 7,217,881 - 729 40 2,056 1,775	363,253 54,370 315 8,000 229,475 834,764 240 - 23,969 10,231 2,217
	An.	8,043,916	1,526,834

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### 13. CONTINGENCIES AND COMMITMENTS

- 13.1 As at June 30, 2023, there is no material change in the status of matters reported as contingencies in notes 26 and 27 of the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2022, except for the recent decision of the Sindh High Court (the SHC) with respect to the applicability of Super Tax on high earning persons introduced via Finance Act, 2022, which was decided by the SHC in favour of the Holding Company. Post this decision Federal Board of Revenue (FBR) filed an appeal against the order of the SHC in Supreme Court of Pakistan (SCP), whereby, SCP through its interim order dated February 16, 2023, directed Nazir of SHC to encash bank guarantee to the extent of 4% of super tax, resultantly, bank guarantee equivalent to Rs. 665,210 has been encashed during the period.
- 13.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Group as at June 30, 2023 amounts to Rs. 7,011,030 (December 31, 2022: Rs. 7,048,000). The amount utilized thereagainst as at June 30, 2023 is Rs. 5,740,362 (December 31, 2022: Rs. 6,268,568).
- 13.3 The facility for opening letters of credit as at June 30, 2023 aggregates to Rs. 25,598,000 (December 31, 2022: Rs. 27,750,000). The amount utilized thereagainst as at June 30, 2023 was Rs. 13,446,490 (December 31, 2022: Rs. 8,631,302).
- 13.4 The Holding Company has entered into operating lease arrangements with Al-Rahim Trading Company (Private) Limited for the storage and handling of Ethylene Di Chloride (EDC) in respect of which future lease commitments aggregate to:

e e		Unaudited June 30, 2023	Audited December 31, 2022	
		Ruj	0ees	
Not later t	than one year	4,500	3,600	

- 13.5 In 2019, Engro Peroxide (Private) Limited (EPPL) entered into a contract with Chematur Engineering AB to establish Hydrogen Peroxide manufacturing plant for a consideration of EUR 6,993 which was increased to EUR 7,655. As at June 30, 2023 commitment for civil works and equipment procurement amounts to EUR 514 (December 31, 2022: EUR 1,331).
  - 13.6 In 2021, EPPL entered into a contract with China National Air Separation Engineering Company Limited for design, procurement and engineering services for Hydrogen Peroxide manufacturing plant at a consideration of CNY 104,400. As at June 30, 2023, outstanding commitment for civil works and equipment procurement amounts to CNY 36,709 (December 31, 2022: CNY 70,592).
  - 13.7 In 2021, EPPL entered into a contract with Etimaad Engineering (Private) Limited for construction and installation services in respect of Hydrogen Peroxide manufacturing plant at a consideration of Rs. 927,000. As at June 30, 2023, outstanding commitment amounts to Rs. 384,197 (December 31, 2022: Rs. 472,174).
  - 13.8 In May 2022, EPPL entered into a contract with Suria Engineering (Private) Limited for purchase of Hydrogen Peroxide Steel Structure in respect of the manufacturing plant for a consideration of Rs. 470,000. As at June 30, 2023, outstanding commitment for equipment procurement amounts to Rs. 159,397 (December 31, 2022: Rs. 180,716).

13.9 Commitments of Holding Company in respect of rentals of storage tanks at EVTL for the handling of: (i) Ethylene aggregate to USD 14,472 valid till March 31, 2026, (ii) Ethylene Di Chloride (EDC) aggregate to USD 11,026 valid till December 31, 2028 and (iii) Vinyl Chloride Monomer (VCM) aggregate to USD 620 valid till December 31, 2023.

	Unaudited June 30, 2023	Audited December 31, 2022
	Ru	pees
13.10 Commitments in respect of other capital expenditure and other operational items	1,793,818	1,759,592

### 14. TAXATION

Current tax expense includes aggregate amount of Rs. 1,299,059 on account of provision made in accordance with section 4C 'Super tax on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through Finance Act, 2023 whereby, super tax at the rate of ten percent has been levied on income exceeding Rs. 500,000 for the year ending December 31, 2022 (tax year 2023) and onwards.

		Unaudi	ted
		Half year	ended
		June 30,	June 30,
		2023	2022
		Rupee	S
15.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	5,083,922	11,776,797
	Adjustments for non-cash charges and other items:		
	Staff retirement and other service benefits	39,030	27,351
	Depreciation:		
	- operating assets	1,388,785	1,148,940
	- right-of-use assets	237,954	241,635
	Amortization of intangible assets	54,796	47,512
	Remeasurement loss on provision		
	against Gas Infrastruture Development Cess (GIDC)	129,122	107,161
	Provision for slow moving stores and spares	(17,390)	. <b>-</b> .
	Income on short-term investments and bank deposits	(727,023)	(832,437)
	Unrealized foreign exchange loss on revaluation of		
	financial assets and liabilities	932,514	1,196,887
	Amortization of transaction costs	28,864	21,345
	Interest expense on lease liabilities	123,013	124,117
	Default surcharge on GIDC	444,415	195,033
	Finance costs	2,132,050	921,200
	(Gain) / Loss on disposal of operating assets	(2,147)	416
	Working capital changes - note 15.1	514,743	948,877
		10,362,648	15,924,834
	st		

		Unaud	ited
		Half year	ended
		June 30,	June 30,
		2023	2022
		Rupee	9S
15.1	Working capital changes		
	(Increase) / Decrease in current assets		
	Stores, spares and loose tools	(327,129)	(539,135)
	Stock-in-trade	(2,377,372)	478,243
	Trade debts	1,315,220	96,398
	Loans, advances, deposits, prepayments		
	and other receivables - net	(1,862,832)	(697,978)
		(3,252,113)	(662,472)
	Increase in current liabilities	2	
	Trade and other payables	3,766,856	1,611,349
		514,743	948,877
16.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	7,250,625	3,503,536
	Short-term investments	389,500	2,976,066
		7,640,125	6,479,602

### 17. SEGMENT INFORMATION

17.1 The basis of segmentation and reportable segments presented in these consolidated condensed interim financial statements are same as disclosed in the annual consolidated financial statements of the Holding Company for the year ended December 31, 2022.

	June 30, 2023 (Unaudited)			June 30, 2022 (Unaudited)				
а.	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power Supply	Total	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Total
				Rupe	es			
Revenue from contracts with customers - ne	nt							
- At a point in time	31,805,180	5,152,147		36,957,327	41,832,135	3,502,214		45,334,349
- Over time		4	65,037	65,037	-	•	69,583	69,583
	31,805,180	5,152,147	65,037	37,022,364	41,832,135	3,502,214	69,583	45,403,932
Less:							(10 005)	(20.011.022)
Cost of sales	(24,622,006)	(3,297,936)	(59,222)	(27,979,164)	(28,529,032)	(1,633,106)	(49,685)	(30,211,823)
Distribution and marketing expenses	(193,663)	(91,957)		(285,620)	(198,608)	(86,219)		(284,827)
Administrative expenses	(518,328)	(85,034)		(603,362)	(438,367)	(65,503)		(503,870)
Other expenses	(725,554)	(389,363)	(3,388)	(1,118,305)	(2,006,850)	(118,652)	(2,357)	(2,127,859)
Other income	661,584	113,415	1,352	776,351	786,105	64,541	1,283	851,929
Finance costs	(2,349,022)	(374,591)	(4,729)	(2,728,342)	(1,283,488)	(65,888)	(1,309)	(1,350,685)
axation	(2,038,741)	(295,923)	(4,169)	(2,338,833)	(4,353,663)	(364,138)	(7,239)	(4,725,040)
Profit / (Loss) for the period	2,019,450	730,758	(5,119)	2,745,089	5,808,232	1,233,249	10,276	7,051,757

		June 30, 2023 (Unaudited)			December 31, 2022 (Audited)			
	Poly Vinyl Chloride and Allied Chemicals	Caustic soda and Allied Chemicals	Power supply	Total	Poly Vinyl Chloride and Allied Chemicals	Caustic soda and Allied Chemicals	Power supply	Total
				Rupee	S			
Table and a second s	54,203,319	14,365,779	48,111	68.617.209	54,834,265	6,341,047	37,029	61,212,341
Total segment assets - note 17.2 Unallocated assets	54,205,515	14,000,170		19,805,509	1.000 P. 000 P.			24,188,239
Total assets				88,422,718			-	85,400,580
<b>-</b>	33,734,225	4,604,196	19,049	38,357,470	31,728,877	2,491,196	1,547	34,221,620
Total segment liabilities Unallocated libilities	33,734,223	4,004,100	10,010	23,679,676				24,057,245
Total liabilities				62,037,146				58,278,865

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		Unaudited			
		Half year e	ended		
		June 30,	June 30,		
		2023	2022		
		Rupee	S		
Nature of relationship	Nature of transactions				
Directors	Fee	9,266	10,052		
Contribution to staff					
retirement benefits	Managed and operated by the Holding Company				
	- Provident fund	60,056	53,751		
	- Gratuity fund	42,819	41,661		
	- Pension fund	2,657	2,080		
Key management personnel	Managerial remuneration	80,525	74,444		
Rey management personner	Retirement benefit funds	13,655	12,017		
	Bonus	32,444	28,647		
	Other benefits	17,282	12,939		

### 19. FINANCIAL RISK MANAGEMENT

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

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

### 20. FAIR VALUE MEASUREMENT

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

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 the level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

	Level 1	Level 2	Level 3	Total
		Rup	)ees	
Short term investments in units of mutual funds - June 30, 2023	. <u> </u>	2,772,000	<u> </u>	2,772,000
Short term investments in units of mutual funds - December 31, 2022		8,869,458		8,869,458

For the remaining financial assets and financial liabilities, the fair values are considered not to be materially different from their respective carrying amounts since the instruments are either short-term in nature or are periodically re-priced.

### 21. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

- 21.1 The Board of Directors of the Holding Company in its meeting held on August <u>9</u>, 2023 has approved a second interim cash dividend of Rs. <u>1.5</u> per ordinary share for the year ending December 31, 2023 amounting to Rs. <u>1,363,385</u>. These consolidated condensed interim financial statements do not include the effects of the said interim dividend.
- 21.2 The Board of Directors of the Holding Company in its meeting held on August 9\_\_\_\_, 2023 has approved a second interim cash dividend for prefrence share holders of Rs. 0.5\_\_\_\_ per share for the year ending December 31, 2023 amounting to Rs. 150,000\_\_\_\_. These consolidated condensed interim financial statements do not include the effects of the said interim dividend.

### 22. CORRESPONDING FIGURES

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

### 23. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on August \_\_\_\_\_9 \_\_\_\_, 2023 by the Board of Directors of the Holding Company.

MSbu

Julyifinh

Jahangir Piracha Chief Executive Officer

Rabia Wafah Khan Chief Financial Officer



Ghias Khan Chairman



# A-F-FERGUSON & CO.

### INDEPENDENT AUDITOR'S REVIEW REPORT

### To the members of Engro Polymer and Chemicals Limited

### **Report on review of Unconsolidated Condensed Interim Financial Statements**

### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Engro Polymer and Chemicals Limited as at June 30, 2023 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2023.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Waqas Aftab Sheikh.

Chartered Accountants Karachi

Date: August 23, 2023 UDIN: RR202310069aWo9Ht0Tq

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk> ENGRO POLYMER AND CHEMICALS LIMITED UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2023

### ENGRO POLYMER AND CHEMICALS LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

### (Amounts in thousand)

Note         (Unaudited)         (Audited)           Jone 30,         December 31,         2023           ASSETS	(Anounts in thousand)			
ASETS         Rupees           ASETS         Rupees           Property, plant and equipment         5         42,336,940         41,004,218           Right-foruse asset         1,387,603         1,817,227           Intangible assets         6         4,994,000         3,844,000           Investments at amortized cost         7		Note	(Unaudited)	
ASSETS         Rupes           Non-Current Assets         5         42,336,940         41,042,18           Property, plant and equipment         5         42,336,940         41,042,18           Right-G-use asset         65         49,960,000         3,884,000           Long-term investments         7         -         1,317,508           Investments at amortized cost         7         -         1,317,508           Current Assets         2,806,832         2,464,113         1,415,982           Stock-in-rade         8         1,208,324         2,464,113         1,415,982           Leans, advances, deposits, prepayments and other receivables         9         1,415,892         2,806,140         2,808,331         2,464,113           Leans, stock-in-rade         8         1,208,332         2,464,113         2,464,113         2,466,112         2,800,140         2,807,464         2,806,140         2,808,140         2,808,140         2,808,140         2,808,233         2,465,112         2,800,140         3,414,513         2,802,045         3,54,45,543         3,64,45,973         3,64,45,973         3,64,45,973         3,64,45,973         3,64,45,973         3,64,45,973         3,64,45,973         3,64,65,98         3,64,65,98         3,64,65,98         3,64,65,98			June 30,	December 31,
ASSETS           Non-Current Assets         5         42,336,940         41,004,218           Right-four-sue asset         1,387,003         1,117,227           Intragible assets         650,170         686,598           Current Assets         6         4,9308,713         46,509,551           Current Assets         49,308,713         46,509,551         46,509,551           Current Assets         2,808,632         2,767,844         2,809,140           Stock-in-trade         8         12,793,341         10,415,902         2,809,140           Loans to subsiding companies         10         41,45,891         2,809,140         2,809,140           Cash and bank balances         35,145,534         35,446,073         14,459,319         2,862,045           Cash and bank balances         35,145,534         35,446,073         14,959,319         2,862,045           Cash and bank balances         35,614,247         83,967,624         26,965,617         27,133,672           POTAL ASSETS         85,514,247         83,967,624         26,965,617         27,133,672           Non-Current Liabilities         10,521,431         11,169,486         10,521,431         11,169,486           Long-term borrowings         12         7,035,225			2023	2022
Non-Current Assets         Forperty, plant and equipment         5         42,336,940         41,004,218           Right-Gusse asset         1,387,603         1,617,227         650,170         666,588           Long-tern Investments         6         4,994,000         666,588         686,588           Current Assets         49,368,713         48,050,551         49,368,713         10,415,902           Current Assets         9         1,307,603         12,475,081         10,415,902           Loans, advances, deposits, prepayments and other receivables         9         1,309,401         2,469,113         10,415,902           Loans, advances, deposits, prepayments and other receivables         9         1,409,218         2,805,140         2,805,141         1,10,804,80         1,8			Ru	pees
Property, plant and equipment         5         42.336,940         41.004.218           Right-Oruse asset         1.387,603         1.617.237           Intangible assets         6         4.994,000         3.844,000           Long-term investments at amorized cost         7         -         1.317.268           Current Assets         49,368,713         48,609,551           Stores, spares and loose tools         8         12,278,364         2,464,113           Stores, spares and loose tools         9         1,317.268         2,464,113           Loans to subsiding vompanies         10         4,146,691         2,969,401         2,980,140           Loans to subsiding vompanies         10         4,146,691         2,980,140         2,980,140           Stort-term investments         2,852,045         36,142,524         35,97,624         2,862,045           Cash and bank balances         36,514,247         83,957,624         2,862,045         36,744,533         36,74,963           Current VAND LIABILITIES         2         200,140         2,862,045         30,000,000         3,000,000         3,000,000         3,000,000         3,000,000         3,000,000         3,000,000         3,000,000         3,000,000         3,000,000         3,000,000         3,0000,000<	ASSETS			
Right-of-use asset       1.377,003       1.617,227         Intangible assets       65       4.994,000       3.864,000         Investments at amorized cost       7       -       -       1.317,508         Current Assets       9       4.9308,713       445,000,551       1.417,227         Stores, sparse and lose tools       5       2.200,632       2.464,113       1.307,561         Stores, sparse and lose tools       1.307,503       1.445,992       2.6767,464         Leans, divances, deposite, prepayments and other receivables       10       7       384,800       7,893,935       1.4059,319         Cash and bank balances       9       4,144,891       2.800,140       2.802,045       1.4059,319       2.827,045         Cash and bank balances       10       7,898,935       1.4059,319       2.827,045       3.6440,073         Stort-term investments       8       3.6148,523       36,440,073       3.874,953       3.874,953       3.874,953       3.874,953       3.874,953       3.874,953       3.874,953       3.874,953       3.874,953       3.874,953       1.987,707       1.842,556       1.9322,965       2.4149,659       1.842,556       2.4149,659       1.842,556       1.9322,965       2.4149,659       1.9322,965       2.4149,659	Non-Current Assets			
Right-ouise asset       1,37,2603       1,617,227         Inhangbie assets       65       4,994,000       3,884,000         Investments at amortized cost       7       -       1,317,508         Current Assets       8       1,277,503       16,67,27         Stores, apres and loose tools       9       1,317,508       10,415,992         Stores, narrade daths       9       1,347,503       10,415,992       2,676,644         Loans to subsidiary companies       11       13,450,81       2,800,140       -       -         Stort-term Investments       8       1,360,551       2,676,644       2,800,140       -	Property, plant and equipment	5	42,336,940	41,004,218
Intangible assets         686,598           Long-term investments         6           Long-term investments         6           Long-term investments         6           Long-term investments         6           Stores, spares and lose tools         2,464,113           Stock-in-Tale         8           Trade debts         9           Loans, advances, deposits, prepayments and other receivables         10           Loans, davances, deposits, prepayments and other receivables         10           Stock-in-Tale         9           Stock-in-Tale         9           Stock-in-Tale         2,866,832           Cash and bank balances         11           Stock-in-Tale         8           Cash and bank balances         36,145,534           Stock-in-Tale         8           Cash and bank balances         36,146,534           Stock-in-Tale         8           Cordinary share capital         9,089,233           Ordinary share capital         9,089,233           Ordinary share capital         10,021,037           Preference shares         3,000,000           Stare premium         3,027,4953           Unappropriated proffts         12			1,387,603	1,617,227
Long-term investments         6         4,994,000         3,884,000           Investments at amortized cost         7         -         -         1,317,508           Current Assets         8         12,793,364         10,415,902         10,415,902         10,415,902         10,415,902         10,415,902         12,765,864         2,806,1632         2,2676,464         2,809,140         2,806,140         2,806,140         2,806,140         -			650,170	686,598
Investments at amortized cost       7		6	4,994,000	3,884,000
Current Assets         2,808,632 12,793,364 12,793,364 12,793,364 12,793,364 12,782,364 12,672,484 13,340,00 7,888,935 14,059,319 2,852,045 36,145,534 30,000,000 3,000,000 3,000,000 3,000,000		7		1,317,508
Stores, spares and loose tools         2,808,632         2,464,113           Stock-in-trade         9         1,306,061         2,776,464           Loans, advances, deposits, prepayments and other receivables         10         4,145,691         2,980,140           Loans to subsidiary companies         11         9,448,690         1,306,061         2,882,045           Short-term investments         11         9,448,000         14,059,319         2,882,045           Cash and bank balances         36,145,534         35,448,073         35,044,073           TOTAL ASSETS         85,514,247         83,957,624           EQUITY AND LIABILITIES         3,000,000         3,000,000         3,000,000           Share premium         3,874,953         3,874,953         3,874,953           Unappropriated profits         26,465,617         27,133,672         11,189,466           Non-Current Liabilities         12         17,036,263         19,329,365         13         19,329,365         13,466,617         27,133,672           Non-Current Liabilities         13         1,697,709         1,842,658         637,807         1,842,658         637,807         1,842,658         637,807         1,842,658         637,807         1,242,142         21,508,666         24,149,659 <t< td=""><td></td><td></td><td>49,368,713</td><td>48,509,551</td></t<>			49,368,713	48,509,551
Stock-in-rade         8         12,783,364         10,415,002           Trade debts         9         1,360,561         2,678,464           Leans, advances, deposits, prepayments and other receivables         10         4,145,691         2,860,140           Leans, advances, deposits, prepayments and other receivables         11         934,600	Current Assets			
Stock-in-trade       8       12,793,364       10,415,992         Trade debts       9       1,360,661       2,676,464         Loans, advances, deposits, prepayments and other receivables       10       4,146,891       2,980,140         Loans, downces, deposits, prepayments and other receivables       11       934,800       -       7,989,933       14,059,319         Stort-term investments       36,145,534       36,145,534       35,448,073       36,145,534       35,448,073         TOTAL ASSETS       85,514,247       83,957,624       85,514,247       83,957,624         EQUITY AND LIABILITIES       9,069,233       9,089,233       3,000,000       3,000,000         Share premium       9,069,233       3,074,963       3,874,963       3,874,963       3,874,963       3,874,963       3,874,963       3,874,963       3,874,963       11,842,568       10,621,431       11,169,486       10,624,431       11,169,486       12       13,697,709       1,842,558       164,609       1,842,558       144,609       1,842,558       144,609       1,842,558       144,609       1,842,558       144,609       1,842,558       144,609       1,842,558       144,609       1,842,558       144,609       1,842,558       144,609       1,842,558       144,609       1,842,558	Stores spares and loose tools		2,808,632	2,464,113
Trade debts       9       1,360,661       2,676,664         Loans, advances, deposits, prepayments and other receivables       10       4,146,691       2,980,140         Loans to subsidiary companies       11       334,800       7,898,933       14,059,319         Short-term investments       2,827,045       36,145,534       35,448,073         Cash and bank balances       85,514,247       83,957,624       85,514,247       83,957,624         EQUITY AND LIABILITIES       85,514,247       83,957,624       9,089,233       9,089,233       9,089,233       9,089,233       9,089,233       9,089,233       9,089,233       9,089,233       9,07,624         Preference shares       3,000,000       <		8	12,793,364	10,415,992
Loans, advances, deposits, prepayments and other receivables         10         4,145,891         2,880,140           Loans to subsidiary companies         11         934,800         7,898,935         14,058,319           Cash and benk balances         36,145,534         35,448,073         35,448,073           Cost and benk balances         85,514,247         83,957,624           EQUITY AND LIABILITIES         85,514,247         83,957,624           Equity         0,089,233         9,089,233         9,089,233           Ordinary share capital         9,089,233         9,009,233         3,000,000           Share premium         3,874,963         10,521,431         11,169,486           Long-term borrowings         10         12         238,861         184,609           Government grant         12         17,035,253         19,329,365         184,609           Lease liabilities         13         1,697,709         1,842,558         184,609           Current Liabilities         12         12,506,665         24,149,659         24,149,659           Current Liabilities         13         1,697,709         1,842,558         14,916,145           Trade and other payables         14         18,093,973         49,469         7,4278		9	1,360,561	2,676,464
Loans to subsidiary companies       11       934,800       -         Short-term investments       7,889,935       6,203,351       2,852,045         Cash and bank balances       36,145,534       35,448,073         TOTAL ASSETS       85,514,247       83,967,624         EQUITY AND LIABILITIES       9,089,233       9,089,233         Preference shares       3,000,000       3,000,000         Share permium       1,621,431       11,169,486         Unappropriated profits       26,485,617       27,133,672         Non-Current Liabilities       12       17,035,253       19,329,365         Courrent Liabilities       13       1,697,709       1,842,558         Provisions       12       23,861       184,609         Current bilities       13       1,697,709       1,842,558         Current bilities       13       1,697,709       1,842,558         Current portion of long-term borrowings       12       21,506,655       24,149,659         Current portion of long-term borrowings       12       39,388       39,114         Current portion of long-term borrowings       12       39,388       39,114         Current portion of long-term borrowings       12       39,388       39,114 <t< td=""><td></td><td>10</td><td>4,145,891</td><td>2,980,140</td></t<>		10	4,145,891	2,980,140
Shot-term investments       7,398,395       14,059,319         Cash and bank balances       6,203,351       2,852,045         36,145,534       35,448,073         TOTAL ASSETS       85,514,247       83,957,624         EQUITY AND LIABILITIES       9,089,233       9,089,233         Cordinary share capital       9,089,233       9,009,233         Preference shares       3,000,000       3,000,000         Share premium       3,374,953       11,169,486         Long-term borrowings       12       17,035,253       19,329,365         Government grant       12       238,861       184,609         Lease liabilities       13       1,697,709       1,842,558         Provisions       10,640       637,807         Deferred tax liability       2,21,506,665       24,4149,659         Current Liabilities       13       1,697,709       1,4916,145         Trade and other payables       14       18,093,973       14,916,145         Current portion of long-term borrowings       12       539,481       1,898,436         Current Liabilities       13       1,939,328       39,114       1,896,364         Current Liabilities       13       1,939,328       39,114       1,896,364		11	934,800	-
36,145,534         35,448,073           TOTAL ASSETS         36,514,247         33,957,624           EQUITY AND LIABILITIES         39,089,233         9,089,233         9,089,233         9,089,233         3,000,000         3,000,000           Share premium         9,089,233         9,089,233         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         11,169,486         26,485,617         27,133,672           Non-Current Liabilities         12         17,035,253         19,329,365         184,609         1,84,609         1,84,609         1,84,258         1,84,609         1,84,258         1,84,609         1,84,258         24,149,659         24,149,659         24,149,659         24,149,659         24,149,659         24,149,659         24,149,659         24,149,659         24,149,659         24,149,659         24,149,659         24,149,659         24,149,659         39,114         39,363,37,807         39,364         39,314         39,363,37,807         39,314         39,314         39,328         3,144,316,569         39,314         39,314         39,328         39,314         39,328         39,314         39,328         39,314         39,328         39,314 <t< td=""><td>Short-term investments</td><td></td><td></td><td></td></t<>	Short-term investments			
TOTAL ASSETS         85,514,247         83,957,624           EQUITY AND LIABILITIES         Equity         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         3,074,953         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         3,874,953         11,169,486         26,485,617         27,133,672           Non-Current Liabilities         12         17,035,253         19,329,365         184,609         1,842,558         184,609         1,842,558         184,609         1,842,558         184,609         1,924,212         2,155,320         2,155,320         2,155,320         2,155,320         2,155,320         2,155,320         2,155,320         2,155,320         2,155,320         2,155,320         2,155,320         2,155,320         2,155,320         2,14,149,659         1,4916,145         7,42,78         4,818,669         3,9,114         1,964,212         2,155,320         2,155,320         2,1,55,320         2,1,55,320         2,1,419,659         2,4,149,659         1,4,916,145         7,42,78         4,818,669         3,9,114         1,98,636         4,74,278         4,818,669         3,9,114         1,98,636	Cash and bank balances		6,203,351	2,852,045
EQUITY AND LIABILITIES           Equity           Ordinary share capital         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         9,089,233         3,074,953         10,521,431         11,169,486         10,521,431         11,169,486         26,485,617         27,133,672           Non-Current Liabilities         12         17,035,253         19,329,365         184,609           Lease liabilities         13         1,697,709         1,442,558         144,558         610,640         637,807           Deferred tax liabilities         13         1,697,709         1,442,558         24,149,659         24,149,659           Current Liabilities         14         18,093,973         14,916,145         74,278         4,818,569           Service benefit obligations         12         5,539,481         14,916,145         74,278         4,818,569           Current portion of government grant         12         13,93,286         14,916,145         1,938,228         4,41,969         44,368,569         39,114         1,988,238         39,114         1,988,238         34,43,806         3474,360         3474,360         366,576			36,145,534	35,448,073
Equity       9,089,233       9,089,233       9,089,233         Preference shares       3,000,000       3,000,000         Share premium       3,874,953       3,874,953         Unappropriated profits       10,621,431       11,169,486         Zo,485,617       27,133,672         Non-Current Liabilities       12       17,035,253         Government grant       12       238,851         Lease liabilities       13       1,697,709         Provisions       13       1,932,935         Deferred tax liabilities       13       1,506,665         Current Liabilities       13       1,4916,145         Trade and other payables       14       18,093,973         Service benefit obligations       12       21,506,665         Current portion of long-term borrowings       12       3,9388         Current portion of long-term borrowings       12       3,93,883         Accrued interest / mark-up       13       1,938,238         Unclaimed dividend       1,522,874       14,980,636         Taxes payable       7,9748,115       6,611,683         Provisions       25       59,028,630       56,823,952         Contingencles and Commitments       15       25	TOTAL ASSETS		85,514,247	83,957,624
Equity       9,089,233       9,089,233       9,089,233         Preference shares       3,000,000       3,000,000         Share premium       3,874,953       3,874,953         Unappropriated profits       10,621,431       11,169,486         Zo,485,617       27,133,672         Non-Current Liabilities       12       17,035,253         Government grant       12       238,851         Lease liabilities       13       1,697,709         Provisions       13       1,932,935         Deferred tax liabilities       13       1,506,665         Current Liabilities       13       1,4916,145         Trade and other payables       14       18,093,973         Service benefit obligations       12       21,506,665         Current portion of long-term borrowings       12       3,9388         Current portion of long-term borrowings       12       3,93,883         Accrued interest / mark-up       13       1,938,238         Unclaimed dividend       1,522,874       14,980,636         Taxes payable       7,9748,115       6,611,683         Provisions       25       59,028,630       56,823,952         Contingencles and Commitments       15       25				
Ordinary share capital         9,089,233         9,089,233           Preference shares         3,000,000         3,000,000           Share premium         3,874,953         3,874,953           Unappropriated profits         26,485,617         27,133,672           Non-Current Liabilities         12         17,035,253         19,329,365           Government grant         12         238,851         184,609           Lease liabilities         13         1697,709         1,842,558           Provisions         10,640         637,807           Deferred tax liabilities         13         1697,709         1,842,558           Current Liabilities         14         18,093,973         14,916,145           Service benefit obligations         14         18,093,973         14,916,145           Current portion of long-term borrowings         12         33,968         33,114           Current portion of long-term borrowings         12         39,368         33,114           Current portion of long-term borrowings         12         13,932,348         4,818,569           Current portion of long-term borrowings         12         39,368         33,114           Current portion of long-term borrowings         12         13,932,348         14,916,	EQUITY AND LIABILITIES			
Preference shares       3,000,000       3,000,000         Share premium       3,874,953       3,874,953         Unappropriated profits       10,521,431       11,169,486         Long-term borrowings       12       17,035,253       19,329,365         Government grant       12       23,8851       184,609         Lease liabilities       13       1,697,709       1,842,558         Provisions       610,640       637,807       2,155,320         Deferred tax liability       21,506,665       24,149,659       24,149,659         Current Liabilities       14       18,093,973       14,916,145         Service banefit obligations       12       3,9368       39,114         Current portion of long-term borrowings       12       39,368       39,114         Current portion of government grant       12       39,368       39,114         Current portion of lease liabilities       13       1,938,238       4,818,569         Current portion of lease liabilities       13       1,938,238       4,74,360         Accrued interest / mark-up       10,014,014       1,898,636       14,916,145         Unclaimed dividend       1,522,874       1,174,365       2,901,371         Governments       15	Equity	а. 1		
Share premium       3,874,953       3,874,953         Unappropriated profits       10,521,431       11,169,486         Non-Current Liabilities       26,485,617       27,133,672         Non-Current Liabilities       12       17,035,253       19,329,365         Government grant       12       238,851       184,609         Lease liabilities       13       1,697,709       1,842,558         Provisions       19,329,2452       2,155,320       2,155,320         Current Liabilities       13       16,093,973       49,469         Current portion of long-term borrowings       12       39,368       39,114         Current portion of long-term borrowings       13       1,382,238       4,481,569         Accrued interest / mark-up       10,522,874       1,174,365       2,901,371         Unclaimed dividend       1,522,874       2,901,371       6,010,879       32,674,293	Ordinary share capital		9,089,233	9,089,233
Unappropriated profits       10,521,431       11,169,486         Unappropriated profits       26,485,617       27,133,672         Non-Current Llabilities       12       17,035,253       19,329,365         Government grant       12       238,851       184,609         Lease liabilities       13       1,697,709       1,842,558         Provisions       13       1,9329,365       184,609         Deferred tax liability       13       1,697,709       1,842,558         Current Liabilities       13       1,9329,365       24,149,659         Current Liabilities       13       1,932,307       2,155,320         Current portion of long-term borrowings       12       21,506,665       24,149,659         Current portion of long-term borrowings       12       39,368       39,114         Current portion of long-term borrowings       12       39,368       39,114         Current portion of lease liabilities       13       1,938,238       4,74,360         Artq.360       504,504       1,522,874       2,901,371         Unclaimed dividend       1,522,874       2,901,371       6,010,879         Taxes payable       2,748,115       6,010,879       32,674,293         Provisions       37,	Preference shares			3,000,000
Non-Current Liabilities         26,485,617         27,133,672           Non-Current Liabilities         12         17,035,253         19,329,365           Government grant         12         238,851         184,609           Lease liabilities         13         1,697,709         1,842,558           Provisions         610,640         637,807           Deferred tax liability         19,24,212         2,155,320           Current Liabilities         14         18,093,973           Trade and other payables         14         18,093,973           Current portion of long-term borrowings         12         39,368           Current portion of long-term borrowings         12         39,368           Current portion of lease liabilities         13         1,938,238           Short-term borrowings         13         1,938,238         1,898,636           Accrued interest / mark-up         1,174,365         2,901,371         3,366,010,879           Unclaimed dividend         1,522,874         2,748,115         2,901,371           Non-Sump         39,028,030         56,823,952         32,674,293           Sop(28,630         56,823,952         59,028,630         56,823,952	Share premium			
Non-Current Liabilities         12         17,035,253         19,329,365           Government grant         12         238,851         184,609           Lease liabilities         13         1,697,709         1,842,558           Provisions         610,640         1,924,212         2,155,320           Deferred tax liability         21,506,665         24,149,659           Current Liabilities         14         18,093,973         49,469           Service benefit obligations         12         5,539,481         4,818,569           Current portion of long-term borrowings         12         39,386         39,114           Current portion of lease liabilities         13         1,932,238         474,360           Short-term borrowings         12         39,368         1,898,636           Current portion of lease liabilities         13         1,938,238         474,360           Accrued interest / mark-up         50,04,504         1,522,874         1,74,365           Unclaimed dividend         1,522,874         2,748,115         6,010,879           Taxes payable         59,028,630         56,823,952         59,028,630         56,823,952           Contingencies and Commitments         15         59,028,630         56,823,952 <td>Unappropriated profits</td> <td></td> <td>10,521,431</td> <td>11,169,486</td>	Unappropriated profits		10,521,431	11,169,486
Long-term borrowings       12       17,035,253       19,329,365         Government grant       12       238,851       184,609         Lease liabilities       13       1,697,709       610,640       637,807         Provisions       1,924,212       2,155,320       24,149,659         Current Liabilities       14       18,093,973       14,916,145         Service benefit obligations       12       39,368       39,114         Current portion of government grant       12       39,368       39,114         Current portion of government grant       12       39,368       39,114         Current portion of lease liabilities       13       1,938,238       1,498,636         Short-term borrowings       12       5,539,481       1,886,636         Current portion of lease liabilities       13       1,938,238       1,898,636         Short-term borrowings       13       1,938,238       1,474,360         Accrued interest / mark-up       504,504       1,522,874       1,174,365         Unclaimed dividend       1,522,874       2,748,115       2,901,371         Taxes payable       37,521,965       32,674,233       59,028,630       56,823,952         Contingencies and Commitments       15 <t< td=""><td></td><td></td><td>26,485,617</td><td>27,133,672</td></t<>			26,485,617	27,133,672
Government grant       12       238,851       184,609         Lease liabilities       13       1,697,709       1,842,558         Provisions       610,640       637,807         Deferred tax liability       1,924,212       2,155,320         Current Liabilities       24,149,659         Trade and other payables       14       18,093,973         Service benefit obligations       49,469         Current portion of long-term borrowings       12         Current portion of long-term borrowings       12         Current portion of lease liabilities       13         Short-term borrowings       13         Accrued interest / mark-up       13         Unclaimed dividend       1,528,74         Taxes payable       2,748,115         Provisions       59,028,630         56,823,952       56,823,952	Non-Current Liabilities			
Government grant       12       238,851       184,609         Lease liabilities       13       1,697,709       1,842,558         Provisions       610,640       637,807         Deferred tax liability       1,924,212       2,155,320         Current Liabilities       24,149,659         Trade and other payables       14       18,093,973         Service benefit obligations       49,469         Current portion of long-term borrowings       12         Current portion of long-term borrowings       12         Current portion of lease liabilities       13         Short-term borrowings       13         Accrued interest / mark-up       13         Unclaimed dividend       1,528,74         Taxes payable       2,748,115         Provisions       59,028,630         56,823,952       56,823,952	Long-term borrowings	12	17.035,253	19,329,365
Lease liabilities       13       1,697,709       1,842,558         Provisions       610,640       637,807         Deferred tax liabilities       1,924,212       2,155,320         Current Liabilities       21,506,665       24,149,659         Trade and other payables       14       18,093,973       14,916,145         Service benefit obligations       12       5,539,481       4,818,569         Current portion of long-term borrowings       12       39,368       39,114         Current portion of government grant       12       39,368       1,898,636         Current portion of lease liabilities       13       1,522,874       1,174,360         Short-term borrowings       13       2,748,115       2,901,371         Accrued interest / mark-up       0,010,879       37,521,965       32,674,293         Vortisions       259,028,630       56,823,952       59,028,630       56,823,952				and a state of the
Provisions       610,640       637,807         Deferred tax liability       1,924,212       2,155,320         Current Liabilities       21,506,665       24,149,659         Trade and other payables       14       18,093,973       14,916,145         Service benefit obligations       12       39,368       39,114         Current portion of long-term borrowings       12       39,368       39,114         Current portion of lease liabilities       13       1,938,238       474,360         Short-term borrowings       13       1,522,874       1,174,365         Curcal interest / mark-up       2,748,115       6,611,583       37,521,965         Provisions       15       59,028,630       56,823,952				
Deferred tax liability       1,924,212       2,155,320         Current Liabilities       21,506,665       24,149,659         Trade and other payables       14       18,093,973       49,469         Service benefit obligations       12       5,539,481       4,818,569         Current portion of long-term borrowings       12       39,368       39,114         Current portion of lease liabilities       13       1,938,238       1,898,636         Short-term borrowings       13       1,522,874       1,174,365         Curced interest / mark-up       37,521,965       32,674,293       59,028,630         Provisions       15       56,823,952       56,823,952		1.00		
Current Liabilities       21,506,665       24,149,659         Trade and other payables       14       18,093,973       14,916,145         Service benefit obligations       12       5,539,481       74,278         Current portion of long-term borrowings       12       39,368       39,114         Current portion of government grant       12       39,368       1,898,636         Current portion of lease liabilities       13       1,938,238       1,898,636         Short-term borrowings       13       1,522,874       2,901,371         Accrued interest / mark-up       2,748,115       2,901,371       6,010,879         Unclaimed dividend       37,521,965       32,674,293       59,028,630       56,823,952         Contingencies and Commitments       15       15       15       15				
Current Liabilities         14         18,093,973 49,469         14,916,145 74,278           Service benefit obligations         12         5,539,481         4,818,569           Current portion of long-term borrowings         12         39,368         39,114           Current portion of government grant         12         39,368         474,360           Current portion of lease liabilities         13         1,938,238         1,898,636           Short-term borrowings         474,360         504,504         366,576           Accrued interest / mark-up         504,504         1,522,874         1,174,365           Unclaimed dividend         2,748,115         6,611,583         32,674,293           Taxes payable         37,521,965         32,674,293         32,674,293           Provisions         15         59,028,630         56,823,952			21,506,665	24,149,659
Trade and other payables       14       18,093,973       14,916,145         Service benefit obligations       12       5,539,481       74,278         Current portion of long-term borrowings       12       39,368       39,114         Current portion of government grant       12       39,368       39,114         Current portion of lease liabilities       13       1,938,238       4,74,360       474,360         Short-term borrowings       474,360       504,504       366,576       1,174,365         Qured dividend       1,522,874       2,748,115       2,901,371       6,010,879         Traxes payable       37,521,965       32,674,293       32,674,293       59,028,630       56,823,952	Current Liabilities			1.500.00 <b>2</b> , 51.00 <b>2</b> , 50.00 <b>2</b> , 50.00 <b>1</b> ,
Service benefit obligations       49,469       74,278         Current portion of long-term borrowings       12       5,539,481       4,818,569         Current portion of government grant       12       39,368       39,114         Current portion of lease liabilities       13       1,938,238       1,898,636         Short-term borrowings       474,360       474,360       474,360         Accrued interest / mark-up       504,504       366,576       366,576         Unclaimed dividend       1,522,874       1,174,365       2,901,371         Taxes payable       2,748,115       2,901,371       6,611,583         Provisions       37,521,965       32,674,293       59,028,630       56,823,952		14	18 002 072	14 016 145
Current portion of long-term borrowings       12       5,539,481       4,818,569         Current portion of government grant       12       39,368       39,114         Current portion of lease liabilities       13       1,938,238       1,898,636         Short-term borrowings       474,360       474,360       474,360         Accrued interest / mark-up       504,504       366,576       366,576         Unclaimed dividend       1,522,874       1,174,365       2,901,371         Taxes payable       2,748,115       2,901,371       6,611,583         Provisions       37,521,965       32,674,293       59,028,630       56,823,952		14		
Current portion of government grant       12       39,368       39,114         Current portion of lease liabilities       13       1,938,238       1,898,636         Short-term borrowings       474,360       474,360       474,360         Accrued interest / mark-up       504,504       366,576       366,576         Unclaimed dividend       1,522,874       1,174,365       2,901,371         Taxes payable       2,748,115       2,901,371       6,010,879         Provisions       37,521,965       32,674,293       59,028,630       56,823,952		10		
Current portion of lease liabilities       13       1,938,238       1,898,636         Short-term borrowings       474,360       504,504       366,576         Accrued interest / mark-up       13       1,522,874       1,174,365         Unclaimed dividend       2,748,115       2,901,371       6,611,583       6,010,879         Provisions       37,521,965       32,674,293       59,028,630       56,823,952				
Short-term borrowings         474,360         474,360           Accrued interest / mark-up         504,504         366,576           Unclaimed dividend         1,522,874         1,174,365           Taxes payable         2,748,115         2,901,371           Provisions         37,521,965         32,674,293           Sp.028,630         56,823,952			AND THE REPORT OF A DESCRIPTION OF A DES	
Accrued interest / mark-up       504,504       366,576         Unclaimed dividend       1,522,874       1,174,365         Taxes payable       2,748,115       2,901,371         Provisions       37,521,965       32,674,293         Contingencies and Commitments       15       59,028,630		15		
Unclaimed dividend       1,522,874       1,174,365         Taxes payable       2,748,115       2,901,371         Provisions       37,521,965       32,674,293         Contingencies and Commitments       15       59,028,630				1000-000 100 <sup>50</sup> 027-00000
Taxes payable Provisions     2,748,115     2,901,371       6,611,583     6,010,879       37,521,965     32,674,293       59,028,630     56,823,952				
Bit Motor psychology         6,611,583         6,010,879           9rovisions         37,521,965         32,674,293           59,028,630         56,823,952           15				2. 전 16 17 18 18 19 19 19 19 19 19 19 19 19 19 19 19 19
37,521,965         32,674,293           59,028,630         56,823,952           15				
Contingencies and Commitments         59,028,630         56,823,952           15         15         15	8 1000000000000000000000000000000000000	és -		
Contingencies and Commitments 15	20 E			
TOTAL EQUITY AND LIABILITIES 85,514,247 83,957,624	Contingencies and Commitments	15		
TOTAL EQUITY AND LIABILITIES				
	TOTAL EQUITY AND LIABILITIES		85,514,247	83,957,624

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Jahangir Piracha Chief Executive Officer

Rabia Wafah Khan Chief Financial Officer



Ghias Khan Chairman

### ENGRO POLYMER AND CHEMICALS LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2023

### (Amounts in thousand except for earnings per share)

	Quarter	ended	Half year	ended
Note	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		Rupee	S	
ä				
Revenue from contract with customers - net	19,041,198	22,277,064	37,018,797	45,403,932
Cost of sales	(13,590,003)	(14,749,463)	(27,977,026)	(30,211,823)
Gross profit	5,451,195	7,527,601	9,041,771	15,192,109
Distribution and marketing expenses	(138,762)	(117,824)	(281,197)	(268,158)
Administrative expenses	(329,624)	(279,504)	(603,362)	(503,869)
Other expenses	(232,180)	(1,283,730)	(996,207)	(2,127,076)
Other income	332,056	411,386	769,899	836,734
Operating profit	5,082,685	6,257,929	7,930,904	13,129,740
Finance costs	(1,554,838)	(739,785)	(2,724,593)	(1,345,862)
Profit before taxation	3,527,847	5,518,144	5,206,311	11,783,878
Taxation 16	(1,884,147)	(3,179,162)	(2,373,135)	(4,723,945)
Profit for the period	1,643,700	2,338,982	2,833,176	7,059,933
Other comprehensive income for the period	-		-	-
Total comprehensive income for the period	1,643,700	2,338,982	2,833,176	7,059,933
Earnings per share - basic	1.48	2.45	2.79	7.56
Earnings per share - diluted	1.36	1.93	2.34	5.84
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July: finh

Jahangir Piracha Chief Executive Officer

Rabia Wafah Khan Chief Financial Officer

Ghias Khan Chairman

### ENGRO POLYMER AND CHEMICALS LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED JUNE 30, 2023

### (Amounts in thousand)

(Amounts in mousting)			RESERVES		
×	ISSUED, SUBS PAID-UP		CAPITAL	REVENUE	
	Ordinary Share capital	Preference shares	Share premium	Unappropriated profits	Total
			Rupee	S	
Balance as at January 1, 2022 (Audited)	9,089,233	3,000,000	3,874,953	13,994,903	29,959,089
Transactions with owners					
Final dividend for the year ended December 31, 2021 - Rs. 5.5 per ordinary share - Rs. 0.27 per preference share		-	-	(4,999,078) (81,000)	(4,999,078) (81,000)
First interim dividend for the year ended December 31, 2022 - Rs. 5 per ordinary share		-	-	(4,544,617)	(4,544,617)
- Rs. 0.37 per preference share	-	-		(111,000)	(111,000)
	· ·	-	-	(9,735,695)	(9,735,695)
Total comprehensive income for the half year ended June 30, 2022		-	-	7,059,933	7,059,933
Balance as at June 30, 2022 (Unaudited)	9,089,233	3,000,000	3,874,953	11,319,141	27,283,327
Transactions with owners					
Second interim dividend for the year ended December 31, 2022 - Rs. 2.5 per ordinary share - Rs. 0.37 per preference share	-		-	(2,272,308) (111,000)	(2,272,308) (111,000)
Third interim dividend for the year ended December 31, 2022 - Rs. 2.5 per ordinary share	_1	-	-	(2,272,308)	(2,272,308)
- Rs. 0.48 per preference share	L, <u>-</u>		-	(144,000) (4,799,616)	(144,000) (4,799,616)
Total comprehensive income for the half year ended December 31, 2022	<u>u</u> .,	24	-	4,649,961	4,649,961
Balance as at December 31, 2022 (Audited)	9,089,233	3,000,000	3,874,953	11,169,486	27,133,672
Transactions with owners					
Final dividend for the year ended December 31, 2022 - Rs. 2.5 per ordinary share - Rs. 0.50 per preference share	]	-	-	(2,272,308) (150,000)	(2,272,308) (150,000)
First interim dividend for the year ending December 31, 2023 - Rs. 1 per ordinary share - Ro. 0.50 per profession chara	-	-	-	(908,923) (150,000)	(908,923) (150,000)
- Rs. 0.50 per preference share		-	-	(3,481,231)	(3,481,231)
Total comprehensive income for the half year ended June 30, 2023	-		-	2,833,176	2,833,176
Balance as at June 30, 2023 (Unaudited)	9,089,233	3,000,000	3,874,953	10,521,431	26,485,617
Balance as at June 30, 2023 (Unaddited)	9,009,233	3,000,000	9,074,000		20,400,011

July: Pinto

Jahangir Piracha Chief Executive Officer

Rabia Wafah Khan Chief Financial Officer



Ghias Khan Chairman

### ENGRO POLYMER AND CHEMICALS LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2023

### (Amounts in thousand)

		Half year	
		June 30, 2023	June 30, 2022
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES	noto		
Cash generated from operations	17	10,588,112	15,927,257
Long-term loans and advances			505
Retirement benefits paid		(63,839)	(87,323)
Income tax paid		(2,757,499)	(593,851)
Net cash generated from operating activities		7,766,774	15,246,588
CASH FLOWS FROM INVESTING ACTIVITIES		+	
Purchases of property, plant and equipment		(2,761,973)	(1,267,297)
Proceeds from disposal of property, plant and equipment		24,280	5,338
Disbursement of subordinated loan to subsidiary companies		(2,534,800)	-
Repayment of subordinated loan from subsidiary companies		1,600,000	-
Investment made in subsidiaries companies	6	(1,110,000)	-
Proceeds from sale of Term Deposit Receipts		1,438,490	4,550,517
Proceeds on sale / maturity of short-term investments		38,915,890	121,297,604
Purchase of short-term investments		(31,886,106)	(126,436,334)
Income on short-term investment and bank deposits		663,633	706,017
Net cash generated from / (utilized in) investing activities		4,349,414	(1,144,155)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings - net of transaction costs		144,522	217,685
Repayment of long-term borrowings		(2,397,764)	(1,930,600)
Finance costs paid		(1,990,373)	(767,004)
Rentals paid		(1,160,774)	(800,442)
Dividend paid		(3,132,722)	(10,076,489)
Net cash utilized in financing activities		(8,537,111)	(13,356,850)
Net increase in cash and cash equivalents		3,579,077	745,583
Cash and cash equivalents at beginning of the period		3,013,774	5,665,843
Cash and cash equivalents at end of the period	18	6,592,851	6,411,426

July: fuil

Jahangir Piracha Chief Executive Officer

Rabia Wafah Khan

Chief Financial Officer



Ghias Khan Chairman

ENGRO POLYMER AND CHEMICALS LIMITED NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2023

(Amounts in thousand)

### 1. LEGAL STATUS AND OPERATIONS

- 1.1 Engro Polymer and Chemicals Limited (the Company) was incorporated in Pakistan in 1997 under the now repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed on the Pakistan Stock Exchange Limited (PSX).
- 1.2 The Company is a subsidiary of Engro Corporation Limited (the Holding Company) which is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Holding Company owns 56.19% shareholding in the Company. The Company's principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals. The Company is also engaged in the supply of surplus power generated from its power plants to Engro Fertilizers Limited (a related party).
- 1.3 The geographical location and addresses of all business units of the Company are as follows:

Business unit	Geographical location
Head office	12th Floor, Ocean Tower, G-3, Block 9, Clifton, Khayaban-e-Iqbal, Karachi, Pakistan
Manufacturing plant	EZ/I/P-II-I Eastern Zone, Port Bin Qasim Industrial Area, Karachi, Pakistan
Regional Sales Unit	9th floor, 301- R Hally Tower, Phase 11, DHA, Lahore, Pakistan

### 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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 applicable in Pakistan for interim financial reporting comprise of:

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

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

2.2 These unconsolidated condensed interim financial statements for the half year ended June 30, 2023 are unaudited. However, these have been subjected to limited scope review by the statutory auditors of the Company and are being submitted to the shareholders as required by the listing regulations of PSX and section 237 of the Act.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2022.

2.3 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiary companies namely Think PVC (Private) Limited, Engro Peroxide (Private) Limited and Engro Plasticizer (Private) Limited have been accounted for at cost less accumulated impairment losses, if any. The consolidated condensed interim financial statements of the Company and its subsidiary companies have been presented separately.

### 3. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

- 3.1 The significant accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2022.
- 3.2 There are certain amendments to published International Financial Reporting Standards that are mandatory for the financial year beginning on January 1, 2023. These are considered not to have any significant effect on the Company's financial reporting and operations and therefore, have not been disclosed in these unconsolidated condensed interim financial statements.
- 3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

### 4. ACCOUNTING ESTIMATES

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

The significant estimates, judgments and assumptions made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied in the annual audited financial statements of the Company for the year ended December 31, 2022, unless otherwise specified.

		Unaudited June 30, 2023	Audited December 31, 2022
		Rupe	es
5.	PROPERTY, PLANT AND EQUIPMENT		
	Operating assets - notes 5.1 and 5.2	34,075,380	34,375,626
	Capital work-in-progress - note 5.3	8,014,115	6,416,479
	Capital spares - note 5.3	247,445	212,113
		42,336,940	41,004,218
	mo.		

		Unaudited June 30, 2023	Audited December 31, 2022
		Rupe	9es
5.1	Following additions, including transfers from capital work-in-progress were made during the period / year:		
	Building on leasehold land	52,543	22,975
	Plant and machinery	1,004,607	5,174,012
	Furniture, fixtures and equipment	32,630	143,901
	Vehicles	20,857	128,008
		1,110,637	5,468,896

5.2 Operating assets costing Rs. 36,520 (December 31, 2022 : Rs. 311,568) having net book value of Rs. 22,132 (December 31, 2022 : Rs. 28,292) were disposed / written off for Rs. 24,280 (December 31, 2022 : Rs. 29,385) during the period.

5.3 Movement in capital work-in-progress during the period / year is as follows:

	Unaudited June 30, 2023	Audited December 31, 2022
	Rupe	es
Balance as at beginning of the period / year Additions during the period / year Transferred to: - operating assets - note 5.1 - intangible assets - capital spares	6,416,479 2,761,973	5,185,100 6,783,361
	(1,110,637) (18,368) (35,332)	(5,468,896) (72,212) (10,874)
	(1,164,337)	(5,551,982)
	8,014,115	6,416,479

### 6. LONG-TERM INVESTMENTS

During the period, the Company made further investment in Engro Plasticizer (Private) Limited and Engro Peroxide (Private) Limited (wholly owned subsidiaries of the Company) through subscription of right shares amounting to Rs. 10,000 and Rs. 1,100,000, respectively.

		Unaudited June 30, 2023	Audited December 31, 2022
		Rup	)ees
7.	INVESTMENTS AT AMORTIZED COST		
	Investment in Term Deposit Receipts - note 7.1	3,343,650	4,040,191
	Less: Current maturity	(3,343,650)	(2,722,683)
	en franchise por en antidation de la seconda d	-	1,317,508

7.1 Represents term deposits receipts aggregating to USD 35,000 maintained with Dubai Islamic Bank Pakistan Limited. These carry profit at the rate of six months LIBOR + 0.89% per annum and are due to mature in six equal semi-annual installments of USD 5.833 million starting from July 15, 2021 and ending on January 15, 2024.

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	Unaudited June 30, 2023	Audited December 31, 2022
	Rupe	es
STOCK-IN-TRADE		
Raw and packing materials - note 8.1	8,737,916	7,283,484
Less: Provision against stock-in-trade	(99,199)	(99,199)
Less. I Tomsion against stoor in trade	8,638,717	7,184,285
Work-in-process	92,725	25
Finished goods - manufactured products and trading products - note 8.2	4,061,922	3,231,707
	12,793,364	10,415,992
		The second se

- 8.1 This includes stock held with Engro Vopak Terminal Limited, a related party, amounting to Rs. 2,098,115 (December 31, 2022: Rs. 2,672,597) and goods in transit amounting to Rs. 1,532,712 (December 31, 2022: Nil).
- 8.2 During the period, the Company has written-off stock-in-trade amounting to Nil (December 31, 2022: Rs.18,604).

		Unaudited June 30, 2023	Audited December 31, 2022
		Rupe	es
9.	TRADE DEBTS - Considered good		
	Includes receivables from following related parties:		
	Engro Energy Services Limited Engro Eximp FZE Engro Fertilizers Limited	117 562,728 6,815_	- 2,223,250 4,972
		569,660	2,228,222
10.	LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	Includes receivables from following related parties:		
	Engro Corporation Limited	129,445	1,055
	Think PVC (Private) Limited	1,835	755
	Engro Energy Limited		562
	Engro Energy Services Limited	Ξ.	8
	Engro Plasticizer (Private) Limited	440	440
	Engro Fertilizers Limited		13,402
	Engro Peroxide (Private) Limited	37,755	11,646
	Engro Powergen Qadirpur Limited	133	69
	Engro Powergen Thar (Private) Limited	-	32
	Engro Elengy Terminal (Private) Limited	153	-
	Engro Vopak Terminal Limited	1,284	<u>–</u>
	Sindh Engro Coal Mining Company Limited	9	
		171,054	27,969

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### 11. LOANS TO SUBSIDAIRY COMPANIES

Represents subordinated loans given to Engro Peroxide (Private) Limited and Think PVC (Private) Limited (wholly owned subsidiaries of the Company) amounting to Rs. 919,800 and Rs.15,000, respectively, at the rate of 1 months KIBOR + 0.5% per annum. These loans are payable on demand.

### 12. LONG-TERM BORROWINGS

	Mark-up rate	ins	stallments	Unaudited June 30, 2023	Audited December 31, 2022
	per annum	Number	Commencing	Rupe	es
Loan from International Finance Corporation	6 months LIBOR + 3.25%	6 half yearly	July 15, 2021	3,321,427	3,913,259
Bilateral Loan	6 months KIBOR + 0%	6 half yearly	July 15, 2021	1,807,167	2,710,751
Islamic Long Term Financing Facility	SBP rate + 1.2%	32 quarterly	December 14, 2022	1,747,704	1,868,317
Islamic Temporary Economic Refinance Facility (ITERF)	Ranging from SBP rate + 0.75% to 1%	32 quarterly	June 12, 2023	893,006	748,484
Loan under Diminishing Musharka Agreement	3 months KIBOR + 0.4%	6 half yearly	June 28, 2023	350,000	400,000
Syndicated Long Term Islamic Financing Facility	3 months KIBOR + 0.3%	12 quarterly	March 27, 2028	8,733,649	8,730,846
Loan under Diminishing Musharka Agreement	3 months KIBOR + 0.3%	16 quarterly	March 30, 2026	6,000,000	6,000,000
			-	22,852,953	24,371,657
Less: Current portion shown under current liabilities				(5,539,481)	(4,818,569)
Less: Deferred income - Government grant				(278,219)	(223,723)
	a		-	17,035,253	19,329,365

- 12.1 As at June 30, 2023, there is no material change in the terms and conditions of the borrowings as disclosed in the note 18 of the annual audited financial statements of the Company for the year ended December 31, 2022.
- 12.2 During the period further draw down amounting to Rs. 144,522 was made against the Company's ITERF facility. The impact of below market mark-up rate on this additional loan has been accounted for as government grant.

### 13. LEASE LIABILITIES

This include lease liability outstanding in respect of storage arrangements with Engro Vopak Terminal Limited, a related party, amounting to Rs. 3,578,602 (December 31, 2022: Rs. 3,679,819).

		Unaudited June 30, 2023	Audited December 31, 2022
		Rupe	es
14.	TRADE AND OTHER PAYABLES		
	Includes due to following related parties:		
	Engro Corporation Limited	382,577	361,293
	Engro Fertilizers Limited	135,509	54,370
	Engro Energy Limited	30,250	315
	Engro Foundation	<u></u>	8,000
	Think PVC (Private) Limited	188	188
	Engro Vopak Terminal Limited	272,245	229,475
	Engro Eximp FZE	7,217,881	834,764
	Engro Peroxide (Private) Limited	9,038	9,038
	Engro Plasticizer (Private) Limited	20	20
	The Dawood Foundation	-	240
	Sindh Engro Coal Mining Company Limited	729	-
	Provident funds	40	23,969
	Gratuity funds	2,056	10,231
	Pension funds	1,775	2,217
		8,052,308	1,534,120

### 15. CONTINGENCIES AND COMMITMENTS

- 15.1 As at June 30, 2023, there is no material change in the status of contingencies as disclosed in notes 26 and 27 of the audited annual financial statements of the Company for the year ended December 31, 2022, except for the recent decision of the Sindh High Court (the SHC) with respect to the applicability of Super Tax on high earning persons introduced via Finance Act, 2022 which was decided by the SHC in favour of the Company. Post this decision Federal Board of Revenue (FBR) filed an appeal against the order of the SHC in Supreme Court of Pakistan (SCP), whereby, SCP through its interim order dated February 16, 2023, directed Nazir of SHC to encash bank guarantee to the extent of 4% of super tax, resultantly, bank guarantee equivalent to Rs. 665,210 has been encashed during the period.
- 15.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Company as at June 30, 2023 amounts to Rs. 6,511,030 (December 31, 2022: Rs. 6,548,000). The amount utilized thereagainst as at June 30, 2023 is Rs. 5,380,000 (December 31, 2022: Rs. 5,908,206).
- 15.3 The facility for opening letters of credit as at June 30, 2023 aggregates to Rs. 23,398,000 (December 31, 2022: Rs.23,000,000). The amount utilized thereagainst as at June 30, 2023 was Rs. 12,886,431 (December 31, 2022: Rs. 6,725,937).
- 15.4 The Company has entered into operating lease arrangements with Al-Rahim Trading Company (Private) Limited for the storage and handling of Ethylene Di Chloride (EDC) in respect of which future lease commitments aggregate to:

	Unaudited June 30,	Audited December 31,	
	2023	2022	
	Rupees		
Not later than one year	4,500	3,600	

15.5 Commitments in respect of rentals of storage tanks at EVTL for the handling of: (i) Ethylene aggregate to USD 14,472 valid till March 31, 2026, (ii) Ethylene Di Chloride (EDC) aggregate to USD 11,026 valid till December 31, 2028 and (iii) Vinyl Chloride Monomer (VCM) aggregate to USD 620 valid till December 31, 2023.

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		Unaudited June 30,	Audited December 31,
		2023 Rup	2022 ees
15.6	Commitments in respect of and other operational items	1,793,818	1,759,592

### 16. TAXATION

Current tax expense includes aggregate amount of Rs. 1,299,059 on account of provision made in accordance with section 4C 'Super tax on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through Finance Act, 2023, whereby, super tax at the rate of ten percent has been levied on income exceeding Rs. 500,000 for the year ending December 31, 2022 (tax year 2023) and onwards.

		Unaudited Half year ended		
		June 30, 2023	June 30, 2022	
		Rupee	S	
17.	CASH GENERATED FROM OPERATIONS			
	Profit before taxation	5,206,311	11,783,878	
	Adjustments for non-cash charges and other items:			
	Staff retirement and other service benefits	39,030	27,351	
	Depreciation: - operating assets - right-of-use assets	1,388,751 229,624	1,140,455 241,635	
	Amortization of intangible assets Remeasurement loss on provision	54,796	47,512	
	against Gas Infrastructure Development Cess (GIDC)	129,122	107,161	
	Reversal of provision for slow moving stores and spares	(17,390)	-	
	Income on short-term investments and bank deposits Unrealized foreign exchange loss on revaluation of	(720,571)	(817,242)	
	financial assets and liabilities	932,514	1,196,887	
	Amortization of transaction costs	28,864	21,345	
	Interest expense on lease liabilities	123,013	124,117	
	Default surcharge on GIDC	444,415	195,033	
	Finance costs	2,128,301	914,308	
	(Gain) / Loss on disposal of operating assets	(2,147)	416	
	Working capital changes - note 17.1	623,479	944,401	
		10,588,112	15,927,257	
17.1	Working capital changes			
	(Increase) / Decrease in current assets	(007.400)	(500 405)	
	Stores, spares and loose tools	(327,129)	(539,135)	
	Stock-in-trade	(2,377,372)	478,243	
	Trade debts	1,315,903	96,398	
	Loans, advances, deposits, prepayments	(4 405 754)	(077.045)	
	and other receivables - net	(1,165,751)	(677,015)	
		(2,554,349)	(641,509)	
	Increase in current liabilities	2 477 000	1,585,910	
	Trade and other payables	3,177,828		
	Mare .	623,479	944,401	

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### (Amounts in thousand)

		Unaudited Half year ended		
		June 30,	June 30,	
		2023	2022	
		Rupees		
18.	CASH AND CASH EQUIVALENTS			
	Cash and bank balances	6,203,351	3,446,734	
	Short-term investments	389,500	2,964,692	
		6,592,851	6,411,426	

### 19. SEGMENT INFORMATION

19.1 The basis of segmentation and reportable segments presented in these unconsolidated condensed interim financial statements are same as disclosed in the annual financial statements of the Company for the year ended December 31, 2022.

	June 30, 2023 (Unaudited)			June 30, 2022 (Unaudited)				
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Total	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Total
	÷			Rupee			-	
Revenue from contract with customers	- net							
- At a point in time	31,801,613	5,152,147	•	36,953,760	41,832,135	3,502,214	-	45,334,349
- Over time		ii i	65,037	65,037	N.		69,583	69,583
	31,801,613	5,152,147	65,037	37,018,797	41,832,135	3,502,214	69,583	45,403,932
Less:		(0.007.000)	(50.000)	(07.077.000)	(00 500 000)	(4 030 400)	(49,685)	(30,211,823
Cost of sales	(24,619,868)	(3,297,936)	(59,222)	(27,977,026)	(28,529,032)	(1,633,106)	(49,003)	
Distribution and marketing expenses	(189,240)	(91,957)	÷.	(281,197)	(181,920)	(86,238)	8 <b>8</b> - 1	(268,158)
Administrative expenses	(518,328)	(85,034)		(603,362)	(438,367)	(65,502)	<u>1</u>	(503,869)
Other expenses	(724,386)	(268,433)	(3,388)	(996,207)	(2,006,067)	(118,652)	(2,357)	(2,127,076)
Other income	661,395	107,152	1,352	769,899	770,910	64,541	1,283	836,734
Finance costs	(2,345,273)	(374,591)	(4,729)	(2,724,593)	(1,278,665)	(65,888)	(1,309)	(1,345,862)
Taxation	(2,038,680)	(330,286)	(4,169)	(2,373,135)	(4,352,326)	(364,380)	(7,239)	(4,723,945)
Profit / (Loss) for the period	2,027,233	811,062	(5,119)	2,833,176	5,816,668	1,232,989	10,276	7,059,933

	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)				
	Poly Vinyl Chloride and allied chemicals	Caustic soda and allied chemicals	Power supply	Total	Poly Vinyl Chloride and allied chemicals	Caustic soda and allied chemicals	Power supply	Total
				Rupee	\$		•	
Total segment assets - note 19.2	54,120,772	5,571,025	48,111	59,739,908	54,767,952	6,341,047	37,029	61,146,028
Unallocated assets				25,774,339				22,811,596
Total assets			=	85,514,247			-	83,957,624
Total segment Liabilities	33,674,184	1,538,669	19,049	35,231,902	31,665,089	2,491,196	1,547	34,157,832
Unallocated Liabilities		0.55		23,796,728			-	22,666,120
Total Liabilities			_	59,028,630			-	56,823,952

19.2 Segment assets consist primarily of property, plant and equipment, right-of-use assets, stores and spares, stock-in-trade and trade debts.



### 20. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

	-	Unaudited	
	-	Half year ei June 30,	June 30,
		2023	2022
Nature of relationship		Rupees	}
Holding Company			
- Engro Corporation Limited	Reimbursements made	917,747	439,686
	Reimbursements received	154	73,561
	Subordinated loan proceeds	-	2,000,000
	Subordinated loan repaid	-	2,000,000
	Markup on subordinated loan	<del>.</del>	20,13
Subsidiary Company			
- Think PVC (Private) Limited	Expenses incurred on		
	behalf of the subsidiary	<del></del>	558
	Reimbursements received	1,080	1,06
	Subordinated loan proceeds	15,000	) <del>.</del>
	Markup on subordinated loan	37	-
Engro Plasticizer (Private) Limited	Expenses incurred on behalf of the subsidiary	-	6
	Subordinated loan proceeds	5,000	-
	Subordinated loan repaid	5,000	-
	Markup on subordinated loan	171	-
Engro Peroxide (Private) Limited	Expenses incurred on behalf of the subsidiary	±1	19,29
	Reimbursements received	76,286	61,79
	Subordinated loan proceeds	2,514,800	-
	Subordinated loan repaid Markup on subordinated loan	1,595,000 39,745	-
Members of the Group			
Engro Fertilizers Limited	Sale of goods	-	7,270
	Sale of steam and electricity	63,924	65,68
	Reimbursement received	1,622	43
	Reimbursement made	126,543	52,13 69,45
	Purchase of services	46,419	03,40
Engro Vopak Terminal Limited	Reimbursement made	35,364	31,09
	Late payment charges	14,825	-
	Purchase of services	1,455,055	1,018,38
	Reimbursements received	1,305	-
Engro Energy Limited	Reimbursements received	1,610	52
	Contribution for onward donations	-	49,72
Engro Foundation	Donation	<b>a</b> .	6,35
	Reimbursement made	272	-
Engro Elengy Terminal (Private)	Deinskumpersenterseriuset	119	53
Limited	Reimbursement received	119	5.
Engro Powergen Qadirpur Limited	Reimbursement received	133	2,364
A	Reimbursement made	<b>H</b>	1,55

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

	Level 1	Level 2	Level 3	Total
		Rup	ees	
Short-term investments in				
units of mutual funds - June 30, 2023	-	2,772,000		2,772,000
Short-term investments in				
units of mutual funds - December 31, 2022	(18) ( <b>1</b> 4)	8,869,458		8,869,458

For the remaining financial assets and liabilities, the fair values are considered not to be materially different from their respective carrying amounts since these are either short-term in nature or are periodically re-priced.

### 23. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

- 23.1 The Board of Directors in its meeting held on August <u>9</u>, 2023 has approved a second interim cash dividend of Rs. <u>1.5</u> per ordinary share for the year ending December 31, 2023 amounting to Rs. <u>1,363,385</u>. These unconsolidated condensed interim financial statements do not include the effects of the said interim dividend.
- 23.2 The Board of Directors in its meeting held on August 9\_\_\_, 2023 has approved a second interim cash dividend for preference share holders of Rs. 0.5\_\_\_ per share for the year ending December 31, 2023 amounting to Rs. 150,000\_. These unconsolidated condensed interim financial statements do not include the effects of the said interim dividend.

### 24. CORRESPONDING FIGURES

- 24.1 In order to comply with the requirements of International Accounting Standard 34 'Interim Financial Reporting', the unconsolidated condensed interim statement of financial position has been compared with the balances of annual audited unconsolidated financial statements of preceding financial year, whereas the unconsolidated condensed interim profit or loss and other comprehensive income, the unconsolidated condensed interim statement of changes in equity and the unconsolidated condensed interim statement of comparable period of immediately preceding financial year.
- 24.2 Corresponding figures have been rearranged and reclassified for better presentation, wherever, considered necessary.

### 25. DATE OF AUTHORIZATION FOR ISSUE

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

July's finds

Jahangir Piracha Chief Executive Officer

Rabia Wafah Khan Chief Financial Officer



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اینگرو پالیمر اینڈ کیمیکلز لمیٹڈ ڈائریکٹرز کا جائزہ برائے شینربولڈرز غیر آڈٹ شدہ مشترکہ عبوری مالیاتی گوشوارے برائے ششمابی ختم شدہ 30جون2023

اینگرو پالیمر اینڈ کیمیکلز لمیٹڈ (کمپنی)کے بورڈ آف ڈانریکٹرز کی جانب سے، بم کمپنی کی خیر آڈٹ شدہ مالیاتی معلومات برانے ششمابی ختم شدہ 30جون 2023پیش کرتے ہونے خوشی محسوس کرتے ہیں۔

کاروباری جائزہ

بپارت کی جانب سے طلب بحال ہونے پر سال کے پہلے دوماہ میںPVC کی عالمی قیمتوں میں تیزی دیکیی گئی بعد ازاں معاشی سست روی، سیاسی و عسکری تناز عات اور عالمی طور پر توانانی کی قیمتوں میں بوشربا اضافے کے نتیجے میں تمام براعظموں میں مارکیٹ مستحکم ربی پہلی سہ ماہی میں ایتھائلین کی سپلانی میں خلاسے قیمتوں پر دباؤکے نتیجے میں تیزی کے بعد دوسری سہ ماہی میں زائدفراہمی، آئل میں اتار چڑھاؤ اور ڈاؤن اسٹریم طلب میں کمزوری سے سست روی دیکھی گئی گزشتہ چھ ماہ کے دوران محدود اسپاٹ ایکٹوٹی کے سبب EDC کی مجموعی طلب کم رہنے سے قیمتوں میں ٹیہراؤ دیکیا گیا کاسٹک کی مارکیٹ اس مدت کے دوران مندی کا شکار رہی کیونکہ زیادہ تر علاقوں میں سپلانی کی زیادتی اور محدود خریداری کا ماحول تھا۔

2023کی پہلی ششمابی میں، مقامیPVC کی فروخت پچپلے سال کے مقابلے میں 23فیصد کمی کاشکار رہیکاسٹک کی مقدار میں بھی 2023کی پہلی ششمابی کے دورانPVC جیسی صورتحال رہی جبکہ مقدار میں 28فیصد کمی آئی۔ اس کمی کی وجہ ملک کی میکرو اکنامک صورتحال میں سست روی کے سبب نمایاں مسائل ہیںمہنگائی کے تسلسل میں روپے کی شدید ناقدری کے ساتھ اس مدت کے اکثر حصے میں بیرونی زر مبادلہ کو روکنے کے لیےLCsپر پابندیوں نے مختلف صنعتوں کی اہلیت کو شدید متاثر کیا نتیجے میں ان کے امور غیر مستحکم ہونے، اور مجموعی صورتحال پر دباؤ ریا۔

> Engro Polymer & Chemicals Limited 12th Floor, Ocean Tower, G-3, Block-9, Clifton, Khayaban-e-Iqbal, Karachi 75600, Pakistan. UAN: 92 (21) 111-411-411 Fax: 92 (21) 35166865 www.engropolymer.com



engro polymer & chemicals

کمپنی نے 2023کی پہلی ششمابی کے دوران 37,022ملین روپے کی آمدنی حاصل کی جوکہ گزشتہ سال کی اسی مدت کے مقابلے میں 18کم ہے کیونکہPVC کی فروخت اور قیمتوں میں کمی کا رجحان دیکھا گیا۔2023کی پہلی ششمابی کے دوران، کمپنی نے 2,745ملین روپے کا بعد از ٹیکس منافع کمایا جس کے مطابق برا یک شیئر پر منافع 2.69روپے بنتا ہے، گزشتہ سال کی اسی مدت کا بعد از ٹیکس منافع 7,052ملین روپے اور برایک شیئر کا منافع 7.55روپے تھامنافع جات میں کمی کی وجہ فروخت میں کمی اور پیداوار لاگت کا بڑھ جانا ہے۔

اپنی ابلیت میں اضافے کے ساتھ دیگر پروجیکٹس پر کام جاری بے تابم بمارےHTDC اور بانیڈروجن پر آکسائیڈ پروجیکٹس 2023میں فعال بونے تھے، وہ مجموعی میکرو اکنامک ماحول میں سست روی کے سبب تاخیر کا شکار بونے۔ان پروجیکٹس کی بروقت تکمیل کے لیے بم پر ممکن کوشش کررہے ہیں۔

ہم پرامید ہیں کہ بھارت میں مون سون سیزن کے خاتمے اور عالمی طور پر معاشی سست روی میں استحکام سےPVC کی قیمتیں بحال ہوں گی۔ایتھانلین کی قیمتوں پر اوپیک پلس کے فیصلے اور ان کے نتائج اثر انداز ہوں گے جبکہEDC کی قیمتوں پرPVC کی طلب اور کاسٹک سوڈا کی صورتحال سے اثرات مرتب ہوں گے۔آنے والی سہ ماہی کے دوران اپنے پلانٹ کے محفوظ اور مستحکم آپریشنز کو یقینی بنانے کے ساتھ، جاری پروجیکٹس کی بروقت اور محفوظ تکمیل ہماری ولین ترجیح ہوگی، اسی کے ساتھ مشکل معاشی حالات اور LC کی پابندیوں سے نبردآزما ہونا اور ترقی کا استحکام لازمی بنانا



July: Puril

مستقبل ير نظر

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