



Dawood Hercules

**QUARTERLY ACCOUNTS**  
**(UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024**



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# COMPANY INFORMATION

## Board of Directors

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

## Board Audit Committee

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

## Board HR & Remuneration Committee

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

## Board Investment Committee

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

## Chief Financial Officer

Mr. Kamran Hanif Jangda

## Company Secretary

Mr. Imran Chagani

## Registered Office

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

## Auditors

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

## Share Registrar/Transfer Agent

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

## Tax Consultant

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

## Legal Advisor

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

## Bankers

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

# DIRECTORS' REPORT

The Directors of Dawood Hercules Corporation Limited (the Company) are pleased to present the quarterly report and financial statements for the three months period ended March 31, 2024.

## The Environment in Which We Operated

Transitioning from an economically challenging 2023, the largest milestone for the country in Q1 was a peaceful conduct of general elections. The successful transfer to a newly elected Government, followed by a successful review of the IMF program, boosted investor sentiment in the country. This was supported by improvement in other key indicators, particularly a gradual reduction in the Consumer Price Index, which was recorded at 20.7% – a 22-month low. Likewise, the current account showed noticeable improvement, with the Current Account Deficient (CAD) clocking at USD 1.0bn versus USD 3.8bn in the same period last year.

On an overall basis, these key developments helped to improve investor confidence. The KSE-100 index continued to perform, posting a rerun of 7.3% in 1Q 2024 to close the quarter at 67,005 points.

## Engro Corporation

Engro Corporation continued its impressive run in the face of a challenging macroeconomic environment. Overall, the Corporation's results were led by a very good performance by Engro Fertilizers which continues to play a pivotal role in supporting the agricultural development of the country and, in the process, generating strong returns for shareholders. This quarter was no exception and the business posted one of its best returns, driven by improved margins and sales. Given its criticality to the country's agricultural sector, we believe the business has the potential to continue adding value to the Corporation in the years to come.

Engro Polymer, on the other hand, struggled to perform owing to challenging external vulnerabilities. Business' margins are based on international pricing and with rising gas prices as well as weak demand from the construction segment, the business posted a loss in the quarter – its first loss since the impressive turnaround of the business in 2015. Going forward, energy cost will be a major factor in driving business profitability. With interest rates expected to decline, we expect the business to gain breathing space from lower financial costs and better offtake from the construction sector.

The terminals businesses, Engro Vopak Terminal and Engro Elengy Terminal are all-weather businesses with dollarized revenues and stable offtake. They are a source of consistent cashflows and are expected to remain stable contributors to profitability.

Engro's tower business, Engro Enfrashare, has been challenged by high interest rates that continue affecting its profitability. The recent announcement by PTCL to acquire Ufone will reduce the number of MNOs in the country to three, consequently reducing tenancy potential in the long term. That said, the company is continuing to build more towers to cater to growing demand. The business has strong cash flow potential even with three MNOs in the country and it remains focused on realizing its potential in the years to come.

Friesland Campina Engro Pakistan is a business in Engro's portfolio that directly caters to consumer demand. The company has a strong management team that is supported by a very experienced international dairy operator in a burgeoning market. We are patient with our investment in this business and are confident that it will yield fruit in the year to come. The latest quarter depicts a robust topline growth of 21% as it expands its footprint. We are confident that topline growth will translate into sustained profitability growth in the future.

Engro Corporation has also decided to exit its thermal energy business and has entered into a definitive Share Purchase Agreement to divest its holding of Engro Powergen Qadirpur Limited, Engro Powergen Thar Limited, and Sindh Engro Coal Mining Company Limited. The transaction is subject to relevant corporate and regulatory approvals and is expected to close in the near future.

## Non-Engro Portfolio

We are maintaining our other positions in our portfolio in line with the view we developed last year. We remain long on the banking sector, maintaining our shareholding in UBL and Meezan Bank. Both these maintain an investor-friendly capital allocation policy and offer a good mix of value and growth.

Likewise, our thesis on energy exploration and production companies remains intact. We believe both OGDC and PPL offer deep value to investors and will be frontline beneficiaries of key reforms in the energy sector, especially the resolution of circular debt. The recent increases in gas prices have significantly improved cashflows of these businesses, which we believe will translate into shareholder returns given the strong balance sheet positions of these companies. Likewise, Mari continues to offer an impressive mix of growth and value in the sector.

The technology sector is another sector we remain invested in, of which Systems Limited is our largest holding. We have faith in the ability of the company's management to continue its impressive run of sales growth, having a demonstrated track record of doing so in the past several years. The company has healthy cash flow generation and we believe it will continue reinvesting in the business to ensure future growth. The recent stability of the Pak Rupee has restricted bottom-line growth in recent quarters; however, we remain confident in the company's ability to generate consistent profitability growth in the years to come.

## **Financial Performance**

The Company's consolidated revenue in the first three months of 2024 was PKR 104,300 million as compared to PKR 97,332 million in the first three months of 2023 resulting in an increase of 7%.

The consolidated profit after tax had a likewise trend with consolidated revenue and an increment of 19% was seen. In the first quarter ended March 31, 2023, it was PKR 8,991 million which increased to PKR 10,731 million in the first quarter of 2024. Profit after tax attributable to the owners increased to PKR 2,632 million from PKR 1,924 million in the same period in 2023, mainly due to reduced finance cost due to de-levering and increased share of income from associates and joint ventures.

On a standalone basis, return on investments stood at PKR 503 million as compared to PKR 810 million in March 2023. This decrease is in line with reduced size of the portfolio. Moreover, the profit after tax for the three months period ended March 31, 2024 was PKR 346 million against profit after tax of PKR 414 million for the same period in the last year.

## **Earnings Per Share**

The unconsolidated earnings per share for the first quarter of the current year was PKR 0.72 as compared to PKR 0.86 for the first quarter of 2023. On the other hand, the consolidated earnings per share in 1Q 2024 was PKR 5.47 (1Q 2023: PKR 4.00).

## **Future Outlook**

We believe (and are heartened by the fact) that the incumbent government appears determined to institute the key reforms agenda that is central to structural improvement of the economy. This will likely entail some painful decisions that are important to bring the economy onto a sustainable growth trajectory in the medium term. The government looks all set to proceed with the next IMF program after the conclusion of the current one, which is likely to provide confidence to investors, given a significant external financing gap projected over the next few years. With inflation seemingly under control, interest rate reduction is now a question of when, not if. Albeit gradual, the reduction of interest rates will bode well for businesses as it will reduce their cost of doing business and help them return to growth trajectories. That said, shoring up fiscal balances and improving tax collections will remain a major challenge for the economy in the immediate term. We believe that our investment profile is well aligned to balance risks, while making the best of opportunities available.

We are cognizant of the fact that the dividend received from Engro Corporation is the largest source of income for the Company, which is subject to multiple layers of inefficiency; we are working to develop a win-win solution to address this.

There were no material movements in our portfolio during the quarter.

## **Acknowledgement**

The Board expresses its gratitude to all shareholders for their confidence and support. We would like to thank all stakeholders, including but not limited to financial institutions for their support and cooperation and assure them of our commitment to look after their respective interests. We would also like to thank the management and employees for their sincere contributions towards the growth and prosperity of DH Corp.

**Muhammed Amin**  
Director

**Mohammad Shamoony Chaudry**  
Chief Executive

سرماہ کاری کی پروفائل خطرات کو متوازن کرنے اور دستیاب مواقع سے زیادہ سے زیادہ فائدہ اٹھانے کے لئے پوری طرح تیار ہے۔

ہم اس حقیقت سے پوری طرح آگاہ ہیں کہ اینگرو کارپوریشن سے موصول ہونے والا منافع کمپنی کی آمدنی کا سب سے بڑا ذریعہ ہے جو نا اہلیت کی کئی تہوں سے متاثر ہو رہا ہے۔ اس صورت حال کو اپنے موافق بنانے کے لئے ہم کام کر رہے ہیں۔

زیر جائزہ سہ ماہی کے دوران ہمارے پورٹ فولیو میں کوئی ماڈی تحریک نہیں ہوئی۔

## اظہار تشکر

غیر متزلزل بھروسہ اور اعتماد کرنے پر بورڈ، اپنے شیئر ہولڈروں کو ہدیہ تہنیت پیش کرتا ہے۔ مالیاتی اداروں سمیت لیکن محض ان تک محدود نہیں، ہم اپنے تمام اسٹیک ہولڈروں کا بھی شکریہ ادا کرنا چاہیں گے کہ انہوں نے اپنا تعاون جاری رکھا انہیں یقین دلاتے ہیں کہ ان کے متعلقہ مفادات کی دیکھ بھال ہمارا عہد ہے۔ ہم انتظامیہ اور اپنے ملازمین کے بھی شکر گزار ہیں کہ ڈی ایچ کورپ کی ترقی میں انہوں نے مخلصانہ کردار ادا کیا ہے۔

محمد شمعون چوہدری  
چیف ایگزیکٹو آفیسر

محمد امین  
ڈائریکٹر

ہے اور ہم یقین رکھتے ہیں کہ مستقبل میں مزید ترقی کی غرض سے یہ کاروبار میں اپنا سرمایہ بڑھاتی رہے گی۔ پاکستانی روپے کی قدر میں حالیہ استحکام نے حالیہ سہ ماہیوں میں اس کمپنی کے منافع میں کسی حد تک کمی کی ہے تاہم ہم بدستور پر اعتماد ہیں کہ یہ کمپنی آنے والے برسوں میں اپنا منافع بڑھانے کی بھرپور صلاحیت رکھتی ہے۔

## مالیاتی کارکردگی

سال 2024 کے ابتدائی تین ماہ کے دوران کمپنی کی منظم آمدنی 104,300 ملین روپے رہی جو 2023 کے ابتدائی تین ماہ کے دوران 97,332 ملین روپے رہی تھی جو %7 اضافے کو ظاہر کرتی ہے۔

منظم بعد از ٹیکس منافع کے معاملے میں بھی منظم آمدنی میں یہی رجحان رہا اور %19 کا اضافہ دیکھنے میں آیا۔ 31 مارچ 2023 کو اختتام پذیر ہونے والی سہ ماہی میں 8,991 ملین روپے کا بعد از ٹیکس منافع حاصل ہوا تھا جو 2024 کی اسی مدت کے دوران بڑھ کر 10,731 ملین روپے ہو گیا۔ مالکان کو قابل نسبت بعد از ٹیکس منافع 2023 کی اسی مدت میں حاصل ہونے والے 1,924 ملین روپے سے بڑھ کر 2024 کی پہلی سہ ماہی میں 2,632 ملین روپے ہو گیا۔ اس کی بڑی وجہ قرضوں کی ادائیگی کے نتیجے میں مالیاتی لاگتوں میں کمی ہونا اور ایسوسی ایٹ اور جوائنٹ وینچر کمپنیوں کی آمدنی کے حصے میں اضافہ ہونا تھا۔

انفرادی (standalone) بنیادوں پر سرمایہ کاری سے ہونے والی آمدنی 503 ملین روپے رہی جو 2023 کی پہلی سہ ماہی میں 810 ملین روپے رہی تھی۔ سرمایہ کاری سے ہونے والی آمدنی میں کمی کی وجہ پورٹ فولیو کے حجم میں کمی ہونا ہے۔ مزید یہ کہ 31 مارچ 2024 کو ختم ہونے والی سہ ماہی مدت کے دوران 346 ملین روپے کا بعد از ٹیکس منافع حاصل ہوا جو گزشتہ برس کی اسی مدت کے دوران 414 ملین روپے رہا تھا۔

## فی شیئر کمائی

جاری سال کی پہلی سہ ماہی میں فی شیئر غیر منظم کمائی 0.72 روپے رہی جو 2023 کی پہلی سہ ماہی کے اختتام پر 0.86 روپے رہی تھی۔ جبکہ 2024 کی پہلی سہ ماہی میں منظم فی شیئر کمائی 5.47 روپے حاصل ہوئی (2023 کی پہلی سہ ماہی میں 4.00 روپے رہی تھی)۔

## مستقبل کا منظر

ہمیں یقین ہے (اور اس حقیقت سے ہمیں حوصلہ ہوتا ہے) کہ موجودہ حکومت ان اصلاحات کے نفاذ کے ایجنڈے کے معاملے میں سنجیدہ دکھائی دیتی ہے جو معیشت کے ڈھانچے میں بہتری لانے کے لئے مرکزی نکتہ ہے۔ اس کے نتیجے میں ممکن ہے کہ حکومت کو ایسے کئی تکلیف دہ فیصلے کرنا پڑیں جو وسطی مدت میں ملکی معیشت کو پٹری پر لانے انتہائی اہمیت کے حامل ہیں۔ موجودہ پروگرام کے اختتام پر حکومت آئی ایم ایف کا آئندہ پروگرام حاصل کرنے کے لئے پوری طرح تیار دکھائی دیتی ہے جس سے سرمایہ کاروں کو اعتماد ملے گا کیونکہ آئندہ چند برسوں میں بیرونی مالیات کی کافی ضرورت پڑے گی۔ بظاہر محسوس ہوتا ہے کہ مہنگائی قابو میں آجائے گی لہذا سوال یہ نہیں کہ آیا شرح سود میں کمی لائی جائے گی بلکہ سوال یہ ہے کہ یہ کمی کب لائی جائے گی۔ چاہے وہ مرحلہ وار ہی کیا جائے لیکن شرح سود میں کمی کاروباروں کے لئے مفید رہے گی کیونکہ اس سے کاروبار کرنے کی لاگت کم ہوگی اور انہیں بڑھوتی کی جانب جانے کا راستہ ملے گا۔ دوسری جانب مالیاتی توازن کو سنبھالنا اور ٹیکس اکٹھا کرنے کی صورت حال میں بہتری لانا فوری طور سے ملکی معیشت کے لئے بدستور چیلنج رہیں گے۔ ہمیں یقین ہے کہ ہمارا

ٹرمینلوں کے کاروبار یعنی Engro Vopak اور Engro Elengy ٹرمینل تمام حالات میں چلنے والے کاروبار ہیں جن کی آمدنی ڈالروں میں ہوتی ہے یہ آمدنی مستحکم ہے۔ یہ کاروبار مستحکم نقدی وسیلہ ہیں اور کمپنی کی فائدہ مندی میں ان کا حصہ مستحکم رہنے کی امید ہے۔

اینگرو کاٹاوروں کا بزنس، اینگرو انفراسٹرکچر کو بلند شرح سود کے سبب مخالف ہواؤں کا سامنا ہے کیونکہ بلند شرح سود اس کی سود مندی میں بدستور کاوٹ ہے۔ پی ٹی سی ایل کی جانب سے یوفون کو خریدنے کے حالیہ اعلان کے سبب ملک میں موبائل نیٹ ورک آپریٹر کمپنیوں کی تعداد کم ہو کر تین رہ جائے گی جس کے نتیجے میں طویل مدت میں ٹاوروں کی کرایہ داری بھی متاثر ہوگی۔ لیکن اس کے باوجود بڑھتی ہوئی طلب پوری کرنے کی غرض سے کمپنی مزید ٹاور تعمیر کر رہی ہے۔ صرف تین موبائل نیٹ ورک کمپنیوں کے باوجود اس کاروبار کی نقدی کا مضبوط بہاؤ حاصل ہے اور اس کی توجہ آنے والے برسوں میں پیدا ہونے والے امکانات سے بھرپور فائدہ اٹھانے پر مرکوز ہے۔

فرائیز لینڈ کمپنی، اینگرو پاکستان کا وہ کاروبار ہے جو صارفین کی ضروریات براہ راست پوری کرتا ہے۔ اس کمپنی کی انتظامی ٹیم انتہائی مضبوط ہے جسے پھلتی پھولتی مارکیٹ میں ڈیری مصنوعات کا عالمی کاروبار کرنے والے انتہائی تجربہ کار اداروں کی مدد حاصل ہے۔ اس کاروبار میں ہم اپنی سرمایہ کاری سے مطمئن ہیں کیونکہ ہمیں اعتماد ہے کہ آنے والے برسوں میں ہماری کاوشیں بار آور ثابت ہوں گی۔ زیر جائزہ سہ ماہی میں اس کاروبار نے 21% کی مضبوط ٹاپ لائن بڑھوتی ظاہر کی ہے کیونکہ یہ کاروبار اپنے بڑے پھیلا رہا ہے۔ ہم پر اعتماد ہیں کہ یہ ٹاپ لائن بڑھوتی مستقبل میں مستحکم منافع کی صورت میں ظاہر ہوگی۔

اینگرو کارپوریشن نے تھرمل انرجی کے کاروبار سے نکلنے کا فیصلہ بھی کیا ہے اور شیئر پر چیز ایگریمنٹ میں داخل ہوئی ہے جس کے تحت وہ اینگرو پاور جین قادر پور لمیٹڈ، اینگرو پاور جین تھرمل لمیٹڈ اور سندھ اینگرو کول مائننگ کمپنی لمیٹڈ میں سے اپنا سرمایہ نکال لے گی۔ یہ سودے متعلقہ ضروری کارپوریٹ اور قانونی منظور یوں سے مشروط ہے اور مستقبل قریب میں اس کی تکمیل کی توقع ہے۔

## دیگر پورٹ فولیو

گزشتہ برس لئے گئے جائزے کی خطوط پر ہم اپنے پورٹ فولیو میں دیگر حیثیتیں بھی قائم رکھی ہوئی ہیں۔ بینکاری سیکٹر میں ہماری سرمایہ کاری پرانی ہے اور یونائیٹڈ بینک لمیٹڈ اور میزان بینک میں ہمارے شیئرز ہیں۔ یہ دونوں ادارے تخصیص سرمایہ کی سرمایہ کار دوست پالیسی رکھتے ہیں اور قدر اور بڑھوتی کا ایک اچھا امتزاج پیش کرتے ہیں۔

اسی طرح توانائی کی کھوج اور پیداوار کرنے والی کمپنیوں کے متعلق ہمارا دعویٰ برقرار ہے۔ ہم یقین رکھتے ہیں کہ OGDCL اور PPL دونوں کمپنیاں سرمایہ کاروں کو اچھی قدر پیش کرتی ہیں اور خصوصاً سرکلر ڈیٹ کے حل کے لئے توانائی کے شعبہ میں کی جانے والی اصلاحات سے سب سے پہلے فائدہ اٹھائیں گی۔ گیس کی قیمتوں میں حالیہ اضافے نے ان دونوں کمپنیوں میں نقدی کے بہاؤ کی صورت حال کافی بہتر کی ہے اور ہمیں یقین ہے کہ یہ صورت حال شیئر ہولڈروں کو بہتر آمدنی مہیا کرے گی کیونکہ ان دونوں کمپنیوں کی بیلنس شیٹ کافی مضبوط ہے۔ اسی طرح Mari بھی اس سیکٹر میں بڑھوتی اور قدر کا متاثر کن امتزاج پیش کرتی ہے۔

ایک اور سیکٹر جس میں ہم نے سرمایہ لگا رکھا ہے وہ ٹیکنالوجی سیکٹر ہے اور اس شعبہ میں سسٹم لمیٹڈ میں ہمارا سب سے زیادہ سرمایہ ہے۔ ہمیں اس کمپنی کی انتظامیہ کی اہلیت پر کامل یقین ہے کہ وہ گزشتہ کئی برسوں سے جاری اپنی مصنوعات کی فروخت بڑھانے کا چلن قائم رکھے گی۔ اس کمپنی کی نقدی کی صورت حال کافی مضبوط



# ڈائریکٹرز کی رپورٹ

برائے اختتام سہ ماہی 31 مارچ، 2024

داؤد ہرکولیس کارپوریشن لمیٹڈ (کمپنی) کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 مارچ، 2024 کو ختم ہونے والی سہ ماہی مدت کے لئے اپنی رپورٹ کے ہمراہ مالیاتی گوشوارے پیش کر رہے ہیں۔

## ماحول جس میں ہم نے کام کیا

اقتصادی مشکلات سے بھرپور سال 2023 سے نکل کر پہلی سہ ماہی میں ملک کا پہلا سنگ میل عام انتخابات کا پر امن انعقاد تھا جسے حکومت نے کامیابی سے عبور کیا۔ نون منتخب شدہ حکومت کو اقتدار کی کامیاب منتقلی جس کے بعد آئی ایم ایف پروگرام کے کامیاب جائزے نے ملک میں سرمایہ کار کے جذبات کو مہمیز دی۔ اس میں دیگر اہم اشاریوں خصوصاً کنزیومر پرائس انڈیکس میں مرحلہ وار کمی نے اضافہ کیا۔ واضح ہو کہ کنزیومر پرائس انڈیکس میں 22 ماہ میں سب سے کم یعنی 20.7% ریکارڈ کی گئی۔ اسی طرح کرنٹ اکاؤنٹ کی صورت حال میں کمی قابل ذکر حد تک بہتری دیکھی گئی اور جاری کھاتے کا خسارہ 1.0 بلین امریکی ڈالر ریکارڈ کیا گیا جو گزشتہ برس کی اسی مدت کے دوران 3.8 بلین ڈالر رہا تھا۔

مجموعی بنیادوں پر ان اہم واقعات نے سرمایہ کار کے اعتماد میں اضافہ کیا۔ KSE-100 انڈیکس بدستور بہتر کارکردگی دکھاتا رہا اور 2024 کی پہلی سہ ماہی میں 7.3% کی آمدنی ریکارڈ کرتے ہوئے 67,005 پوائنٹ پر بند ہوئی۔

## اینٹروکارپوریشن

مشکل میکرو اکنامک ماحول میں بھی اینٹروکارپوریشن اپنی متاثر کن دوڑ قائم رکھی۔ مجموعی طور سے کارپوریشن کے نتائج اینٹرو فریڈل انڈیکس کے بہت اچھے کارکردگی کی مرہون منت رہے جو ملک کی زرعی ترقی میں بدستور اہم کردار ادا کر رہی ہے اور ایسا کرتے ہوئے اپنے شیئر ہولڈروں کے لئے بھی مستحکم آمدنیاں حاصل کر رہی ہے۔ زیر نظر سہ ماہی کے دوران بھی صورت حال مختلف نہیں رہی اور اس کاروبار نے بہترین آمدنیاں فراہم کیں جس میں بچتوں میں بھی اضافہ ہوا اور فروخت بھی بڑھی۔ ملک کے زرعی شعبے میں اس کے اہم کردار کے پیش نظر ہم یقین رکھتے ہیں کہ یہ کاروبار آنے والے برسوں میں کارپوریشن کی قدر بڑھانے کی بھرپور صلاحیت رکھتا ہے۔

دوسری جانب اینٹرو پولیمر چیلنجوں سے بھرپور بیرونی کمزوریوں کی وجہ سے کارکردگی دکھانے کی جدوجہد کرتی رہی۔ کاروباری بچتیں عالمی قیمتوں اور گیس کی بڑھتی ہوئی قیمتوں کے ساتھ ساتھ کنسٹرکشن کے شعبے میں طلب کے کم ہوجانے پر بنیاد کرتی ہیں جس کے سبب اس کاروبار نے زیر نظر سہ ماہی میں نقصان ظاہر کیا۔ 20215 میں کی گئیں متاثر کن تبدیلیوں کے بعد اس کاروبار نے پہلی بار نقصان ظاہر کیا ہے۔ آئندہ وقت میں توانائی کی قیمتیں کاروبار کی فائدہ مندی میں مرکزی کردار ادا کریں گی۔ توقع ہے کہ شرح سود میں کمی آئے گی جس سے ہمیں امید ہے کہ مالیاتی لاگتیں کم ہونے اور کنسٹرکشن سیکٹر سے آمدنی بہتر ہونے کے سبب کاروباری نفع کو سانس لینے کی جگہ ملے گی۔

**DAWOOD HERCULES CORPORATION LIMITED**

**Unconsolidated Condensed Interim Financial  
Statements**

FOR THE THREE MONTHS PERIOD ENDED  
MARCH 31, 2024

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

|  | Note | March 31,<br>2024<br>(Un-audited) | December 31,<br>2023<br>(Audited) |
|--|------|-----------------------------------|-----------------------------------|
| ----- (Rupees in '000) -----                 |      |                                   |                                   |
| <b>ASSETS</b>                                |      |                                   |                                   |
| <b>NON-CURRENT ASSETS</b>                    |      |                                   |                                   |
| Property and equipment                       | 5    | 41,972                            | 44,485                            |
| Right-of-use assets                          |      | 22,938                            | 22,938                            |
| Investment properties                        |      | 50,051                            | 50,680                            |
| Long-term investments                        | 6    | 23,308,927                        | 23,308,927                        |
|  |      | <b>23,423,888</b>                 | 23,427,030                        |
| <b>CURRENT ASSETS</b>                        |      |                                   |                                   |
| Loan, advances, deposits and prepayments     |      | 14,185                            | 11,301                            |
| Other receivables                            |      | 355,444                           | 101,972                           |
| Short-term investments                       | 7    | 8,498,404                         | 8,550,096                         |
| Cash and bank balances                       |      | 175,906                           | 33,123                            |
|  |      | <b>9,043,939</b>                  | 8,696,492                         |
| <b>TOTAL ASSETS</b>                          |      | <b>32,467,827</b>                 | 32,123,522                        |
| <b>EQUITY</b>                                |      |                                   |                                   |
| <b>SHARE CAPITAL AND RESERVES</b>            |      |                                   |                                   |
| Authorised share capital                     |      | 10,000,000                        | 10,000,000                        |
| Issued, subscribed and paid-up share capital |      | 4,812,871                         | 4,812,871                         |
| Revenue reserves                             |      | 24,106,682                        | 23,760,295                        |
| <b>TOTAL EQUITY</b>                          |      | <b>28,919,553</b>                 | 28,573,166                        |
| <b>LIABILITIES</b>                           |      |                                   |                                   |
| <b>NON-CURRENT LIABILITIES</b>               |      |                                   |                                   |
| Lease liabilities                            |      | 7,870                             | 7,870                             |
| Defined benefit liabilities                  |      | 6,492                             | 5,103                             |
| Deferred taxation                            |      | 258,425                           | 213,490                           |
| <b>TOTAL NON-CURRENT LIABILITIES</b>         |      | <b>272,787</b>                    | 226,463                           |
| <b>CURRENT LIABILITIES</b>                   |      |                                   |                                   |
| Short-term running finance                   | 8    | -                                 | -                                 |
| Current portion of lease liabilities         |      | 20,002                            | 20,002                            |
| Trade and other payables                     |      | 44,985                            | 79,491                            |
| Unclaimed dividend                           |      | 901,397                           | 901,814                           |
| Taxation - net                               |      | 2,309,103                         | 2,322,586                         |
| <b>TOTAL CURRENT LIABILITIES</b>             |      | <b>3,275,487</b>                  | 3,323,893                         |
| <b>TOTAL LIABILITIES</b>                     |      | <b>3,548,274</b>                  | 3,550,356                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>          |      | <b>32,467,827</b>                 | 32,123,522                        |
| <b>CONTINGENCIES AND COMMITMENTS</b>         | 9    |                                   |                                   |

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

Kamran Hanif  
Chief Financial Officer

Mohammad Shamoan Chaudry  
Chief Executive Officer

Muhammed Amin  
Director

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|   | Note | <b>Three Months Period Ended</b> |                   |
|---|------|----------------------------------|-------------------|
|   |      | <b>March 31,<br/>2024</b>        | March 31,<br>2023 |
|   |      | ----- (Rupees in '000) -----     |                   |
| Return on investments - net                     | 10   | <b>503,242</b>                   | 810,175           |
| Administrative expenses                         |      | <b>(40,447)</b>                  | (38,670)          |
| Gross profit                                    |      | <b>462,795</b>                   | 771,505           |
| Other income - net                              |      | <b>13,346</b>                    | 42,034            |
| Operating profit                                |      | <b>476,141</b>                   | 813,539           |
| Finance costs                                   |      | <b>(66)</b>                      | (195,214)         |
| Profit before taxation                          |      | <b>476,075</b>                   | 618,325           |
| Taxation  |      | <b>(129,688)</b>                 | (204,384)         |
| <b>Profit after taxation</b>                    |      | <b>346,387</b>                   | 413,941           |
| Earnings per share (Rupees) - basic and diluted | 11   | <b>0.72</b>                      | 0.86              |

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

**Kamran Hanif**  
Chief Financial Officer

**Mohammad Shamoony Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|   | <b>Three Months Period Ended</b> |                   |
|---|----------------------------------|-------------------|
|   | <b>March 31,<br/>2024</b>        | March 31,<br>2023 |
|   | ----- (Rupees in '000) -----     |                   |
| Profit after taxation   | <b>346,387</b>                   | 413,941           |
| <b>Other comprehensive income for the period</b>                |                                  |                   |
| <i>Items that will not be reclassified to profit &amp; loss</i> |                                  |                   |
| Remeasurements gain relating to defined benefit liabilities     | -                                | -                 |
| <b>Total comprehensive income for the period</b>                | <b>346,387</b>                   | 413,941           |

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

**Kamran Hanif**  
Chief Financial Officer

**Mohammad Shamoan Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

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

FOR THE THREE MONTHS ENDED MARCH 31, 2024

|  | Issued,<br>subscribed<br>and paid-<br>up share<br>capital | ----- Revenue reserves ----- |                           |            | Total      |
|--|---|------------------------------|---------------------------|------------|------------|
|  |   | General<br>reserve           | Un-appropriated<br>profit | Sub-total  |            |
| ----- (Rupees in '000) -----                     |   |                              |                           |            |            |
| <b>Balance as at December 31, 2022 (Audited)</b> | 4,812,871   | 700,000                      | 21,371,883                | 22,071,883 | 26,884,754 |
| <b>Total comprehensive Income</b>                |   |                              |                           |            |            |
| Profit for the period                            | -   | -                            | 413,941                   | 413,941    | 413,941    |
| Other comprehensive income                       | -   | -                            | -                         | -          | -          |
| Total comprehensive income for the period        | -   | -                            | 413,941                   | 413,941    | 413,941    |
| <b>Balance as at March 31, 2023 (Un-audited)</b> | 4,812,871   | 700,000                      | 21,785,824                | 22,485,824 | 27,298,695 |
| <b>Balance as at December 31, 2023 (Audited)</b> | 4,812,871   | 700,000                      | 23,060,295                | 23,760,295 | 28,573,166 |
| <b>Total comprehensive Income</b>                |   |                              |                           |            |            |
| Profit for the period                            | -   | -                            | 346,387                   | 346,387    | 346,387    |
| Other comprehensive income                       | -   | -                            | -                         | -          | -          |
| Total comprehensive income for the period        | -   | -                            | 346,387                   | 346,387    | 346,387    |
| <b>Balance as at March 31, 2024 (Un-audited)</b> | 4,812,871   | 700,000                      | 23,406,682                | 24,106,682 | 28,919,553 |

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

**Kamran Hanif**  
Chief Financial Officer

**Mohammad Shamooun Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|   | Note | <b>Three Months Period Ended</b> |                   |
|---|------|----------------------------------|-------------------|
|   |      | <b>March 31,<br/>2024</b>        | March 31,<br>2023 |
| ----- (Rupees in '000) -----                                    |      |                                  |                   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |      |                                  |                   |
| Cash used in operations   | 12   | <b>(65,822)</b>                  | (44,084)          |
| Finance costs paid  |      | <b>(66)</b>                      | (190,376)         |
| Income taxes paid   |      | <b>(98,237)</b>                  | (284,239)         |
| Defined benefit liabilities paid                                |      | <b>476</b>                       | (904)             |
| Interest received on bank deposits and investments              |      | <b>5,156</b>                     | 5,664             |
| Short-term investments purchased and redeemed - net             |      | <b>31,464</b>                    | 2,716,347         |
| Dividends received  |      | <b>252,286</b>                   | 175,487           |
| <b>Net cash generated from operating activities</b>             |      | <b>125,257</b>                   | 2,377,895         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |      |                                  |                   |
| Purchase of property and equipment                              |      | <b>(165)</b>                     | -                 |
| Sale proceeds from disposal of property and equipment           |      | <b>101</b>                       | 43                |
| <b>Net cash (used in) / generated from investing activities</b> |      | <b>(64)</b>                      | 43                |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |      |                                  |                   |
| Dividends paid  |      | <b>(417)</b>                     | (25,573)          |
| <b>Net cash outflow on financing activities</b>                 |      | <b>(417)</b>                     | (25,573)          |
| Net increase in cash and cash equivalents                       |      | <b>124,776</b>                   | 2,352,365         |
| Cash and cash equivalents at the beginning of the period        |      | <b>51,130</b>                    | (6,459,981)       |
| Cash and cash equivalents at the end of the period              | 13   | <b>175,906</b>                   | (4,107,616)       |

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

**Kamran Hanif**  
Chief Financial Officer

**Mohammad Shamoony Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

## 1. LEGAL STATUS AND OPERATIONS

- 1.1 Dawood Hercules Corporation Limited (the Company) was incorporated in Pakistan on April 17, 1968 as a public limited company under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange (PSX). The principal activity of the Company is to manage investments including in its subsidiaries and associated companies. The registered office of the Company is situated at Dawood Center, M. T. Khan Road, Karachi and a liaison office is in Islamabad.
- 1.2 Based on the concept of 'control' as stipulated in the International Financial Reporting Standard (IFRS) - 10 'Consolidated Financial Statements', the Company continues to conclude that although the Company has less than 50% voting rights in Engro Corporation Limited (ECL), yet, based on the absolute size of the Company's shareholding, the relative size of other shareholdings and the number of representation on ECL's Board of Directors, the Company has the ability to exercise control over ECL. Accordingly, the Company is deemed to be the Holding Company of ECL.
- 1.3 These unconsolidated condensed interim financial statements are the separate financial statements of the Company in which investment in subsidiaries has been accounted for at cost less accumulated impairment losses, if any.

## 2. STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES

- 2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- (a) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
  - (b) Provisions of and directives issued under the Act.

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

- 2.2 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the Company's unconsolidated audited financial statements for the year ended December 31, 2023, except relating to the matter stated in note 2.3 below.
- 2.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- 2.4 **New standards, amendments and interpretation to published accounting and reporting standards which became effective during the period ended March 31, 2024:**

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

- 2.5 **New standards and amendments to published accounting and reporting standards that are not yet effective:**

There are certain new standards and amendments to the accounting and reporting standards as applicable in Pakistan which will be effective for the Company for its accounting periods beginning on or after January 1, 2024. However, this will not have any significant impact on the financial reporting of the Company and, therefore, has not been disclosed in these unconsolidated condensed interim financial statements.



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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

## 2.6 Basis of preparation

2.6.1 These unconsolidated condensed interim financial statements include the unconsolidated condensed statement of financial position as at March 31, 2024 and the unconsolidated condensed interim statement of profit or loss, the unconsolidated condensed interim statement of comprehensive income, the unconsolidated condensed interim statement of changes in equity, the unconsolidated condensed interim statement of cash flows and notes thereto for the three months period then ended.

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

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

## 3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

3.1 The preparation of these condensed interim financial statements in conformity with approved accounting and reporting standards for interim reporting requires the use of certain accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

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

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

## 4. SEASONALITY OF OPERATIONS

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

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|   | Note | March 31,<br>2024<br>(Un-audited) | December 31,<br>2023<br>(Audited) |
|---|------|-----------------------------------|-----------------------------------|
| ----- (Rupees in '000) -----                                      |      |                                   |                                   |
| <b>5. PROPERTY AND EQUIPMENT</b>                                  |      |                                   |                                   |
| Operating fixed assets (WDV) opening<br>balance - As at January 1 |      | <b>44,485</b>                     | 110,616                           |
| Additions during the period / year                                | 5.1  | <b>165</b>                        | 191                               |
|   |      | <b>44,650</b>                     | 110,807                           |
| Disposals during the period / year (WDV)                          | 5.2  | <b>(6)</b>                        | (287)                             |
| Transfers to investment properties during the period / year (WDV) |      | <b>-</b>                          | (53,196)                          |
| Depreciation charge for the period / year                         |      | <b>(2,672)</b>                    | (12,839)                          |
|   |      | <b>(2,678)</b>                    | (66,322)                          |
| Operating fixed assets (WDV) - closing balance                    |      | <b>41,972</b>                     | 44,485                            |
| <b>5.1 Additions during the period / year</b>                     |      |                                   |                                   |
| Vehicles  |      | <b>165</b>                        | -                                 |
|   |      | <b>165</b>                        | -                                 |
| <b>5.2 Disposals during the period / year - net book value</b>    |      |                                   |                                   |
| Furniture, fittings and equipment                                 |      | <b>-</b>                          | 7                                 |
| Data processing equipment   |      | <b>6</b>                          | 2                                 |
|   |      | <b>6</b>                          | 9                                 |

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|  | Note          | March 31,<br>2024<br>(Un-audited) | December 31,<br>2023<br>(Audited) |
|--|---------------|-----------------------------------|-----------------------------------|
| ----- (Rupees in '000) -----   |               |                                   |                                   |
| <b>6. LONG-TERM INVESTMENTS</b>  |               |                                   |                                   |
| Investment in a subsidiary - at cost   | 6.1           | <b>23,308,927</b>                 | 23,308,927                        |
| Other investment - at fair value through profit or loss  | 6.2           | -                                 | -                                 |
|  |               | <b>23,308,927</b>                 | 23,308,927                        |
| <b>6.1 Investment in a subsidiary - at cost</b>  |               |                                   |                                   |
| Engro Corporation Limited (ECL) - quoted<br>214,469,810 (December 31, 2023: 214,469,810)<br>ordinary shares of Rs 10 each. Percentage<br>of holding 39.97% (December 31, 2023: 39.97%) | 6.1.1 & 6.1.2 | <b>23,308,927</b>                 | 23,308,927                        |
|  |               | <b>23,308,927</b>                 | 23,308,927                        |

6.1.1 The market value of investment in ECL as at March 31, 2024 was Rs 77,055 million (December 31, 2023: Rs 63,249 million).

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

|   | As at March 31, 2024           |                                    |                                      | As at December 31, 2023        |                                    |                                      |
|---|--------------------------------|------------------------------------|--------------------------------------|--------------------------------|------------------------------------|--------------------------------------|
|   | Number of<br>shares<br>pledged | Face value<br>of pledged<br>shares | Market value<br>of pledged<br>shares | Number of<br>shares<br>pledged | Face value of<br>pledged<br>shares | Market value<br>of pledged<br>shares |
|   | (in '000)                      | ----- (Rupees in '000) -----       |                                      | (in '000)                      | ----- (Rupees in '000) -----       |                                      |
| <b>Pledged in favor of Fatima Fertilizer Company Limited against potential liabilities of DH Fertilizer Limited</b> |                                |                                    |                                      |                                |                                    |                                      |
| Meezan Bank Limited - as agent  | 10,492                         | 104,918                            | 3,769,494                            | 10,492                         | 104,918                            | 3,094,137                            |

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

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

## 7. SHORT-TERM INVESTMENTS

### At amortised cost

|                             |     |               |        |
|-----------------------------|-----|---------------|--------|
| Term Deposit Receipts (TDR) | 7.1 | <b>18,007</b> | 18,007 |
|-----------------------------|-----|---------------|--------|

### At fair value through profit or loss

|               |  |                  |           |
|---------------|--|------------------|-----------|
| Mutual Funds  |  | <b>153,952</b>   | 617,560   |
| Quoted shares |  | <b>8,326,445</b> | 7,914,529 |
|               |  | <b>8,480,397</b> | 8,532,089 |
|               |  | <b>8,498,404</b> | 8,550,096 |

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

|  | Note          | March 31,<br>2024<br>(Un-audited) | December 31,<br>2023<br>(Audited) |
|--|---------------|-----------------------------------|-----------------------------------|
| <b>8. SHORT-TERM RUNNING FINANCE</b>       |               |                                   |                                   |
| Running finance under mark-up arrangements | 8.1.1 - 8.1.4 | <u>-</u>                          | <u>-</u>                          |
|  |               | <u>-</u>                          | <u>-</u>                          |

8.1 Details of running finance facilities obtained by the Company are as follows:

8.1.1 Short-term running finance facility of Rs 3,000 million (December 31, 2023: Rs 3,000 million) was obtained under mark-up arrangements from Bank Al Habib Limited. The amount which remained unutilised as at March 31, 2024 was Rs 3,000 million (December 31, 2023: Rs 3,000 million). The facility is secured by way of pledge of shares. Rate of mark-up applicable to the facility is three months KIBOR plus 5 basis points per annum. The facility will expire on September 30, 2024.

8.1.2 Short-term running finance facility of Rs 2,500 million (December 31, 2023: Rs 2,500 million) was obtained under mark-up arrangements from United Bank Limited. The amount which remained unutilised as at March 31, 2024 was Rs 2,500 million (December 31, 2023: Rs 2,500 million). The facility is secured by way of pledge of shares and lien over other securities. Rate of mark-up applicable to the facility is one month KIBOR plus 10 basis points per annum. The facility will expire on June 30, 2024.

8.1.3 Short-term running finance facility of Rs 3,000 million (December 31, 2023: Rs 3,000 million) was obtained under mark-up arrangements from MCB Bank Limited. The amount which remained unutilised as at March 31, 2024 was Rs 3,000 million (December 31, 2023: Rs 3,000 million). The facility is secured by way of pledge of shares. Rate of mark-up applicable to the facility is one month KIBOR plus 5 basis points and three months KIBOR plus 5 basis points per annum. The facility will expire on June 30, 2024.

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

8.1.4 Short-term running finance facility of Rs 1,500 million (December 31, 2023: Rs 1,500 million) was obtained under mark-up arrangements from Habib Bank Limited. The amount which remained unutilised as at March 31, 2024 was Rs 1,500 million (December 31, 2023: Rs 1,500 million). The facility is secured by way of pledge of shares. Rate of mark-up applicable to the facility is three months KIBOR plus 10 basis points per annum. The facility will expire on June 30, 2024.

## 9. CONTINGENCIES AND COMMITMENTS

9.1 There has been no significant change in the status of matters stated in notes 19.1 to 19.2 of the unconsolidated audited financial statements for the year ended December 2023.

|  | Note | <b>Three Months Period Ended</b>           |  |
|--|------|--|--|
|  |      | <b>March 31,<br/>2024<br/>(Un-audited)</b> | March 31,<br>2023<br>(Un-audited)      |
|  |      | ----- (Rupees in '000) -----               |  |
| <b>10. RETURN ON INVESTMENTS - net</b>                                   |      |  |  |
| Dividend income  | 10.1 | <b>284,352</b>                             | 684,470                                |
| Interest income  | 10.2 | <b>2,856</b>                               | 4,001                                  |
| Others   | 10.3 | <b>216,034</b>                             | 121,704                                |
|  |      | <b>503,242</b>                             | 810,175                                |
| <b>10.1 Dividend income</b>  |      |  |  |
| Subsidiary - Engro Corporation Limited                                   |      | -  | 214,470                                |
| Other investments  |      | <b>284,352</b>                             | 470,000                                |
|  |      | <b>284,352</b>                             | 684,470                                |
| <b>10.2 Interest income</b>  |      |  |  |
| - Income on T-Bills  |      | -  | 3,466                                  |
| - Income on PIBs   |      | -  | -                                      |
| - Return on TDRs   |      | <b>779</b>                                 | 467                                    |
| - Income on loan to EMPAK  |      | -  | -                                      |
| - Profit on savings accounts   |      | <b>2,077</b>                               | 68                                     |
|  |      | <b>2,856</b>                               | 4,001                                  |
| <b>10.3 Others</b>   |      |  |  |
| Gain / (Loss) on sale of quoted shares                                   |      | <b>5,184</b>                               | (227,920)                              |
| Gain on sale of mutual funds units                                       |      | <b>11,168</b>                              | -                                      |
| Unrealised gain on quoted shares   |      | <b>199,411</b>                             | 349,624                                |
| Unrealised gain on mutual funds units                                    |      | <b>271</b>                                 | -                                      |
|  |      | <b>216,034</b>                             | 121,704                                |
| <b>11. EARNINGS PER SHARE</b>  |      |  |  |
| Profit for the period after taxation                                     |      | <b>346,387</b>                             | 413,941                                |
|  |      |  | ----- (Number of shares in '000) ----- |
| Weighted average number of ordinary shares outstanding during the period |      | <b>481,287</b>                             | 481,287                                |
|  |      |  | ----- (Rupees) -----                   |
| Earnings per share - basic and diluted                                   |      | <b>0.72</b>                                | 0.86                                   |

11.1 There were no convertible dilutive potential ordinary shares outstanding as at March 31, 2024 and March 31, 2023.

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|   | Note  | <b>Three Months Period Ended</b>           |                                   |
|---|---|--|-----------------------------------|
|   |   | <b>March 31,<br/>2024<br/>(Un-audited)</b> | March 31,<br>2023<br>(Un-audited) |
| ----- (Rupees in '000) -----  |   |  |                                   |
| <b>12. CASH USED IN OPERATIONS</b>  |   |  |                                   |
| Profit before taxation  |   | <b>476,075</b>                             | 618,325                           |
| <i>Adjustments for non cash expenses and other items:</i>   |   |  |                                   |
| Depreciation expense  |   | <b>3,301</b>                               | 4,272                             |
| Finance costs   |   | <b>66</b>                                  | 195,214                           |
| Provision for employees' retirement and other service benefits  |   | <b>913</b>                                 | 842                               |
| Return on investments   |   | <b>(503,242)</b>                           | (810,175)                         |
| Gain on disposal of property & plant & equipment  |   | <b>(95)</b>                                | (34)                              |
| Working capital changes   | 12.1  | <b>(42,888)</b>                            | (52,528)                          |
| Cash used in operations   |   | <b>(65,822)</b>                            | (44,084)                          |
| <b>12.1 Working capital changes</b>   |   |  |                                   |
| Increase in current assets  |   | <b>(2,884)</b>                             | (2,133)                           |
| Loan, advances, deposits and prepayments  |   | <b>(5,498)</b>                             | (58,190)                          |
| Other receivables   |   | <b>(8,382)</b>                             | (60,323)                          |
|   |   | <b>(34,506)</b>                            | 7,795                             |
| (Decrease) / increase in trade and other payables   |   | <b>(42,888)</b>                            | (52,528)                          |
| <b>13. CASH AND CASH EQUIVALENT</b>   |   |  |                                   |
| Cash at bank  |   | <b>175,906</b>                             | 5,977                             |
| Short-term financing  |   | <b>-</b>                                   | (4,113,593)                       |
|   |   | <b>175,906</b>                             | (4,107,616)                       |
| <b>14. FINANCIAL RISK MANAGEMENT AND FINANCIAL DISCLOSURES</b>  |   |  |                                   |
| <b>14.1 Financial risk factors</b>  |   |  |                                   |
| <p>The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk.</p> <p>These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at December 31, 2023. There have been no changes in any risk management policies since the year end.</p> |   |  |                                   |
| <b>14.2 Fair value of financial assets and liabilities</b>  |   |  |                                   |
| <p>Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying value and the fair value estimates.</p> <p>The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:</p>   |   |  |                                   |
| Level I:  | Quoted market price (unadjusted) in an active market for an identical instrument.   |  |                                   |
| Level II:   | Valuation techniques based on observable inputs, either directly (i.e. market prices) or indirectly (i.e. derived from prices). |  |                                   |
| Level III:  | Valuation techniques using significant un-observable inputs.  |  |                                   |

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

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

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

## 15. RELATED PARTY TRANSACTIONS

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

Transactions with related parties are as follows:

|   | <b>Three Months Period Ended</b>           |  |
|---|--|--|
|   | <b>March 31,<br/>2024<br/>(Un-audited)</b> | <b>March 31,<br/>2023<br/>(Un-audited)</b> |
|   | ----- (Rupees in '000) -----               |  |
| <b>Subsidiary company</b>                       |  |  |
| Dividend income                                 | -  | 214,470                                    |
| Sale of services                                | <b>13,217</b>                              | 42,000                                     |
| Reimbursement of expenses made by the Company   | <b>933</b>                                 | 1,017                                      |
| Advances and deposits                           | -  | 18,000                                     |
| <b>Associated undertakings</b>                  |  |  |
| Dividend paid                                   | -  | 4,945                                      |
| Investments made                                | -  | 104,938                                    |
| Purchase of services                            | <b>5,586</b>                               | 5,493                                      |
| Reimbursement of expenses made by associates    | <b>30,537</b>                              | 32,977                                     |
| Reimbursement of expenses made to associates    | <b>808</b>                                 | 265  |
| Donation  | <b>87</b>                                  | 98   |
| <b>Other related parties</b>                    |  |  |
| Purchase of services                            | -  | 563  |
| Contribution to staff gratuity fund             | <b>913</b>                                 | 842  |
| Contribution to staff provident fund            | <b>1,644</b>                               | 1,488                                      |
| <b>Key management personnel</b>                 |  |  |
| Salaries and other short-term employee benefits | <b>13,414</b>                              | 8,756                                      |
| Post retirement benefit plans                   | <b>1,207</b>                               | 1,044                                      |
| Director's fee                                  | <b>1,500</b>                               | 2,750                                      |

## 16. CORRESPONDING FIGURES

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 financial statements of preceding financial year, whereas the unconsolidated condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

## 17. GENERAL

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

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

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

## 18. **NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

The Board of Directors in its meeting held on April 29, 2024 approved an interim cash dividend of Rs 5 per share amounting to Rs 2,406 million for the three months period ended March 31, 2024. (Rs 15 per share amounting to Rs 7,219 million for the three months period ended March 31, 2023). These unconsolidated condensed interim financial statements do not recognise the proposed interim dividend as deduction from unappropriated profit as it has been declared subsequent to the reporting date.

**Kamran Hanif**  
Chief Financial Officer

**Mohammad Shamoony Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director



**DAWOOD HERCULES CORPORATION LIMITED**

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

FOR THE THREE MONTHS PERIOD ENDED  
March 31, 2024

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

|   |      | <b>Consolidated</b>                        |                                   |
|---|------|--|-----------------------------------|
|   | Note | <b>March 31,<br/>2024<br/>(Un-audited)</b> | December 31,<br>2023<br>(Audited) |
|   |      | ----- (Rupees in '000) -----               |                                   |
| <b>ASSETS</b>   |      |  |                                   |
| <b>NON-CURRENT ASSETS</b>                                 |      |  |                                   |
| Property, plant and equipment                             | 5    | <b>189,794,644</b>                         | 339,373,902                       |
| Right-of-use assets                                       |      | <b>12,957,217</b>                          | 13,142,135                        |
| Intangible assets   |      | <b>6,182,130</b>                           | 6,530,945                         |
| Long-term investments                                     |      | <b>29,745,317</b>                          | 34,485,322                        |
| Financial assets at amortized cost                        |      | <b>849,477</b>                             | 1,051,611                         |
| Derivative financial instruments                          |      | <b>774,210</b>                             | 963,207                           |
| Net investment in leases                                  |      | <b>54,134,233</b>                          | 56,961,334                        |
| Long-term loans, advances, deposits and other receivables |      | <b>5,168,456</b>                           | 4,925,619                         |
|   |      | <b>299,605,684</b>                         | 457,434,075                       |
| <b>CURRENT ASSETS</b>                                     |      |  |                                   |
| Stores, spares and loose tools                            |      | <b>13,743,136</b>                          | 12,939,358                        |
| Stock-in-trade  |      | <b>27,806,467</b>                          | 33,736,767                        |
| Trade debts   |      | <b>13,058,874</b>                          | 75,497,556                        |
| Loans, advances, deposits and prepayments                 |      | <b>8,595,912</b>                           | 9,551,732                         |
| Other receivables   |      | <b>30,032,645</b>                          | 50,184,492                        |
| Accrued Income  |      | <b>64,309</b>                              | 4,396,241                         |
| Contract assets   |      | <b>-</b>                                   | 16,880,213                        |
| Current portion of net investment in leases               |      | <b>7,957,775</b>                           | 7,887,464                         |
| Short-term investments                                    |      | <b>62,521,205</b>                          | 78,630,124                        |
| Cash and bank balances                                    |      | <b>23,754,727</b>                          | 67,128,803                        |
|   |      | <b>187,535,050</b>                         | 356,832,750                       |
| Assets classified as held for sale                        |      | <b>313,316,370</b>                         | 1,525,396                         |
| <b>TOTAL ASSETS</b>                                       |      | <b>800,457,104</b>                         | 815,792,221                       |

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

|  | Note | March 31,<br>2024<br>(Un-audited) | December 31,<br>2023<br>(Audited) |
|--|------|-----------------------------------|-----------------------------------|
| ----- (Rupees in '000) -----                 |      |                                   |                                   |
| <b>EQUITY</b>                                |      |                                   |                                   |
| <b>SHARE CAPITAL AND RESERVES</b>            |      |                                   |                                   |
| Authorised share capital                     |      | <u>10,000,000</u>                 | <u>10,000,000</u>                 |
| Issued, subscribed and paid-up share capital |      | 4,812,871                         | 4,812,871                         |
| Reserves                                     |      | <u>63,521,174</u>                 | <u>60,918,181</u>                 |
|  |      | <b>68,334,045</b>                 | 65,731,052                        |
| Non-controlling interest                     |      | <u>163,731,978</u>                | <u>167,166,220</u>                |
| <b>TOTAL EQUITY</b>                          |      | <b>232,066,023</b>                | 232,897,272                       |
| <b>LIABILITIES</b>                           |      |                                   |                                   |
| <b>NON-CURRENT LIABILITIES</b>               |      |                                   |                                   |
| Borrowings                                   |      | 53,074,825                        | 162,072,043                       |
| Government grant                             |      | 1,897,662                         | 2,020,187                         |
| Deferred taxation                            |      | 10,926,209                        | 18,866,469                        |
| Lease liabilities                            |      | 63,960,189                        | 66,785,160                        |
| Deferred liabilities                         |      | 4,334,123                         | 4,457,982                         |
| Long-term provision                          |      | -                                 | -                                 |
| Staff retirement and other service benefits  |      | 6,492                             | -                                 |
|  |      | <b>134,199,500</b>                | 254,201,841                       |
| <b>CURRENT LIABILITIES</b>                   |      |                                   |                                   |
| Trade and other payables                     |      | 108,044,065                       | 182,915,947                       |
| Accrued interest / mark-up                   |      | 1,129,818                         | 2,807,643                         |
| Current portion of :                         |      |                                   |                                   |
| - borrowings                                 |      | 12,069,477                        | 28,580,236                        |
| - Government grant                           |      | 473,317                           | 452,387                           |
| - lease liabilities                          |      | 10,369,275                        | 10,637,203                        |
| - deferred liabilities                       |      | 502,071                           | 626,493                           |
| - long-tem provisions                        |      | 26,806,568                        | 27,153,499                        |
| Taxes payable                                |      | 14,557,538                        | 15,713,564                        |
| Contract liabilities                         |      | -                                 | 14,427,927                        |
| Short-term borrowings                        |      | 7,043,103                         | 31,639,719                        |
| Unclaimed dividend                           |      | 2,625,380                         | 13,738,490                        |
|  |      | <b>183,620,612</b>                | 328,693,108                       |
| Liabilities classified as held for sale      |      | <b>250,570,969</b>                | -                                 |
| <b>TOTAL LIABILITIES</b>                     |      | <b>568,391,081</b>                | 582,894,949                       |
| <b>TOTAL EQUITY AND LIABILITIES</b>          |      | <u>800,457,104</u>                | <u>815,792,221</u>                |
| <b>CONTINGENCIES AND COMMITMENTS</b>         |      |                                   |                                   |

6

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

**Kamran Hanif**  
Chief Financial Officer

**Mohammad Shamoony Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|  | Note | <u>Three Months Period Ended</u> |                   |
|--|------|----------------------------------|-------------------|
|  |      | <b>March 31,<br/>2024</b>        | March 31,<br>2023 |
|  |      | ----- (Rupees in '000) -----     |                   |
| Net sales  |      | <b>104,299,728</b>               | 97,332,430        |
| Cost of sales                                    |      | <b>(76,706,580)</b>              | (71,769,506)      |
| <b>Gross profit</b>                              |      | <b>27,593,148</b>                | 25,562,924        |
| Selling and distribution expenses                |      | <b>(3,746,423)</b>               | (2,087,042)       |
| Administrative expenses                          |      | <b>(3,379,397)</b>               | (3,057,280)       |
| Remeasurement Loss on Provision for GIDC         |      | -                                | (200,508)         |
| Loss allowance on subsidy receivable from GoP    |      | <b>57,783</b>                    | (432,449)         |
|  |      | <b>20,525,111</b>                | 19,785,645        |
| Other income                                     |      | <b>3,985,106</b>                 | 7,446,380         |
| Other operating expenses                         |      | <b>(1,288,695)</b>               | (1,787,654)       |
| Finance cost                                     |      | <b>(4,046,940)</b>               | (11,300,038)      |
| Share of income from associates & joint ventures |      | <b>631,038</b>                   | (123,810)         |
| <b>Profit before taxation</b>                    |      | <b>19,805,620</b>                | 14,020,523        |
| Taxation   |      | <b>(9,074,355)</b>               | (5,029,225)       |
| <b>Profit for the period</b>                     |      | <b>10,731,265</b>                | 8,991,298         |
| Profit attributable to:                          |      |                                  |                   |
| - Owners of the Holding Company                  |      | <b>2,632,392</b>                 | 1,924,271         |
| - Non-controlling interest                       |      | <b>8,098,873</b>                 | 7,067,027         |
|  |      | <b>10,731,265</b>                | 8,991,298         |
| Earnings per share (Rupees) - basic and diluted  | 7    | <b>5.47</b>                      | 4.00              |

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

**Kamran Hanif**  
Chief Financial Officer

**Mohammad Shamoony Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|  | Note | <u>Three Months Period Ended</u> |                   |
|--|------|----------------------------------|-------------------|
|  |      | <b>March 31,<br/>2024</b>        | March 31,<br>2023 |
|  |      | ----- (Rupees in '000) -----     |                   |
| <b>Profit for the period</b>   |      | <b>10,731,265</b>                | 8,991,298         |
| <b>Other comprehensive income:</b>   |      |                                  |                   |
| <b>Items that may be reclassified subsequently to profit or loss</b>   |      |                                  |                   |
| <b>Hedging reserve - cash flow hedges</b>  |      |                                  |                   |
| (Loss) / profit arising during the period  |      | <b>(188,997)</b>                 | 216,528           |
| <b>Revaluation reserve on business combination</b>   |      |                                  |                   |
| Exchange differences on translation of foreign operations  |      | <b>(29,878)</b>                  | 585,840           |
| Continuing operations' gain / (loss) on remeasurement of long-term investments classified at fair value through other comprehensive income |      | <b>158,570</b>                   | (672,410)         |
| <b>Items that will not be reclassified to to profit or loss</b>  |      |                                  |                   |
| Loss on remeasurement of long-term investments classified at fair value through other comprehensive income                                 |      | <b>(13,249)</b>                  | (13,249)          |
| <b>Other comprehensive (loss) / income for the period - net of tax</b>   |      | <b>(73,554)</b>                  | 116,709           |
| <b>Total Comprehensive income for the period</b>   |      | <b>10,657,711</b>                | 9,108,007         |
| <b>Total comprehensive income attributable to:</b>   |      |                                  |                   |
| - Owners of the Holding Company  |      | <b>2,602,993</b>                 | 1,967,710         |
| - Non-controlling interest   |      | <b>8,054,718</b>                 | 7,140,297         |
|  |      | <b>10,657,711</b>                | 9,108,007         |

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

**Kamran Hanif**  
Chief Financial Officer

**Mohammad Shamoony Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|   | Attributable to owners of the Holding Company |                    |   |                     |                    |                              |                 |                              |                 |                        |   | Sub total         | Non-Controlling Interest | Total              |
|---|---|--------------------|---|---------------------|--------------------|------------------------------|-----------------|------------------------------|-----------------|------------------------|---|-------------------|--------------------------|--------------------|
|   | Capital reserves                              |                    |   |                     |                    | Revenue reserves             |                 |                              |                 |                        |   |                   |                          |                    |
|   | Share capital                                 | Treasury shares    | Revaluation reserve on business combination | Maintenance reserve | Other equity       | Exchange revaluation reserve | Hedging reserve | Remeasurement of investments | General reserve | Un-appropriated profit | Remeasurement of post employment benefits - Actuarial gain / (loss) |                   |                          |                    |
| ----- (Rupees in '000) -----  |   |                    |   |                     |                    |                              |                 |                              |                 |                        |   |                   |                          |                    |
| <b>Balance as at December 31, 2022 (audited) / January 01, 2023</b>                             | 4,812,871                                     | -                  | 1,665                                       | 60,117              | -                  | 601,674                      | 259,838         | (322,661)                    | 700,000         | 64,115,162             | (66,652)  | 65,349,143        | 178,498,202              | 248,660,216        |
| <b>Total comprehensive income for the three months period ended March 31, 2023 (un-audited)</b> |   |                    |   |                     |                    |                              |                 |                              |                 |                        |   |                   |                          |                    |
| Profit for the period   | -   | -                  | -   | -                   | -                  | -                            | -               | -                            | -               | 1,924,271              | -   | 1,924,271         | 7,067,027                | 8,991,298          |
| Other comprehensive income  | -   | -                  | -   | -                   | -                  | 218,050                      | 80,591          | (255,202)                    | -               | -                      | -   | 43,439            | 73,270                   | 116,709            |
| Acquisition of treasury shares  | -   | (4,033,943)        | -   | -                   | -                  | 218,050                      | 80,591          | (255,202)                    | -               | 1,924,271              | -   | 1,967,710         | 7,140,297                | 9,108,007          |
|   | -   | -                  | -   | -                   | -                  | -                            | -               | -                            | -               | -                      | -   | (4,033,943)       | (6,804,163)              | (10,838,106)       |
| <b>Transaction with owners</b>  |   |                    |   |                     |                    |                              |                 |                              |                 |                        |   |                   |                          |                    |
| Dividend by subsidiaries allocable to Non-Controlling interest                                  | -   | -                  | -   | -                   | -                  | -                            | -               | -                            | -               | -                      | -   | -                 | (3,251,406)              | (3,251,406)        |
|   | -   | -                  | -   | -                   | -                  | -                            | -               | -                            | -               | -                      | -   | -                 | (3,251,406)              | (3,251,406)        |
| <b>Balance as at March 31, 2023 (un-audited)</b>  | <u>4,812,871</u>                              | <u>(4,033,943)</u> | <u>1,665</u>                                | <u>60,117</u>       | <u>-</u>           | <u>819,724</u>               | <u>340,429</u>  | <u>(577,863)</u>             | <u>700,000</u>  | <u>66,039,433</u>      | <u>(66,652)</u>   | <u>63,282,910</u> | <u>175,582,930</u>       | <u>243,678,711</u> |
| <b>Balance as at December 31, 2023 (audited) / January 01, 2024</b>                             | 4,812,871                                     | -                  | 1,665                                       | 258,607             | (3,932,955)        | 854,909                      | 341,086         | (524,630)                    | 700,000         | 63,277,411             | (57,912)  | 60,918,181        | 167,166,220              | 232,897,272        |
| <b>Total Comprehensive income for the three months ended March 31, 2024 (un-audited)</b>        |   |                    |   |                     |                    |                              |                 |                              |                 |                        |   |                   |                          |                    |
| Profit for the period   | -   | -                  | -   | -                   | -                  | -                            | -               | -                            | -               | 2,632,392              | -   | 2,632,392         | 8,098,873                | 10,731,265         |
| Other comprehensive income  | -   | -                  | -   | -                   | -                  | (11,942)                     | (75,542)        | 58,085                       | -               | -                      | -   | (29,399)          | (44,155)                 | (73,554)           |
|   | -   | -                  | -   | -                   | -                  | (11,942)                     | (75,542)        | 58,085                       | -               | 2,632,392              | -   | 2,602,993         | 8,054,718                | 10,657,711         |
| <b>Transaction with owners</b>  |   |                    |   |                     |                    |                              |                 |                              |                 |                        |   |                   |                          |                    |
| Dividend by subsidiaries allocable to Non-Controlling interest                                  | -   | -                  | -   | -                   | -                  | -                            | -               | -                            | -               | -                      | -   | -                 | (11,488,960)             | (11,488,960)       |
|   | -   | -                  | -   | -                   | -                  | -                            | -               | -                            | -               | -                      | -   | -                 | (11,488,960)             | (11,488,960)       |
| <b>Balance As at March 31, 2024 (un-audited)</b>  | <u>4,812,871</u>                              | <u>-</u>           | <u>1,665</u>                                | <u>258,607</u>      | <u>(3,932,955)</u> | <u>842,967</u>               | <u>265,544</u>  | <u>(466,545)</u>             | <u>700,000</u>  | <u>65,909,803</u>      | <u>(57,912)</u>   | <u>63,521,174</u> | <u>163,731,978</u>       | <u>232,066,023</u> |

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

**Kamran Hanif**  
Chief Financial Officer

**Mohammad Shamoony Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|  | Note | Three Months Period Ended |                   |
|--|------|---------------------------|-------------------|
|  |      | March 31,<br>2024         | March 31,<br>2023 |
| ----- (Rupees in '000) -----                                 |      |                           |                   |
| <b>Cash flows from operating activities</b>                  |      |                           |                   |
| Cash generated from operations                               | 8    | <b>17,568,769</b>         | 27,938,608        |
| Retirement and other service benefits paid                   |      | <b>(169,732)</b>          | (264,443)         |
| Finance cost paid  |      | <b>(5,573,253)</b>        | (2,921,848)       |
| Taxes paid   |      | <b>(17,442,259)</b>       | (7,227,547)       |
| Proceeds from net investment in lease                        |      | <b>1,856,563</b>          | 1,504,909         |
| Finance income received on net investment in lease           |      | <b>1,735,589</b>          | 1,778,914         |
| Deferred incentive   |      | <b>122,664</b>            | 370,158           |
| Long term loans and advances - net                           |      | <b>20,661</b>             | (267,665)         |
| Net cash (used in) / generated from operating activities     |      | <b>(1,880,998)</b>        | 20,911,086        |
| <b>Cash flows from investing activities</b>                  |      |                           |                   |
| Purchase of property, plant and equipment (PPE)              |      | <b>(6,787,612)</b>        | (10,520,674)      |
| Sale proceeds on disposal of PPE                             |      | <b>57,918</b>             | 53,900            |
| Payment for acquisition of treasury shares                   |      | -                         | (9,025,276)       |
| Income on deposits / other financial assets                  |      | <b>9,378,195</b>          | 5,408,518         |
| Short term investment purchased and redeemed - net           |      | <b>19,054,845</b>         | 20,316,718        |
| Dividends received   |      | <b>598,568</b>            | 394,902           |
| Net cash generated from investing activities                 |      | <b>22,301,914</b>         | 6,628,088         |
| <b>Cash flows from financing activities</b>                  |      |                           |                   |
| Repayment of borrowings - net                                |      | <b>(1,705,853)</b>        | (3,729,346)       |
| Repayment of lease liabilities                               |      | <b>(2,455,026)</b>        | (1,205,547)       |
| Finance cost paid on lease liabilities                       |      | <b>(1,200,124)</b>        | (1,317,767)       |
| Payment for own shares purchased for cancellation            |      | -                         | -                 |
| Dividends paid   |      | <b>(8,944,323)</b>        | (7,222)           |
| Net cash (used in) financing activities                      |      | <b>(14,305,326)</b>       | (6,259,882)       |
| Net increase in cash and cash equivalents                    |      | <b>6,115,590</b>          | 21,279,292        |
| Effect of exchange rate changes on cash and cash equivalents |      | <b>(218,420)</b>          | 2,584,124         |
| Cash and cash equivalents at beginning of the period         |      | <b>46,760,981</b>         | 20,136,068        |
| Cash and cash equivalents at end of the period               | 9    | <b>52,658,151</b>         | 43,999,484        |

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

**Kamran Hanif**  
Chief Financial Officer

**Mohammad Shamoony Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

## 1. LEGAL STATUS AND OPERATIONS

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

1.2 The "Group" consists of:

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

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

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

|                                   | <b>Percentage of direct holding</b> |                      |
|-----------------------------------|-------------------------------------|----------------------|
|                                   | <b>March 31,<br/>2024</b>           | December 31,<br>2023 |
| - Engro Corporation Limited (ECL) | 39.97                               | 39.97                |

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

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

## 2. BASIS FOR PREPARATION

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

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



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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

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

- 2.2 The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.
- 2.3 During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that apply to the consolidated audited financial statements of the Group for the year ended December 31, 2023.
- 2.4 These consolidated condensed interim financial statements do not include all the information required for consolidated annual financial statements and therefore should be read in conjunction with the consolidated audited financial statements of the Group for the year ended December 31, 2023.

## 3. BASIS OF CONSOLIDATION

- 3.1 The condensed interim financial statements of the subsidiary companies have been consolidated on a line by line basis. The carrying value of investments held by the Holding Company is eliminated against the subsidiaries' share capital and pre-acquisition reserves.
- 3.2 Non-controlling interest has been presented as a separate item in these consolidated condensed interim financial statements. All material intercompany balances and transactions have been eliminated.
- 3.3 The Group's interest in jointly controlled and associated entity i.e. Engro Vopak Terminal Limited and FrieslandCampina Engro Pakistan Limited has been accounted for using the equity method.

## 4. ACCOUNTING POLICIES

- 4.1 The significant accounting policies adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of consolidated audited financial statements of the Group for the year ended December 31, 2023.

## 5. PROPERTY, PLANT AND EQUIPMENT

|   | <b>March 31,<br/>2024<br/>(Un-audited)</b> | December 31,<br>2023<br>(Audited) |
|---|--|-----------------------------------|
|   | ----- (Rupees in '000) -----               |                                   |
| Operating assets, at net book value                                 | <b>149,034,125</b>                         | 301,893,784                       |
| Capital work in progress - Expansion and other projects             | <b>38,316,950</b>                          | 33,110,396                        |
| Capital spares and standby equipments                               | <b>2,393,518</b>                           | 4,369,722                         |
|   | <b>189,744,593</b>                         | 339,373,902                       |
| 5.1 Additions to operating assets during the period are as follows: |  |                                   |
| Land  | -  | 23,000                            |
| Plant and machinery   | <b>84,511</b>                              | 9,462,582                         |
| Building  | <b>472,021</b>                             | 3,647,845                         |
| Furniture, fixture and equipment                                    | <b>592,026</b>                             | 6,275,481                         |
| Vehicles  | <b>369,271</b>                             | 1,776,889                         |
| Catalyst  | -  | 886,638                           |
| Aircraft  | -  | 595,315                           |
| Dredging  | -  | 245,630                           |
|   | <b>1,517,829</b>                           | 22,913,380                        |

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

- 5.2 During the period, operating assets costing Rs. 159,229 (December 31, 2023: Rs. 937,639), having net book value of Rs. 101,094 (December 31, 2023: Rs. 391,445) were disposed / written off for Rs. 57,918 (December 31, 2023: Rs. 485,561).

## 6. CONTINGENCIES AND COMMITMENTS

### 6.1 Contingencies

As at March 31, 2024, there is no material change in the status of matters reported as contingencies in consolidated audited financial statements of the Group for the year ended December 31, 2023.

### 6.2 Commitments

Commitments in respect of capital and operational expenditure contracted but not incurred amount to Rs 71,346,910 (December 31, 2023: Rs 80,470,166).

| <b>Three Months Period Ended</b>           |  |
|--|--|
| <b>March 31,<br/>2024<br/>(Un-audited)</b> | <b>March 31,<br/>2023<br/>(Un-audited)</b> |
| ----- (Rupees in '000) -----               |  |

## 7. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation (attributable  
to the owners of the Holding Company)

|                              |                  |
|------------------------------|------------------|
| <b>2,632,392</b>             | <b>1,924,271</b> |
| ----- (Number in '000) ----- |                  |

Weighted average number of ordinary shares

|                |                |
|----------------|----------------|
| <b>481,287</b> | <b>481,287</b> |
|----------------|----------------|

----- (Rupees) -----

Earnings per share - basic and diluted

|             |             |
|-------------|-------------|
| <b>5.47</b> | <b>4.00</b> |
|-------------|-------------|

- 7.1 There were no convertible dilutive potential ordinary shares outstanding as at March 31, 2024 and March 31, 2023.

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|   | <b>March 31,<br/>2024</b>    | March 31,<br>2023 |
|---|------------------------------|-------------------|
|   | <b>(Un-audited)</b>          | (Un-audited)      |
|   | ----- (Rupees in '000) ----- |                   |
| <b>8. CASH GENERATED FROM OPERATIONS</b>                            |                              |                   |
| Profit before taxation  | <b>19,805,620</b>            | 14,020,523        |
| Add: profit before taxation attributable to discontinued operations | <b>926,385</b>               | -                 |
| Profit before taxation from continuing operations                   | <b>20,732,005</b>            | 14,020,523        |
| Adjustment for non cash expenses and other items:                   |                              |                   |
| Depreciation and amortization                                       | <b>4,543,007</b>             | 4,821,491         |
| Loss on disposal / write-off of property, plant and equipment       | <b>43,176</b>                | 5,571             |
| Provision for retirement and other service benefits                 | <b>85,965</b>                | 121,273           |
| Provisions - net  | <b>(734,360)</b>             | 587,115           |
| Income on deposits / other financial assets                         | <b>(5,043,593)</b>           | (4,568,122)       |
| Share of loss / (income) from joint venture and associate           | <b>(1,462,476)</b>           | 123,810           |
| Return on investments   | <b>(503,242)</b>             | (810,175)         |
| Finance cost  | <b>9,560,376</b>             | 9,921,753         |
| Stock-in-trade / stores and spares written-off                      | -                            | 13,055            |
| Adjustment in respect of carrying amount of thermal energy assets   | <b>8,503,000</b>             | -                 |
| Finance income on net investment in lease                           | <b>(1,735,589)</b>           | (1,778,914)       |
| Finance cost on lease liability                                     | <b>1,200,124</b>             | 1,378,285         |
| Exchange (gain) / loss on lease liability                           | <b>(844,570)</b>             | 13,818,903        |
| Exchange loss / (gain) on net investment in lease                   | <b>900,227</b>               | (14,352,576)      |
| Foreign currency translations                                       | <b>496,666</b>               | 1,943,816         |
| Working capital changes (note 8.1)                                  | <b>(18,171,947)</b>          | 2,692,800         |
|   | <b>17,568,769</b>            | 27,938,608        |
| <b>8.1 Working capital changes</b>                                  |                              |                   |
| Increase in current assets  |                              |                   |
| - Stores, spares and loose tools                                    | <b>(1,375,335)</b>           | (528,288)         |
| - Stock-in-trade  | <b>4,309,256</b>             | 5,894,975         |
| - Trade debts and contract assets                                   | <b>(197,228)</b>             | (14,041,434)      |
| - Loans, advances, deposits and prepayments                         | <b>(1,144,790)</b>           | (914,749)         |
| - Other receivables - net   | <b>(12,833,839)</b>          | (4,252,407)       |
|   | <b>(11,241,936)</b>          | (13,841,903)      |
| (Decrease) / increase in current liabilities                        |                              |                   |
| - Trade and other payables  | <b>(6,930,011)</b>           | 16,534,703        |
|   | <b>(18,171,947)</b>          | 2,692,800         |
| <b>9. CASH AND CASH EQUIVALENTS</b>                                 |                              |                   |
| Cash and bank balances  | <b>67,987,244</b>            | 61,757,054        |
| Short term investments - with original maturity less than 3 months  | <b>13,392,216</b>            | 11,889,585        |
| Bank balances under lien  | <b>(2,373,925)</b>           | -                 |
| Short-term borrowings   | <b>(26,347,384)</b>          | (29,647,155)      |
|   | <b>52,658,151</b>            | 43,999,484        |

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

## 10. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 10.1 Financial risk factors

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

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

### 10.2 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different level have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3)

|  | Level 1                      | Level 2    | Level 3 | Total      |
|--|------------------------------|------------|---------|------------|
| <b>Assets</b>  |                              |            |         |            |
|  | ----- (Rupees in '000) ----- |            |         |            |
| Financial assets at fair value through profit and loss | 8,326,445                    | 14,292,914 | -       | 22,619,359 |
| Financial assets through other comprehensive income    | 52,331                       | 11,906,008 | -       | 11,958,339 |

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

- Level 1 fair valued instruments comprise quoted shares.
- Level 2 fair valued instruments comprise mutual funds, treasury bills and fixed income placements which are valued using discounted cash flow model.

## 11. TRANSACTIONS WITH RELATED PARTIES

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

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

|  | <b>Three Months Period Ended</b>           |                                   |
|--|--|-----------------------------------|
|  | <b>March 31,<br/>2024<br/>(Un-audited)</b> | March 31,<br>2023<br>(Un-audited) |
|  | ----- (Rupees in '000) -----               |                                   |
| <b>Associated companies and joint ventures</b>                   |  |                                   |
| Purchases and services   | <b>16,905,986</b>                          | 12,901,265                        |
| Services rendered / sale of goods                                | <b>1,630,907</b>                           | -                                 |
| Dividends received   | <b>346,282</b>                             | -                                 |
| Dividend paid / payable  | <b>10,567,423</b>                          | 20,719                            |
| Reimbursements of expenses made by associates and joint ventures | <b>309,526</b>                             | 142,757                           |
| Reimbursements of expenses made to associates and joint ventures | <b>89,331</b>                              | 155,500                           |
| Reimbursement of expenses of other related parties               | <b>25</b>                                  | -                                 |
| Donations  | <b>57,649</b>                              | 45,698                            |
| Finance costs  | <b>1,770,016</b>                           | 1,454,834                         |
| <b>Key Management Personnel</b>                                  |  |                                   |
| Remuneration paid to key management personnel / directors        | <b>469,445</b>                             | 392,464                           |
| Post retirement benefit plans                                    | <b>1,207</b>                               | 1,044                             |
| Dividend paid  | -  | 37,991                            |
| Directors' fee   | <b>29,147</b>                              | 30,812                            |
| Reimbursement of expenses  | -  | 158                               |
| Advisory agreement   | -  | 21,000                            |
| <b>Contribution for retirement benefits</b>                      | <b>274,463</b>                             | 306,010                           |

## 12. SEGMENT REPORTING

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

### 12.1 Type of segments Nature of business

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

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

**Three Months Period Ended**  
**March 31,**                      **March 31,**  
**2024**                              **2023**  
**(Un-audited)**                      **(Un-audited)**  
----- (Rupees in '000) -----

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

## Revenue

|                          |                     |            |
|--------------------------|---------------------|------------|
| Fertilizer               | <b>73,783,443</b>   | 43,991,099 |
| Polymer                  | <b>16,572,208</b>   | 17,978,330 |
| Terminal                 | <b>5,206,007</b>    | 5,389,518  |
| Power and mining         | <b>29,923,216</b>   | 25,403,922 |
| Connectivity and telecom | <b>3,817,457</b>    | 3,016,486  |
| Other operations         | <b>30,794,516</b>   | 1,660,303  |
| Elimination - net        | <b>(55,797,119)</b> | (107,228)  |
| Consolidated             | <b>104,299,728</b>  | 97,332,430 |

## Profit before taxation for the period

|                          |                     |             |
|--------------------------|---------------------|-------------|
| Fertilizer               | <b>17,065,672</b>   | 6,790,131   |
| Polymer                  | <b>(1,272,032)</b>  | 1,671,884   |
| Terminal                 | <b>2,677,739</b>    | 1,231,899   |
| Power and mining         | <b>9,352,080</b>    | 2,412,979   |
| Connectivity and telecom | <b>(633,339)</b>    | (257,431)   |
| Other operations         | <b>8,647,598</b>    | 7,466,696   |
| Elimination - net        | <b>(16,032,098)</b> | (5,295,635) |
| Consolidated             | <b>19,805,620</b>   | 14,020,523  |

**March 31,**                      **December 31,**  
**2024**                              **2023**  
**(Un-audited)**                      **(Audited)**  
----- (Rupees in '000) -----

## Assets

|                          |                     |              |
|--------------------------|---------------------|--------------|
| Fertilizer               | <b>158,475,544</b>  | 160,842,670  |
| Polymer                  | <b>88,371,020</b>   | 90,597,810   |
| Terminal                 | <b>82,106,349</b>   | 83,026,306   |
| Power and mining         | <b>319,551,875</b>  | 331,476,813  |
| Connectivity and telecom | <b>68,079,650</b>   | 69,097,845   |
| Other operations         | <b>156,750,227</b>  | 155,594,269  |
| Elimination - net        | <b>(72,877,561)</b> | (74,843,492) |
| Consolidated             | <b>800,457,104</b>  | 815,792,221  |

## 13. SEASONALITY

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

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

## 14. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

14.1 The Board of Directors of the Holding Company in its meeting held on April 29, 2024 approved an interim cash dividend of Rs 5 per share amounting to Rs 2,406 million for the three months period ended March 31, 2024 (Rs 15 per share amounting to Rs 7,219 million for the three months period ended March 31, 2023). These consolidated condensed interim financial statements do not recognise the proposed interim dividend as deduction from unappropriated profit as it has been declared subsequent to the reporting date.

## 15. CORRESPONDING FIGURES

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

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

## 16. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements were authorized for issue on April 29, 2024 by the Board of Directors of the Holding Company.

**Kamran Hanif**  
Chief Financial Officer

**Mohammad Shamoony Chaudry**  
Chief Executive Officer

**Muhammed Amin**  
Director



# Dawood Hercules

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

