



Dawood Lawrencepur Limited

April 11, 2025

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: Corrigendum to the Annual Report 2024

Dear Sir,

We wish to inform you that the Annual Report 2024 of Dawood Lawrencepur Limited (the "Company") for the year ended December 31, 2024, was transmitted through PUCARS on March 27, 2025, and emailed to the shareholders on March 28, 2025.

Subsequently, certain inadvertent errors have been identified in the printed report (none of which are considered material). **It is important to note that the Financial Results announced on March 7, 2025, do not require any correction.** All figures are reported in the Financial Statements as "Amounts in thousand".

Details of Corrections

1. Page 39 – Unconsolidated Statement of Financial Position:

	Amounts Published		Corrected Amounts	
	2024	2023	2024	2023
• Trade and other payables	169,029	181,729	187,216	193,471
• Taxes payable	457,001	282,467	438,814	270,725

2. Pages 42-43 – Unconsolidated Statement of Cash Flows:

- The statement of cash flows has been updated to reflect changes corresponding to corrections on page 39 (i.e. paragraph 1 above).
- Additionally, the corrections in the comparative figures for 2023 cashflow are:

	Amounts Published/Omitted	Corrected Amounts
• Purchase of short-term investments	-	(2,684,748)
• Proceeds from sale of short-term investment	-	1,380,939
• Restricted cash on escrow account		(100,000)

3. Page 165 – Notes to the Consolidated Financial Statements, in Note 41.2, the corrected figures for 2023 are as below:

	Amounts Published	Corrected Amounts
• Other expenses under Renewable Energy	(3,858,782)	(62,456)
• Other expenses under Alternate Energy	(11,887)	(3,808,213)

Please note that all resulting changes in subtotals and totals due to the above have been incorporated accordingly.



Dawood Lawrencepur Limited

The revised Annual Report 2024 incorporating the aforementioned corrections is attached and has been uploaded to the Company's website and is available for shareholders' reference.

Sincerely,

Imran Chagani
Company Secretary



Dawood
Lawrencepur
Limited

Annual Report 2024

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OUR VISION

To be a trusted and innovative investment management company, focused on achieving sustainable growth through strategic portfolio diversification.

OUR MISSION

We strive to generate superior returns by making informed investments, effectively managing risk, and ensuring long-term value creation for our stakeholders.

OUR VALUES

RESPECT FOR OUR PEOPLE

We greatly value all individuals connected to us, including our employees, subcontractors, and vendors.

ETHICS AND INTEGRITY

We regard integrity of the highest standards as our priority to ensure that all our employees relate strongly to company ethics and values.

HEALTH, SAFETY, AND ENVIRONMENT

We hold both, clients, and employees to the highest safety standards.

CUSTOMER SATISFACTION

We believe in maintaining the highest standards of service by not just meeting customer expectations but exceeding them.

SHAREHOLDER VALUE CREATION

We will always honor the trust our shareholders have placed in us and work tirelessly for increasing our shareholder value.

STEWARDSHIP

We believe in maximizing the resources entrusted to us to deliver positive returns to society.

COMPANY INFORMATION

Board of Directors

Mr. Ruhail Muhammad (Chairman)
Mr. Abdul Samad Dawood
Ms. Sabrina Dawood
Mr. Muhammed Amin
Mr. Shafiq Ahmed
Mr. Sikander Hazir
Mr. Mohammad Shamoan Chaudry
(Chief Executive Officer)

Board Audit Committee

Mr. Muhammed Amin (Chairman)
Mr. Ruhail Muhammad
Mr. Shafiq Ahmed

Human Resource and Remuneration Committee

Mr. Ruhail Muhammad (Chairman)
Mr. Abdul Samad Dawood
Mr. Muhammed Amin

Chief Financial Officer

Ms. Nazia Hasan

Company Secretary

Mr. Imran Chagani

Head of Internal Audit

Mr. Amjad Ali

Auditors

A. F. Ferguson & Co. (Chartered Accountants)

Bankers

Bank Al-Habib Limited
Standard Chartered Bank (Pakistan) Limited
Habib Bank Limited
National Bank of Pakistan
Habib Metropolitan Bank Limited
MCB Bank Limited
Dubai Islamic Bank Limited
United Bank Limited

Legal Advisor

Zia Law Associates I7,
Second Floor, Shah Chiragh Chambers
The Mall, Lahore

Share Registrar

Central Depository Company of Pakistan Ltd.
CDC House, 99-B, Block B, S.M.C.H.S
Main Shahra-e-Faisal Karachi - 74400
Tel.: 021-111-111-500

Registered Head Office

Dawood Centre, M.T. Khan Road Karachi-75530
Tel: +92-21-35686001-16
E-mail: company.secretary@dawoodhercules.com
Website: www.dawoodlawrencepur.com

Mills

Dawoodabad
Railway Station Road and
Luddan Road, Chak 439, E.B, Tehsil Burewala,
District Vehari.
Tel.: 067- 3353347, 3353 1 45, 3353246
Fax: 067- 3354679

DawoodPur

G.T. Road, Faqirabad, District Attock.
Tel.: 057-2641074-6
Fax: 057-2641073

BUSINESS CODE OF CONDUCT

Company strongly believes in conducting and growing its business on the principles of integrity, fairness and high ethical standards. The Company takes pride in adhering to its principles and shall continue to serve its customers, stakeholders and society on the basis of the following Business Code of Conduct. The Company believes in the standards of business conduct defined in this policy and expects all Associates (employees, trainees, interns, and contractors), directors, consultants, customers, suppliers and vendors of all its divisions, subsidiaries and associated companies to abide by the same standards as mentioned herein below,

- a. Ethical and fair business practices and open competitive markets. Developing any association within the segment, industry or with competitors to distort pricing and availability is contradictory to our business code of conduct.
- b. The Company's financial policies for conducting business shall be based on transparency and integrity, and will follow the principles of accounting and finance as approved by regulations and contemporary accounting codes.
- c. Ensure compliance with the laws of Pakistan.
- d. Ensure protection of Intellectual Property rights and comply with related legislation regarding protection of copyright, trade secrets, patents, and other information, and neither solicit Confidential Information from others nor disclose the Company's Confidential Information that may come into their knowledge, during their association with the Company, to any unauthorized person or party. Understand, sign and comply with the Confidentiality Agreement (Confidential Information Protection/Non-disclosure Agreement).
- e. As a responsible corporate citizen strongly adhere to the principles of corporate governance and comply with regulatory obligations enforced by regulatory bodies for improving corporate performance.
- f. Demonstrate integrity and honesty in doing business for the Company and dealing with people. Any unfair or corrupt practices either to solicit business for the Company or for personal gain is fundamentally inconsistent with the Company's Business Code of Conduct and Conflict of Interest Policy. Avoid situations in which personal interest, relationships and activities conflict with or interfere with your duty to be loyal to the Company and prevents you from acting in the best interest of the Company at any time.
- g. The Company's funds shall not be used, directly or indirectly, for the purpose of any unlawful payments. This includes, but is not limited to, not participating in, nor supporting, any activities that are, or relate to money laundering and terrorism financing.
- h. The Company believes in making charitable contributions and community development without political and religious affiliations and without demand or expectation of any business return. The Company shall contribute its resources with an unprejudiced approach for the betterment of society and the environment.
- i. The Company does not encourage giving or receiving Gifts and Entertainment. However, where required for sound business reasons, any Gifts or Entertainment exchanged shall be in accordance with the Company's Gift and Entertainment Policy.
- j. Agreements with agents or consultants must be in writing and must clearly and accurately set forth the services to be performed, the basis for earning the commission or fee involved, and the applicable rate or fee. Any such payments must be reasonable in amount, not excessive in light of the practice in the trade, and commensurate with the value of the services rendered. The agent, or consultant must be advised that the agreement may be publicly disclosed and must agree to such public disclosure.

- k. All assets of the Company must be accounted for properly and accurately.
- l. Falsification of records for any reason shall not be tolerated. Do not make false or fraudulent entries in records, expense statements, invoices or any other documents nor alter them.
- m. The Company's internal and external auditors shall be given access to information necessary for them to conduct audits properly and accurately.
- n. Treat everyone with respect and fairness, including subordinates, peers, juniors, seniors and all others. Report incidents of violence and/or aggressive behavior. Management is expected to investigate so that such incidents are not repeated.
- o. Comply with local legislation and Company policy on preventing harassment and strive to create a respectful work environment. The Company will not tolerate harassment of any sort.
- p. The Company will support diversity and inclusiveness and will continuously strive to improve the work environment and prevent discrimination.
- q. The Company will ensure its recruitment and selection process is of a high standard, based on merit and free from discrimination. If men and women both apply for any job vacancy, they will be given an equal opportunity to participate in a fair evaluation process.
- r. Only an authorized spokes person shall be entitled to speak on behalf of the Company in front of public gatherings and media.
- s. The Company does not allow improper use of email and internet. All Associates are expected to comply with the Company policy on email and computer network use.
- t. Comply with Health, Safety and Environment (HSE) policies, procedures and cardinal rules. Demonstrate safe behavior, prevent incidents and help others learn to act safely.
- u. All Associates must manage their time and resources efficiently and effectively and keep the tools and equipment provided to them by the Company in safe and good working condition.
- v. Soliciting the Company's employees for employment and customers for similar business is not allowed for a period of at least one year after Separation from the Company.
- w. Our behavior reflects the image of the Company. Everyone associated with the Company is expected to act professionally and abide by the Company's Business Code of Conduct, policies, rules and regulations.

NOTICE OF 75TH ANNUAL GENERAL MEETING

Notice is hereby given that 75th Annual General Meeting (AGM) of the shareholders of Dawood Lawrencepur Limited (the "Company") will be held on Friday, April 25, 2025 at 3:00 PM at Karachi School for Business Leadership (KSBL) situated at National Stadium Road, Opposite Liaquat National Hospital, Karachi – 74800 and via video link facility to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Unconsolidated and Consolidated Financial Statements of the Company for the year ended December 31, 2024 together with the Auditors' and Directors' Reports thereon and the Review Report of the Chairman.

In accordance with Section 223 of the Companies Act, 2017 and SECP S.R.O. No. 389(I)/2023 dated March 21, 2023, the annual audited financial statements of the Company have been uploaded on the website of the Company which can be accessed using the following weblink and QR enabled code:



<https://dawoodlawrencepur.com/investor-information/>

2. To declare and approve, as recommended by the Directors, final cash dividend of PKR 5 per share i.e. 50% for the year ended December 31, 2024. This is in addition to the interim cash dividends of PKR 3 per share, i.e. 30%, already paid.
3. To appoint Auditors and to fix their remuneration. The members are hereby notified that the Board and the Audit Committee have recommended the reappointment of Messrs. A. F. Ferguson & Co. (Chartered Accountants), as auditors of the Company.

By Order of the Board

Imran Chagani
Company Secretary

Karachi
Dated: March 7, 2025

Notes:

1. Video Conference Facility for attending AGM:

As per the directive issued by Securities and Exchange Commission of Pakistan ("SECP"), the Company has made arrangements of video conference facility to ensure that members can also participate in the AGM proceeding via video link.

The members and their proxies who intends to attend the AGM through video link must register their particulars by sending an email at company.secretary@dawoodhercules.com. The members registering to connect through video link facility are required to mention their name, folio number and number of shares held in their name in the email with subject '**Registration for DLL AGM**' along with valid copy of their CNIC/Passport. Video link and login credentials will be shared with the members whose emails, containing all the required particulars, are received at the given email address at least 24 (twenty four) hours before the time of the AGM.

2. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from April 19, 2025 to April 25, 2025 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, Messrs. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, by close of business on April 18, 2025, will be considered in time for entitlement of members to attend, speak and vote at the AGM.

3. Participation in the AGM:

All members entitled to attend and vote at the AGM, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A proxy need not be a member of the Company. A corporate entity, being a member, may appoint its representative to attend the meeting through resolution of its board of directors. Proxy Forms in English and Urdu languages are attached with the notice circulated to the shareholders.

In case of appointment of proxy by a corporate entity, a resolution of the board of directors / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form.

The proxy holders are required to produce their original valid CNICs or original passports at the time of the meeting.

In order to be effective, duly completed and signed proxy forms must be received at the Company's Registered Office at least 48 (forty-eight) hours before the time of the meeting.

CDC account holders will further have to follow the undermentioned guidelines as laid down by the SECP.

A. For Attending the Meeting

- a. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid CNIC or the original passport at the above-mentioned email address at least 48 (forty-eight) hours before the AGM.

- b. In case of corporate entity, the board of directors' resolution/power of attorney with specimen signature of the nominee shall be shared on the above-mentioned email address at least 48 (forty eight) hours before the AGM (unless it has been provided earlier).

B. For Appointing Proxies

- a. In the case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per above requirements.
- b. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- c. The proxy shall produce original valid CNIC or original passport at the above mentioned email address at least 48 (forty eight) hours before the AGM.
- d. In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature shall be submitted on the email address mentioned above at least 48 (forty eight) hours before the AGM (unless it has been provided earlier) along with proxy form to the Company.
- e. Proxy form will be witnessed by 2 (two) persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

Attention of the Shareholder is drawn towards the following:

1. Computerized National Identity Card (CNIC) / National Tax Number (NTN):

All those individual members holding physical shares who have not yet recorded their CNIC No., are once again reminded to immediately submit the copy of their CNIC to the Company's Share Registrar, CDC Share Registrar Services Limited. Members, while sending CNIC must quote their respective folio numbers. The corporate members having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate entities having physical shares should send a copy of their NTN certificates to Company's Share Registrar. The corporate members while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

2. Payment of Cash Dividend Electronically

Under second proviso to Section 242 of the Companies Act, 2017, listed companies are required to pay declared cash dividends only through electronic mode directly into the bank accounts designated by the entitled shareholders.

Accordingly, the shareholders of the Company are requested to provide the following information for payment of cash dividend to be declared by the Company through electronic mode directly in the bank account designated by you.

Name of Shareholder	
Folio Number	
CNIC Number	
Title of Bank Account	
Account Number	
IBAN Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline number of Shareholder	
Email of Shareholder	
Signature of Member	

Note: Signature must match specimen signature registered with the Company

The shareholders are also required to intimate the changes, if any in the above-mentioned information to the Company and the Share Registrar as soon as these occur. In the case of shares held electronically, then the above electronic credit mandate form must be submitted directly to shareholder(s)' broker/participant/CDC account services.

3. Withholding Tax on Dividend

In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for 'filer' and 'non-filer' shareholders at 15% and 30% respectively. A 'filer' is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Share Registrar, M/s. CDC Share Registrar Services Limited, of the Company by the first day of book closure.

According to the FBR, withholding tax in case of joint accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, M/s. CDC Share Registrar Services Limited, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

4. Zakat Declaration

The members are requested to submit their Zakat Declarations to the Share Registrar in order to claim exemption from deduction of Zakat.

5. Unclaimed Dividend

Shareholders, who for any reason, could not claim their dividends/shares, if any, are advised to contact our Share Registrar, CDC Share Registrar Services Limited, to collect / enquire about their unclaimed dividend/shares, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

6. Electronic Transmission of Annual Report 2024:

In compliance with section 223(6) of the Companies Act, 2017, and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023 the Company has electronically transmitted the Annual Report 2024 through weblink, QR enabled code and through email to Members whose email addresses are available with the Company's Share Registrar, Messrs. CDC Share Registrar Services Limited. However, in cases, where email addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along-with the QR enabled code/weblink to download the Annual Report 2024 (containing the financial statements), have been dispatched.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2024, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request. Further, Members are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, Messrs. CDC Share Registrar Services Limited if the Member holds shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.

7. Deposit of Physical Shares into CDC Accounts

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e., May 31, 2017.

Furthermore, Securities and Exchange Commission of Pakistan vide its letter CSD/ED/Misc/2016-639-640 dated March 26, 2021, has directed all listed companies to pursue such shareholders who are still holding shares in physical form to convert the same into book entry form. In this regard, shareholders having physical shareholding are requested to open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange Limited.

DIRECTORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

The Directors of Dawood Lawrencepur Limited (the Company) are pleased to present the Annual Report and the Audited Financial Statements for the year ended December 31, 2024.

PRINCIPAL ACTIVITY

The principal activity of the Company is to manage investment in its subsidiaries and associated companies engaged in the business of trading and marketing renewable energy solutions, mainly wind and solar, to commercial and industrial customers. It also actively manages an investment portfolio in the local capital markets.

MACROECONOMIC ENVIRONMENT

In a welcome change from previous years, the global economic landscape remained largely stable throughout 2024, with a major development emerging at end of the year — the return of Mr. Donald Trump as President of the United States. His policy stance, foremost among them the imposition of tariff barriers on major U.S. trading partners, is expected to trigger a global tariff war and strengthen the U.S. dollar. Additionally, Trump's strong support for fossil fuels has placed indigenous energy expansion high on his agenda which could lead to a decline in oil prices in the coming months. For Pakistan, this would be a positive development, reinforcing the macroeconomic tailwinds already in place due to tough economic policies and controls.

Stability, and indeed resilience, have also been felt on the domestic front. Inflation has continued its downward trend, with CPI recorded at 2.4% in January 2025. This has created room for monetary easing, bringing the policy rate down to 12%, with expectations of further, albeit modest, reductions. However, a key concern remains tax collections which are lower than budgeted – this could pose risks to fiscal consolidation efforts. Any slippage in this regard would be a worrying sign for economic stability and periodic IMF Reviews will be important check-ins and course-correction for the country. The government has implemented several structural reforms, including the taxation of agricultural income, and a successful review outcome would bolster investor confidence — both local and international — while also paving the way for a potential sovereign ratings upgrade.

BUSINESS OVERVIEW

Solar Energy Business

Reon Energy Limited (REL) was disposed of during the year, with all covenants under the Share Purchase Agreement (SPA) met, and the transaction executed in October 2024.

The Solar Energy plant at District Thar, in the province of Sindh, continues to provide clean electricity to the customer as per the agreement.

Wind Energy Project

The 49.5 megawatt wind plant, Tenaga Generasi Limited (TGL), is operating satisfactorily and meeting expected availability and BOP loss targets. The BOP Loss for the review period, was 1.6 % against a target of 4.6%, whilst Availability was 99.42 % against a target of 97.0%. Health, Safety and the Environment (HSE) remained a priority, with the plant operating safely for 3,004 days, equivalent to 713,137 safe man-hours since COD with zero injury rate and TRIR.

On the other hand, the curtailment of the wind power plants has increased substantially this year.

The year's financial performance has been impacted by low winds and curtailment, where the wind project lost 1,468m in revenues during the year due to unprecedented curtailment from the power producer.

The total energy billed during the year 2024 was 103.305 GWh. The total NPMV for the current year was 21.638 GWh as compared to last year's 42.61 GWh.

In July, the Company declared an interim dividend of Rs. 1,400 million.

During the year the Company had disclosed the sale transaction of TGL which had a long-stop date of September 6, 2024, as mentioned in the SPA. The conditions required to complete the transaction were not met by this date. Despite the Company's best efforts to move forward, the buyer ultimately chose not to proceed.

EQUITIES PORTFOLIO

We are pleased to report a strong year of performance for the equity's portfolio, which delivered a return of 93.9%, outperforming the KSE-100 index return of 84.3%. The investment themes we built our portfolio around continued to generate strong returns, reinforcing our conviction in our strategy.

Our top holdings in the banking sector remained key value drivers, with UBL leading the way as one of the best-performing stocks in the listed space. With its call on lower interest rates, UBL has significantly benefited from their decline, and we believe it has positioned itself well to navigate the lower-rate environment effectively. A major development in the sector was the removal of ADR-based taxation, which we believe will foster a more market-driven banking environment and support long-term industry growth.

Our E&P sector holdings also remained intact, with fundamental improvements in collection rates driving stronger cash flows for OGDCL and PPL. This is now clearly reflected on their balance sheets, boosting investor confidence and valuations. Notably, OGDCL reached a historic milestone by briefly surpassing PKR 1 trillion in market capitalization — the only company to achieve this in PSX history. Additionally, recent government reforms allowing E&P companies to sell up to 35% of their gas production directly to private purchasers is a welcome step that will improve cash flows and incentivize new capital expenditure in the sector.

We continue to hold our position in Systems Limited, Pakistan's leading IT company, which remains a standout value driver. With its Dollarized revenue model, Systems is among the few Pakistani firms offering sustained growth in USD terms, and recent weeks have seen strong value unlocking for the company. Our conviction in Systems' long-term potential remains firm.

FINANCIAL REPORT

Financial performance

The consolidated revenue of the Group (DLL and its subsidiaries) from continued operations was PKR 4,660 million as compared to PKR 5,880 million last year. The consolidated gross profit of the Group from continuing operations for 2024 was PKR 3,409 million as against PKR 4,079 million last year. The share of profit from associated company was PKR 2,273 million registering an increase of PKR 926 million in comparison to the prior year. After accounting for a tax charge of PKR 597 million, the profit after tax from continuing operations stood at PKR 9,188 million, an increase from PKR 9,398 million over 2023. Loss from discontinued operations and disposal group stood at PKR 22 million as compared to a loss of PKR 351 million last year. The major increase is due to reversal of provision for impairment recognized on re-measurement of assets of disposal group amounting to PKR 3,121 million.

On a standalone basis, the Company received dividends from its associated company amounting to PKR 818 million versus PKR 1,403 million last year. During the year, the Company also received dividend from its subsidiary TGL, amounting to PKR 1,050 million.

Earnings per share

The unconsolidated earnings per share for the year 2024 is PKR 51.50 as compared to PKR 15.48 for the year 2023, mainly attributable to dividend income received from TGL. Consolidated earnings per share attributable to owners of the Holding Company from continuing operations for the year 2024 stood at PKR 154.95 as compared to loss per share of PKR (3.55) for the same period last year. Consolidated loss per share attributable from disposal group and discontinued operations for the year 2024 were PKR (0.37) as compared to loss per share of PKR (5.92) for the last year.

Auditors

The present auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants are retiring at the conclusion of the forthcoming annual general meeting and offer themselves for reappointment. The Audit Committee has recommended the re-appointment of A.F. Ferguson & Co., Chartered Accountants as auditors of the Company for the year ending December 31, 2024, and the Board has endorsed this recommendation.

Shares traded, average prices and PSX

During the year 1,434,257 shares of the Company were traded on the Pakistan Stock Exchange. The average price of the Company's share based on the daily closing rate was PKR 222.35 while the 52 weeks low-high during 2024 was PKR 262.75 to PKR 177.10 per share respectively.

Pattern of shareholding

The pattern of shareholding of the Company as of December 31, 2024, together with other necessary information, is available at the end of this report along with the proxy form.

Market capitalization and book value

At the close of the year, the market capitalization of the Company was PKR 15,581 million (2023: PKR 12,779 million) with a market value of PKR 262.75 per share (2023: PKR 215.50) and the breakup value of PKR 120.09 per share (2023: PKR 71.85 per share).

Key Operating and Financial Data

Summary of key operating and financial data for the last six financial years is attached to this Report.

Gratuity fund

The funded retirement benefits of the employees of the Company are audited once a year and are adequately covered by appropriate investments. Fair value of the assets of the funded defined benefit gratuity plan was PKR 5.541 million as at December 31, 2024 (2023: PKR 4.778 million).

Risk Management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to limits. Risk management policies and systems are reviewed regularly to react to change in market conditions and the Company's activities.

Corporate Governance

The management is committed to good corporate governance and compliance with best practices. The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Rule Book and Listing Regulations have been duly complied with. A Statement to this effect is annexed with the Report.

Code of Conduct

The Board has adopted a Business Code of Conduct, and all employees are aware of and have signed off on this Statement. The Code of Conduct is rigorously followed throughout the organization as all employees observe the rules of business conduct laid down therein.

Vision and Mission

The statement reflecting the Vision and Mission of the Company is annexed to the report.

Corporate Social Responsibility

The Company, through its subsidiaries is trying to make an impact on the local communities, besides the larger impact on environment through substitution of energy to green and renewable sources. During the year, one of the company's subsidiaries adopted a local school in Ghara, Sindh. The selected community-based school is providing services to a population of nearly 250 houses in 6 neighboring villages near the wind plant. The school's infrastructure was uplifted, and a local NGO continues to manage the operations of the school, including hiring of teachers and general maintenance. The school started with 56 students, with current enrollment increasing to 142 students.

Sustainability-Related Risks

The sustainability-related risks include climate change, the depletion of non-renewable resources and environmental degradation in general. By embracing operational practices, adopting renewable energy policies, and green initiatives, the Company aims to contribute to a sustainable future. The management has set specific and measurable ESG targets that align with the Company's strategic objectives to achieve greater sustainable resilience and positive social impact. We are trying to achieve these targets by embracing the three "C"s of Conservation, Community and Circular Economy.

Diversity, Equity, and Inclusion (DE&I)

With its diverse workforce and communities, the Company stands as an advocate for diversity, equity, and inclusion (DE&I). Promoting DE&I is a key priority for the Company and is integral to its sustainable and ethical business practices. As part of this commitment, the Company has established a comprehensive DE&I policy, which guides its efforts to increase gender and ethnic diversity throughout the organization. This includes implementing inclusive recruitment practices, such as utilizing diverse job boards and ensuring diverse interview panels.

Risk Management

Engro Holdings' 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. Engro Holdings' overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance.

Hence risk management policies are established to address the risks faced by Engro Holdings, to set appropriate risk limits and controls, and to monitor adherence to limits. Risk management policies and systems are reviewed regularly keeping the market conditions and activities in perspective.

Board of Directors

The total number of directors include the following: Male Directors: 6
Female Directors: 1

The composition of the board members is as follows: Independent Directors: 2
Non-Executive Directors: 3
Executive Directors: 1
Female Directors (Non-executive): 1

Board of Directors meetings

During the year ended December 31, 2024, a total of five meetings of the Board of Directors were held. The position of attendance during respective tenure was as follows:

Existing Board

Name of Director	Meetings Held	Meetings Attended
Mr. Ruhail Muhmmad	5	5
Mr. Abdul Samad Dawood	5	5
Ms. Sabrina Dawood	5	3
Mr. Shafiq Ahmed	5	3
Mr. Muhammed Amin	5	4
Mr. Muhammad Bilal Ahmed*	5	5
Mr. Mohamad Shamoon Chaudry	5	5

**Mr. Muhammad Bilal Ahmed has resigned from the Board with effect from January 13, 2025 and his vacancy, thus created has been filled by appointment of Mr. Sikander Hazir as director of the Company with effect from January 13, 2025.*

Board Audit Committee meetings

The Board of Directors has established an Audit Committee, in compliance with the Code of Corporate Governance, which oversees internal controls and compliance and has been working efficiently since its inception. The Audit Committee reviewed the quarterly, half-yearly, and annual financial statements before submission to the Board and their publication. The Audit Committee had detailed discussions with the external auditors on various issues, including their letter to the management. The Audit Committee also reviewed internal auditors' findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

During the year ended December 31, 2024, a total of four meetings of the Board Audit Committee were held. The position of attendance during respective tenure was as follow:

Existing Committee Members

Name of Director	Meetings Held	Meetings Attended
Mr. Muhammed Amin	4	4
Mr. Shafiq Ahmed	4	4
Mr. Muhammad Bilal Ahmed	4	4

Human Resource and Remuneration Committee meetings

During the year ended December 31, 2024, one meeting of the Human Resource and Remuneration Committee (HR&RC) was held. The position of attendance during respective tenure was as follows:

Existing Committee Members

Name of Director	Meetings Held	Meetings Attended
Mr. Ruhail Muhammad	1	1
Mr. Abdul Samad Dawood	1	1
Mr. Muhammed Amin	1	1

Statement of Directors responsibility

The Directors confirm compliance with Corporate and Financial Reporting Framework as per the Listing Regulations of the Stock Exchange in Pakistan as follows:

- The financial statements prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and change in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures therefrom have been adequately disclosed.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- Key operating and financial data for the last six years in summarized form are annexed to the report.

Directors' remuneration

The Board of Directors has approved a '**POLICY FOR DETERMINING THE REMUNERATION OF BOARD OF DIRECTORS AND BOARD APPOINTEES**', the salient features of which are:

- a. Board of Directors remuneration shall be competitive and appropriate to the financial size and operational complexity of the Company, and shall be aimed at attracting and retaining the members needed to govern the Company successfully and to encourage value addition. The remuneration shall not compromise nor influence in any way the independence of the director.
- b. The Board, if deems appropriate, may use the services of an independent consultant to determine the appropriate level of remuneration of its directors.
- c. No remuneration shall be paid to Executive Directors and any Non-Executive Directors who are employees in other DLL Group entities, for attending meetings of the Board and its committees.
- d. Any travel and other necessary expenses incurred by the directors for attending meetings of the Board and its committees shall be reimbursed at actual.

Directors' training program

The Company is compliant in respect of certification of directors under the Director's Training program;

Related party transactions

During the year, all transactions made with associated companies/related parties were duly recommended by Board's Audit Committee and approved by the Board of Directors of the Company. All transactions with related parties are on arm's length basis.

Subsequent events

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of the Report.

FUTURE OUTLOOK

Economy and Capital Markets

While the Government has made meaningful progress on structural reforms, sustaining this momentum is critical, as most low-hanging opportunities have already been leveraged. The visible benefits of these reforms should not distract from the long road ahead, which requires continued focus on privatization of key SOEs, deregulation across industries, market-based pricing of public goods, and strong fiscal discipline.

On the monetary front, we anticipate further easing, which should stimulate demand, reduce cost pressures, and encourage investment. However, this could exert pressure on external accounts, potentially leading to some currency depreciation. As long as policy measures remain measured and balanced, the net impact on the economy should be positive.

Unlike past years, where the primary risk stemmed from rising oil prices, current trends suggest a greater likelihood of relief on this front. This presents an opportunity to strengthen the external account rather than chase short-term gains.

Against this evolving macroeconomic backdrop, Dawood Lawrencepur Limited is well-positioned to capitalize on emerging opportunities. With a strategic focus on high-return investments, we expect enhanced portfolio performance, providing significant long-term value for shareholders.

Wind Energy Project

The ongoing renegotiation of power tariffs has created significant uncertainty in Pakistan's power sector. The government's approach to renegotiating sovereign contracts risks undermining investors' confidence, which could have long-term consequences. High capacity-payments have indeed increased the basket price of energy in recent years, which has pushed industries and households towards private solar power, reducing grid demand. This decline exacerbates overcapacity issues and weakens IPP utilization, further threatening the financial viability of the power sector. However, the government's focus on renegotiating private IPPs overlooks other major contributors to electricity cost, such as state-owned RLNG plants and CPEC projects, theft and line-losses, limiting the overall fiscal relief these reforms can achieve.

Long-term solutions require more than short-term cost-cutting measures. Without structural reforms such as competitive bidding, least-cost energy planning, controlling theft & line-losses, and grid modernization, Pakistan's circular debt and tariff volatility will persist. The repeated use of renegotiations undermines the Country's credibility, potentially leading to underinvestment in critical energy infrastructure.

While Pakistan's reforms seek to stabilize the power sector, the aggressive approach to IPPs risks perpetuating cycles of investor distrust and fiscal instability. A sustainable path forward requires transparent negotiations, equitable burden-sharing, and systemic reforms that align energy policies with economic realities. Without addressing the root causes of inefficiency and financial distress, the Country may face recurring energy crises, stifling sector growth and economic recovery

ACKNOWLEDGEMENT

The Board expresses its gratitude to all the shareholders for their confidence and support. We would like to thank all stakeholders, including but not limited to financial institutions, who have been associated with us for their support and cooperation and assure them of our commitment to look after their respective interests.

We would like to thank the management and employees for their sincere contributions toward the growth and prosperity of the Company.

Mohammad Shamoon Chaudry
Chief Executive Officer

Ruhail Muhammad
Chairman

Karachi
Dated: March 7, 2025

CHAIRMAN'S REVIEW REPORT

For the year ended December 31, 2024

Dear Shareholders,

On behalf of the Board of Directors, it is my privilege to present the Annual Report for Dawood Lawrencepur Limited (the "Company") for the year ended December 31, 2024.

The global economic landscape in 2024 remained largely stable, a welcome change from the volatility of previous years. However, a significant shift occurred towards the end of the year with the re-election of Donald Trump as President of the United States. This change and associated policies could reshape global energy markets and economic flows in the coming months. Domestically, Pakistan demonstrated resilience, with inflation easing and monetary policy becoming more accommodative. Yet, structural challenges persist, particularly in tax collection, which will be crucial for sustaining fiscal consolidation.



In line with our commitment to financial discipline and shareholder value creation, 2024 marked a year of significant portfolio optimization. We successfully completed a divestment of Reon Energy Limited (as previously disclosed) in October 2024, ensuring a smooth transition while upholding our obligations under the Share Purchase Agreement. However, the planned divestment of our wind energy asset, Tenaga Generasi Limited (TGL), could not materialize as the buyer chose not to proceed, despite the Company's best efforts. Nevertheless, we remain committed to evaluating all strategic options for this asset, as it continues to operate efficiently.

Our equities portfolio delivered robustly in 2024, outperforming the KSE-100 index. Our banking sector holdings, particularly UBL, were key contributors, benefiting from lower interest rates and structural reforms, including the removal of ADR-based taxation. Similarly, our investments in the E&P sector reaped the rewards of improved collection rates and regulatory changes allowing direct gas sales, with OGDCL making history by briefly crossing PKR 1 trillion in market capitalization. Meanwhile, our conviction in Pakistan's IT sector remains strong, with Systems Limited continuing to demonstrate sustained USD-denominated growth and significant value creation.

A core principle guiding our decisions has been disciplined capital allocation — ensuring that every rupee is deployed where it has the highest potential to generate sustainable value. This philosophy underpinned our decision to not only divest from certain assets but also invest in assets that align with our vision for long-term growth and our appetite for risk and return. Our equities portfolio, for instance, has been built around resilient businesses with strong fundamentals. We remain steadfast in our commitment to prioritizing long-term value creation over short-term gains, ensuring that capital is allocated prudently to maximize returns for our shareholders.

Looking ahead, we remain focused on deploying capital efficiently to drive long-term shareholder value. The liquidity generated from divestments is under review, with options ranging from reinvestment in high-potential ventures to potential capital returns to shareholders. Our approach remains steadfast: every decision will be guided by prudence, financial discipline, and the long-term interests of our shareholders.

Our disciplined capital allocation strategy would not have been possible without the dedication and expertise of our teams. From executing seamless divestments to identifying high-potential investments, our employees have played a crucial role in driving value creation. Their market insights, operational rigor, and commitment have ensured that every capital decision aligns with our long-term objectives. As we navigate new opportunities, we remain grateful for their contributions in building a stronger, more resilient company.

I would also like to extend my gratitude to the Board of Directors for their guidance, and to our stakeholders—including the Government of Pakistan, our partners, customers, employees, and shareholders—for their continued trust. As we enter a new chapter, we remain committed to building a stronger, more resilient company that creates value for all.

Regards,
Ruhail Muhammad

OPERATING HIGHLIGHTS (SIX YEARS SUMMARY)

	PARTICULARS	UNIT	December 2024			December 2023			December 2022		
			*Continuing Operations	Disposal Group /Discontinued-Operations	Total	*Continuing Operations	Disposal Group /Discontinued-Operations	Total	Continuing Operations	Discontinued Operations	Total
A) STATEMENT OF FINANCIAL POSITION											
1	Total Assets	Rs. In (000)	36,378,393	17,531	36,395,924	12,473,116	22,194,612	34,667,728	35,284,110	25,791	35,309,901
2	Current Assets	Rs. In (000)	11,510,602	44,791	11,555,393	1,518,496	12,478,469	13,996,965	10,187,741	12,549	10,200,290
3	Stock	Rs. In (000)	-	1,376	1,376	4,418	1,444,699	1,449,117	997,413	8,742	1,006,155
4	Current Liabilities	Rs. In (000)	3,890,228	38,550	3,928,778	584,331	7,040,395	7,624,726	6,929,898	17,143	6,947,041
5	Long-term Borrowing	Rs. In (000)	5,482,636	-	5,482,636	247,176	8,276,252	8,523,428	9,220,507	-	9,220,507
6	Paid Up Capital	Rs. In (000)	592,998	-	592,998	592,998	-	592,998	592,998	-	592,998
7	Shareholders Equity	Rs. In (000)	26,731,955	-	26,731,955	18,216,938	-	18,216,938	19,459,707	-	19,459,707
8	No. of Ordinary Shares	In (000)	59,300	-	59,300	59,300	-	59,300	59,300	-	59,300
B) STATEMENT OF PROFIT OR LOSS											
1	Sales Value	Rs. In (000)	4,660,279	6,773,858	11,434,137	60,967	13,074,130	13,135,097	72,002	13,592,484	13,664,486
2	Gross Profit / (Loss)	Rs. In (000)	3,408,963	860,979	4,269,942	35,484	5,407,929	5,443,413	46,593	3,122,551	3,169,144
3	Finance Cost	Rs. In (000)	(482,670)	(107,433)	(590,103)	(64,504)	(1,022,659)	(1,087,163)	(87,540)	(623,493)	(711,033)
4	Operating Profit / (Loss)	Rs. In (000)	8,046,836	266,278	8,313,114	95,721	4,984,059	5,079,780	3,862	2,276,877	2,280,739
5	Profit / (Loss) Before Taxation	Rs. In (000)	9,837,604	158,845	9,996,449	1,378,559	(538,117)	840,442	866,195	1,653,384	2,519,579
6	Profit / (Loss) After Taxation	Rs. In (000)	9,194,901	(28,457)	9,166,444	102,119	(663,650)	(561,531)	476,508	1,580,397	2,056,905
C) STATEMENT OF CASH FLOWS											
1	Net Cash Flow from Operating Activities	Rs. In (000)	3,423,115	1,265,726	4,688,841	(175,880)	4,009,476	3,833,596	(392,357)	2,656,891	2,264,534
2	Net Cash Flow from Investing Activities	Rs. In (000)	(132,697)	23,242	(109,455)	223,389	423,524	646,913	1,167,625	(291,583)	876,042
3	Net Cash Flow from Financing Activities	Rs. In (000)	(3,581,960)	(76,971)	(3,658,931)	(87,190)	(3,992,870)	(4,080,060)	(982,494)	(1,513,271)	(2,495,765)
D) RATIO ANALYSIS											
Profitability Ratios:											
1	Gross (Loss) / Profit	%	73.15	12.71	37.34	58.20	41.36	41.44	64.71	22.97	23.19
2	Net (Loss) / Profit	%	197.30	(0.42)	80.17	167.50	(5.08)	(4.28)	661.80	11.63	15.05
3	Return on Equity	%	-	-	34.29	-	-	(3.08)	-	-	10.57
4	Return on Capital Employed	%	-	-	25.81	-	-	19.00	-	-	7.95
Liquidity Ratios:											
1	Current Ratio	Rs.	2.96	1.16	2.94	2.60	1.77	1.84	1.47	0.73	1.47
2	Quick / Acid Test Ratio	Rs.	2.96	1.13	2.94	2.59	1.57	1.65	1.33	0.22	1.32
Investment / Market Ratios:											
1	Earning / (Loss) Per Share	Rs.	155.06	(0.48)	154.58	1.72	(9.56)	(7.84)	28.59	(0.53)	28.06
2	Price Earning Ratio	Rs.	-	-	1.70	-	-	(27.49)	-	-	7.08
3	Dividend Yield	%	-	-	1.14	-	-	-	-	-	3.52
4	Dividend Payout Ratio	%	-	-	1.94	-	-	-	-	-	24.95
5	Dividend Cover Ratio	Rs.	-	-	51.53	-	-	-	-	-	4.01
6	Break-up Value of Shares	Rs.	-	-	450.79	-	-	307.20	-	-	328.16
7	Market Value of Shares	Rs.	-	-	262.75	-	-	215.50	-	-	198.67
Capital Structure Ratios:											
1	Debt to Equity Ratio	Rs.	0.21	-	0.21	0.01	-	0.47	0.47	-	0.47
2	Interest Cover Ratio	Rs.	16.67	2.48	14.09	1.48	4.87	4.67	0.04	3.65	3.21
E) DIVIDEND											
1	Cash Dividend	%	30.00	-	30	-	-	-	70.00	-	70
F) OTHERS											
1	Employees	Nos.	18	-	18	11	77	88	116	4	120
2	Capital Expenditures	Rs. In (000)	2,352	304,262	306,614	2,352	304,262	306,614	365,719	-	365,719

December 2021			December 2020			December 2019		
Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
33,206,524	36,048	33,242,572	29,052,394	28,548	29,080,942	28,089,926	68,041	28,157,967
9,048,353	22,806	9,071,159	5,500,215	16,691	5,516,906	4,693,642	50,834	4,744,476
620,258	14,262	634,520	226,688	15,164	241,852	168,312	23,081	191,393
6,734,768	16,921	6,751,689	3,968,665	5,937	3,974,602	3,720,930	3,244	3,724,174
8,628,307	-	8,628,307	9,107,462	-	9,107,462	9,831,431	-	9,831,431
592,998	-	592,998	592,998	-	592,998	590,578	-	590,578
17,790,816	-	17,790,816	15,651,174	-	15,651,174	14,102,954	-	14,102,954
59,300	-	59,300	59,300	-	59,300	59,058	-	59,058
11,881,431	6,553	11,887,984	5,626,725	5,217	5,631,942	7,267,770	7,489	7,275,259
2,627,791	5,651	2,633,442	2,058,632	(2,700)	2,055,932	2,623,410	(1,799)	2,621,611
527,849	-	527,849	700,058	-	700,058	(947,253)	-	(947,253)
1,813,495	(21,438)	1,792,057	1,474,250	(22,604)	1,451,646	2,013,560	(34,668)	1,978,892
2,665,628	(21,438)	2,644,190	2,001,811	(22,604)	1,979,207	1,981,544	(34,668)	1,946,876
2,507,052	(21,438)	2,485,614	1,813,175	(22,604)	1,790,571	1,876,527	(34,668)	1,841,859
1,746,535	(21,855)	1,724,680	1,456,814	(8,009)	1,448,805	1,297,167	(27,422)	1,269,745
785,667	12,720	798,387	929,366	192	929,558	694,664	-	694,664
(2,275,512)	-	(2,275,512)	(2,267,603)	-	(2,267,603)	(2,421,863)	-	(2,421,863)
22.12	86.24	22.15	36.59	(51.75)	36.50	36.10	(24.02)	36.03
21.10	(327.15)	20.91	32.22	(433.28)	31.79	25.82	(462.92)	25.32
-	-	13.97	-	-	11.44	-	-	13.06
-	-	6.78	-	-	5.86	-	-	8.27
1.34	1.35	1.34	1.39	2.81	1.39	1.26	15.67	1.27
1.25	0.50	1.25	1.33	0.26	1.33	1.22	8.56	1.22
36.64	(0.36)	36.28	25.82	(0.38)	25.44	27.20	(0.59)	26.61
-	-	5.48	-	-	9.23	-	-	8.05
-	-	3.15	-	-	1.70	-	-	5.14
-	-	17.23	-	-	15.72	-	-	41.34
-	-	5.80	-	-	6.36	-	-	2.42
-	-	300.01	-	-	263.93	-	-	238.80
-	-	198.67	-	-	234.77	-	-	214.16
0.48	-	0.48	0.58	-	0.58	0.70	-	0.70
(3.44)	-	(3.40)	(2.11)	-	(2.07)	2.13	-	2.09
62.50	-	63	40	-	40	110	-	110
141	4	145	134	4	138	179	4	183
76,028	-	76,028	112,987	-	112,987	221,290	-	221,290

INVESTOR RELATIONS

Financial Calendar

Financial Year ended 31 December 2024

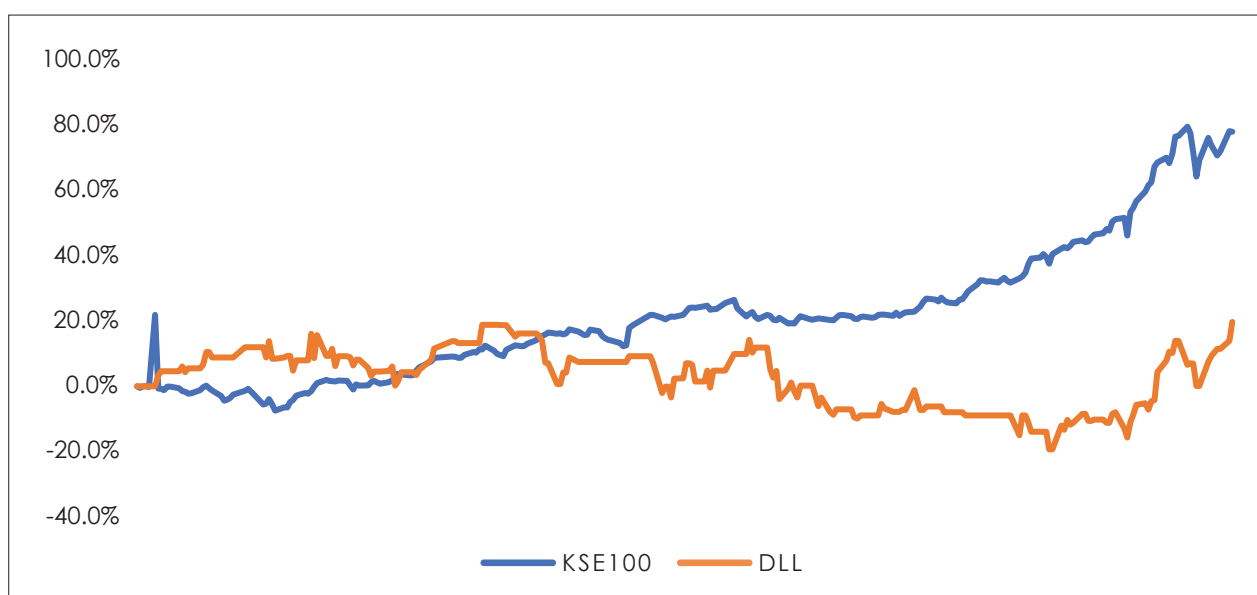
27 May 2024	Announcement of first quarter results
28 August 2024	Announcement of second quarter results
30 October 2024	Announcement of third quarter results
07 March 2025	Announcement of fourth quarter results
25 April 2025	75 th Annual General Meeting

Trading Performance During the Financial Period	2024	2023	2022
Opening price	215.50	210.00	198.67
Closing price	219.49	215.50	210.00
Highest price	274.99	283.00	219.97
Lowest price	172.25	186.21	162.00
Average daily volume traded	7,137.66	2,529.10	5,806.00

Total Return*	Shareholder	Market
1 - year period (01 January 2024 to 31 December 2024)	3.2%	78.2%
3 - year period (01 January 2022 to 31 December 2024)	9.3%	158.5%
5 - year period (01 January 2020 to 31 December 2024)	5.1%	163.0%

*Total returns are computed based on the closing unit price on the last trading day of the preceding "reporting period compared with the closing unit price on the last trading day of the current period"

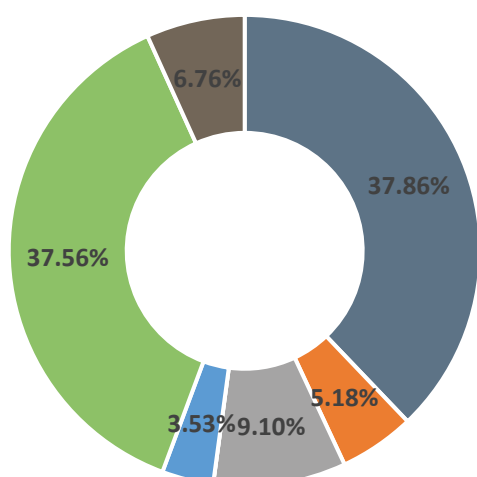
Investor Relations Enquiry:
Source: dps.psx.com.pk



STATEMENT OF VALUE ADDITION AND DISTRIBUTION

(Rs. in billion)

	2024		2023	
	Rs.	%	Rs.	%
Wealth Generated / Value addition				
Total revenue inclusive of sales tax	12,677	62.82%	14,397	87.33%
Other income	7,503	37.18%	2,089	12.67%
	<u>20,180</u>	<u>100.00%</u>	<u>16,486</u>	<u>100.00%</u>
Wealth Distributed / Value distribution				
To Services				
Cost of revenue (excluding employees' salaries and benefits)	6,901	34.20%	12,858	77.99%
Distribution and administration, other expenses (excluding employees' salaries and benefits)	740	3.67%	576	3.49%
To Providers of Capital				
Dividend to shareholders	178	0.88%	-	0.00%
(Loss) / Profit to non controlling interest	1,365	6.76%	(97)	-0.59%
Mark-up on borrowed money	867	4.30%	1,087	6.59%
To Government				
Taxes	1,837	9.10%	2,657	16.12%
To Society				
Donation	-	0.00%	-	0.00%
To Employees Salaries and benefits	712	3.53%	778	4.72%
To Company Retained within the business	7,581	37.56%	(1,373)	-8.33%
	<u>20,180</u>	<u>100.00%</u>	<u>16,486</u>	<u>100.00%</u>



- To Services
- To Providers of Capital
- To Government
- To Society
- To Employees Salaries and benefits
- Retained for reinvestment and future growth
- (Loss) / Profit to non controlling interest

GENDER PAY GAP

Dawood Lawrencepur Limited is committed to promoting gender diversity as a core value, and we actively work towards building a diverse workforce at every level. We engage shared service resources from across our group, which include a balanced representation of both male and female employees, further enhancing our efforts towards fostering an inclusive environment. Our group is one of the leading groups supporting and promoting DEI with a balanced gender pay.

The following is gender pay gap calculated for the year ended December 31, 2024:

- 1- Mean Gender Pay: -18%
- 2- Median Gender Pay: 57%



A.F. FERGUSON & Co.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dawood Lawrencepur Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Dawood Lawrencepur Limited (the Company) for the year ended December 31, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2024.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: March 27, 2025

UDIN: CR202410056E8RAuXQ7M

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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■ KARACHI ■ LAHORE ■ ISLAMABAD

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

For the year ended December 31, 2024

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Regulations") in the following manner:

- 1) The total number of directors are Seven (7) as per the following:
 - a. Male: Six (6)
 - b. Female: One (1)

- 2) The composition of the Board as at December 31, 2024, was as follows:

Category	Names
Independent Directors	Mr. Ruhail Muhammad - Chairman
	Mr. Muhammed Amin
Non-executive Directors	Mr. Abdul Samad Dawood
	Ms. Sabrina Dawood
	Mr. Shafiq Ahmed
	Mr. Muhammad Bilal Ahmed
Executive Director	Mr. Mohammad Shamoon Chaudry (Chief Executive Officer and Director)

- 3) The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- 4) The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- 5) The Board has developed a vision / mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
- 6) All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
- 7) The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- 8) The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
- 9) The Company is compliant in respect of certification of directors under the Director's Training program;
- 10) The Board has approved appointment of Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- 11) Chief Financial Officer, and Chief Executive Officer duly endorsed the unconsolidated and consolidated financial statements before approval of the Board;

- 12) The Board has formed committees comprising of members given below:

Name of Committees	Names of members and Designation
Board Audit Committee	Mr. Muhammed Amin - Chairman
	Mr. Shafiq Ahmed - Member
	Mr. Muhammad Bilal Ahmed - Member
Human Resource and Remuneration Committee	Mr. Ruhail Muhammad - Chairman
	Mr. Abdul Samad Dawood - Member
	Mr. Muhammed Amin - Member

- 13) The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
- 14) The frequency of meetings (quarterly/half yearly/yearly) of the committees were as follows:
- a) Board Audit Committee: - Four (4) meetings were held during the financial year ended on December 31, 2024.
- b) Human Resource and Remuneration Committee: - One (1) meeting held during the financial year ended on December 31, 2024.
- 15) The Board has set up an effective internal audit function comprising of suitably qualified and experienced staff who are conversant with the policies and procedures of the Company;
- 16) The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
- 17) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
- 18) We confirm that all requirements of Regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. With respect to the compliance with Regulation 6, the Board has appointed two independent directors, and the fraction one-third number was not rounded up to one as the two independent directors elected had requisite competencies, skills, knowledge and experience to fulfil their obligations as per the requirements of the applicable laws and regulations and hence, appointment of third independent director was not warranted.

The Board was also guided by the fact that as per Regulation 6 rounding up is not mandatory and the necessary explanation for not rounding-up as required under the Regulations have been included above; and

- 19) Explanation for the requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Nomination and Risk management committees (regulations 29 and 30)

The Functions of Nomination Committee and Risk Management Committee are being performed by Board and the Audit Committee respectively. Therefore, separate committees have not been formed.

Mohammad Shamoon Chaudry
Chief Executive Officer

Ruhail Muhammad
Chairman

Dated: March 7, 2025

UNCONSOLIDATED FINANCIAL STATEMENT



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the members of Dawood Lawrencepur Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Dawood Lawrencepur Limited (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following is the Key Audit Matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Reversal of non-current asset held for sale</p> <p>(Refer note 15 to the annexed unconsolidated financial statements)</p> <p>Based on the decision of the Board of Directors of the Company, the Company's investment in shares of Tenaga Generasi Limited (TGL) had been classified as 'held for sale'. During the year, the Company entered into a Share Purchase Agreement (TGL SPA) dated February 12, 2024 which was subject to certain conditions required to be complied with up to the long-stop date of September 6, 2024. Certain conditions required for completing the disposal transaction were not met by up to the time stipulated in the SPA and, therefore, the buyer ultimately chose not to proceed with the transaction and the TGL SPA was terminated.</p> <p>Following the termination of the TGL SPA and in view of the prevalent condition pertaining to the energy sector of the country, the Company's decision to continue with the sale of its shareholding in TGL immediately in its present condition changed, resulting in reclassification of TGL investment as long-term investment.</p> <p>The matter, being a significant event for the period, is a 'key audit matter'.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained copy of the Shares Purchase Agreement dated February 12, 2024 signed by the Company and noted key conditions specified therein including the long-stop date of September 6, 2024. • Read the letter issued by the other shareholder of TGL and the minutes of the meeting of the Company's shareholders through which approval for the envisaged sales was provided. • Discussed with the Company's management about the matters that led to the termination of the SPA and the subsequent change in the decision to not to continue with the sale of its shareholding in TGL immediately in its present condition. • Assessed the related disclosures made in the annexed financial statements are in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.
(ii)	<p>Deferred tax asset</p> <p>(Refer note 7 to the annexed unconsolidated financial statements)</p> <p>The Company has recorded deferred tax asset – DTA amounting to Rs 361.14 million on account of loss recognised on sale of the Company's investment in shares of Reon Energy Limited (REL) including the loan and mark up accrued thereon due from REL which were waived as part of the sale consideration; and the transaction cost incurred on the envisaged to sale of the Company's investment in shares of Tenaga Generasi Limited.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained understanding of the management's process of estimating future capital gains. • Discussed with the management, the significant assumptions i.e. timing of the recoverability of DTA used in preparing the capital gains forecast and assessed its reasonableness.

S. No.	Key audit matter	How the matter was addressed in our audit
	<p>The recoverability of DTA is dependent on availability of future capital gains that takes into account significant management judgement about the timing of its recoverability.</p> <p>Due to the involvement of significant management judgement, we considered this as a key audit matter.</p>	<ul style="list-style-type: none"> • Checked the appropriateness of tax rates applied in view of the local tax legislation. • Checked mathematical accuracy of the calculations; and • Assessed the related disclosures made in the annexed financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.





Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Osama Moon.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: March 27, 2025

UDIN: AR202410056tPIFEcfhG

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	Note	2024	2023 (Restated)
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	15,637	18,566
Biological assets		1,604	-
Intangible assets		107	-
Long term investments	6	2,388,176	80,496
Long term deposits		2,778	2,778
Deferred taxation - net	7	266,557	-
		2,674,859	101,840
Current assets			
Stores and spares		892	892
Stock-in-trade	8	1,376	4,418
Trade debts	9	-	-
Loans to subsidiaries	10	440,039	439,422
Loans and advances		1,833	2,004
Deposits, prepayments and other receivables	11	87,938	85,056
Interest accrued	12	437,782	338,020
Short term investments	13	4,052,957	1,303,809
Cash and bank balances	14	151,453	143,741
		5,174,270	2,317,362
Assets classified as held for sale	15	-	2,394,804
		5,174,270	4,712,166
TOTAL ASSETS		7,849,129	4,814,006
EQUITY AND LIABILITIES			
Equity			
Share capital	16	592,998	592,998
Capital reserves		206,666	206,666
Unappropriated profits		6,321,983	3,461,234
		7,121,647	4,260,898
Non-current liabilities			
Staff retirement benefits	17	13,223	3,506
Current liabilities			
Trade and other payables	18	187,216	193,471
Unclaimed dividend		77,585	78,046
Unpaid dividend		3,284	-
Provisions	19	7,360	7,360
Taxes payable		438,814	270,725
		714,259	549,602
Contingencies and commitments	20	727,482	553,108
TOTAL EQUITY AND LIABILITIES		7,849,129	4,814,006

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023 (Restated)
----- (Rupees in '000) -----			
CONTINUING OPERATIONS			
Dividend income	21	2,050,156	1,633,076
Administrative expenses	22	(228,695)	(70,274)
Operating expenses	23	(74,089)	(324,519)
		(302,784)	(394,793)
Other income - net	24	1,476,624	199,419
Finance costs	25	(1,122)	(3,195)
Profit before levy and taxation from continuing operations		3,222,874	1,434,507
Levy	26	(45,468)	(29,356)
Profit before taxation from continuing operations		3,177,406	1,405,151
Taxation	26	(123,228)	(486,981)
Profit after taxation from continuing operations		3,054,178	918,170
DISCONTINUED OPERATIONS			
Loss from discontinued operations	27	(14,210)	(936)
Profit for the year		3,039,968	917,234
----- (Rupees) -----			
Earnings / (loss) per share - basic and diluted			
Total		51.26	15.46
Continuing operations	28	51.50	15.48
Discontinued operations	28	(0.24)	(0.02)

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
Profit for the year		3,039,968	917,234
Other comprehensive (loss) / income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of post employment benefit obligation - actuarial (loss) / gain	17.6	(1,320)	65
Total comprehensive income / (loss) for the year		3,038,648	<u>917,299</u>

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023 (Restated)
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,163,196	1,404,215
Add: Loss before taxation attributable to discontinued operations		14,210	936
Profit before taxation from continuing operations		3,177,406	1,405,151
Adjustments for:			
Depreciation	5.1	1,085	1,456
Amortization		21	-
Levy		45,468	29,356
Provision for gratuity - net	17.5 & 17.3	9,838	1,719
Impairment of Interest accrued on loan to a subsidiary	23	51,536	109,226
Dividend income classified as investing cash flows	21	(2,050,156)	(1,633,076)
Loss on remeasurement of asset classified as held for sale		-	200,000
(Gain) / loss on investments at fair value through profit or loss	24	(1,161,707)	27,930
Gain on disposal of short term investments	24	(91,725)	-
Gain on disposal of property, plant and equipment	24	(7,818)	(10)
Provision for impairment of long term investments		20,000	15,000
Mark-up charged to related parties	24	(153,988)	(177,971)
Profit on bank deposits	24	(21,792)	(8,115)
Finance costs	25	1,122	3,195
		(180,710)	(26,139)
Working capital changes			
(Increase) / decrease in current assets			
Loans and advances		(607)	366
Deposits, prepayments and other receivables		13,144	(6,042)
		12,537	(5,676)
Increase in current liabilities			
Trade and other payables		49,364	131,501
		61,901	125,825
Cash (used) / generated from operating activities			
Finance costs paid		(1,122)	(5,474)
Gratuity paid		(1,441)	(3,594)
Income tax and levy paid		(267,163)	(301,775)
Discontinued operations		(80,609)	(29,520)
Net cash utilised in operating activities			
		(469,144)	(240,677)

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023 (Restated)
----- (Rupees in '000) -----			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(1,649)	(2,352)
Investment in biological assets		(1,604)	-
Purchase of short-term investments		(3,631,673)	(2,684,748)
Purchase of intangible asset		(128)	-
Proceeds from disposal of property, plant and equipment		9,885	10
Proceeds from sale of short-term investment		2,123,081	1,380,939
Restricted cash on escrow account		-	(100,000)
Proceeds from sale of Reon Energy Limited		100,000	-
Investment in subsidiary		(20,000)	(15,000)
Loan to subsidiaries	10.5	(617)	(419)
Mark-up received from related parties		2,689	636
Profit received on bank deposits	24	21,792	8,115
Dividend received	21	2,050,156	1,633,076
Net cash (used in) / generated from investing activities		651,932	220,257
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend Paid		(175,076)	(790)
Net cash used in financing activities		(175,076)	(790)
Net increase in cash and cash equivalents		7,712	(21,210)
Cash and cash equivalents at beginning of the year	29	143,741	64,951
Cash and cash equivalents at end of the year		151,453	43,741

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital	Capital reserves					Revenue reserve	Total
		Merger reserve	Share premium reserve	Capital redemption reserve	Others	Total	Unappropriated profit	
----- (Rupees in '000) -----								
Balance as at January 1, 2023	592,998	10,521	136,865	25,969	33,311	206,666	2,543,935	3,343,599
Profit for the year	-	-	-	-	-	-	917,234	917,234
Other comprehensive loss	-	-	-	-	-	-	65	65
Total comprehensive income for the year	-	-	-	-	-	-	917,299	917,299
Balance as at December 31, 2023	592,998	10,521	136,865	25,969	33,311	206,666	3,461,234	4,260,898
Profit for the year	-	-	-	-	-	-	3,039,968	3,039,968
Other comprehensive loss	-	-	-	-	-	-	(1,320)	(1,320)
Total comprehensive income for the year	-	-	-	-	-	-	3,038,648	3,038,648
Transactions with owners								
Dividend for the year ended December 31, 2024: Interim @ Rs 3.00 per share	-	-	-	-	-	-	(177,899)	(177,899)
Balance as at December 31, 2024	592,998	10,521	136,865	25,969	33,311	206,666	6,321,983	7,121,647

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1. LEGAL STATUS AND OPERATIONS

- 1.1 Dawood Lawrencepur Limited (the Company) was incorporated in Pakistan in the year 2004, as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the (now repealed) Companies Ordinance, 1984 among Dawood Cotton Mills Limited (DCM), Dilon Limited (DL), Burewala Textile Mills Limited (BTM) and Lawrencepur Woollen and Textile Mills Limited (LWTM). The shares of the Company are listed on the Pakistan Stock Exchange. The principal activity of the Company is to manage investments including in its subsidiaries and associated companies.
- 1.2 The Company's head office is situated at Dawood Centre, M.T. Khan Road, Karachi.
- 1.3 Dawood Corporation (Private) Limited (DCPL) being the parent holds 54.84% of the shares in the Company.
- 1.4 During the years 2007 and 2008, the Company suspended operations of LWTM, BTM, DL and DCM. In this respect, land, building, plant and machinery and other assets of DL and DCM were disposed off. Whereas, plant and machinery and other assets of LWTM and BTM were subsequently disposed of except for the land and building as stated in note 5.2 to these unconsolidated financial statements. Consequently, the Company does not have any industrial unit in production.
- 1.5 The Company continues to operate the 'Lawrencepur' brand name under a license.

2. BASIS OF PREPARATION

These unconsolidated financial statements have been prepared under the historical cost convention except as specified in the relevant accounting policies.

The preparation of these unconsolidated financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving judgement, assumptions and estimates significant to these financial statements are disclosed in note 4.

These unconsolidated financial statements represent the separate financial statements of the Company in which investments in subsidiaries and associates other than those classified as held for sale, have been stated at cost less accumulated impairment losses, if any. The consolidated financial statements of the Company and its subsidiaries have been presented separately.

2.1 Statement of compliance

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

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

Where provisions and directives issued under the Act differ from IFRSs, the provisions of and directives issued under the Act have been followed.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional currency.

2.3 New standards, amendments and interpretation to published accounting and reporting standards which became effective during the year ended December 31, 2024

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

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

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----- (Rupees in '000) -----		
Effect on unconsolidated statement of profit or loss			
For the year ended December 31, 2024			
Levy	-	45,468	45,468
Profit before taxation	3,222,874	(45,468)	3,177,406
Taxation	(168,696)	45,468	(123,228)
Profit after taxation	3,054,178	-	3,054,178
For the year ended December 31, 2023			
Levy	-	29,356	29,356
Profit before taxation	1,434,507	(29,356)	1,405,151
Taxation	(516,337)	29,356	(486,981)
Profit after taxation	918,170	-	918,170

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----- (Rupees in '000) -----		
Effect on unconsolidated statement of financial position			
As at December 31, 2024			
Taxes payable	457,001	(18,187)	438,814
Trade and other payables	169,029	18,187	187,216
Total	626,030	-	626,030
As at December 31, 2023			
Taxes payable	282,467	(11,742)	270,725
Trade and other payables	181,729	11,742	193,471
Total	464,196	-	464,196

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

In addition to this, during the year, the SECP has made amendment to the fourth schedule to the Act whereby certain disclosure requirements have been introduced which have been presented in note 30 to these unconsolidated financial statements.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Property, plant and equipment

Property, plant and equipment, except for freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Freehold land and capital work-in-progress are stated at cost less accumulated impairment losses, if any.

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Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss in the year in which these are incurred.

Depreciation is charged using the straight-line method whereby the cost of an operating asset less its estimated residual value is charged over its estimated useful life. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on additions is charged from the month in which an asset is available for use while no depreciation is charged for the month in which an asset is disposed of.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Disposal of asset is recognised when significant risks and rewards incidental to ownership have been transferred to the buyer. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of an asset is recognised in the period of disposal in the profit or loss.

3.2 Financial instruments

3.2.1 Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); or
- those to be measured subsequently at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

a) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets, impairment losses and foreign exchange gain and losses are recognised in profit or loss.

b) Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented within other gains / (losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the profit or loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.2.2 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

3.2.3 Offsetting

Financial assets and liabilities are offset and the net amount reported in the financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realize the asset and settle the liability simultaneously.

3.2.4 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments (other than trade debts) carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Lifetime ECL is recognised when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12 month ECL under IFRS 9 'Financial Instruments'.

For trade debts, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Financial assets considered irrecoverable are written-off. To measure the expected credit losses, trade debts are grouped based on shared credit risk characteristics and the days past due.

3.3 Impairment of non-financial assets including investment in subsidiaries and associates

The Company assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised. Intangible assets with indefinite useful lives are tested for impairment annually at year end either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

3.4 Investment in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Further, the Company also considers whether:

- It has power over the investee entity;
- It has exposure or right, to variable returns from its involvement with the investee entity; and
- It has the ability to use its power over the investee entity to affect the amount of the Company's returns.

Investment in subsidiary companies are stated at cost less accumulated impairment losses, if any

3.5 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investment in associates are carried at cost less accumulated impairment losses, if any.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, deposits held with banks and other short-term highly liquid investments with less than three months maturity from the date of acquisition.

3.7 Assets classified as held for sale

The Company classifies non-current assets as held for sale if the carrying amounts are to be recovered principally through a sale transaction rather than through continuing use, the sale is considered highly probable within one year from the reporting date and the asset is available for immediate sale in the present condition. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Assets classified as held for sale are presented separately in the statement of financial position, a remeasurement loss is recognised for any writedown of the asset to fair value less cost to sell. A gain is recognised for any subsequent increase in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

When the criteria for the non-current asset to be classified as held for sale is not met the entity ceases to classify asset as held for sale and is recorded at the lower of its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, that would have been recognised had the asset not been classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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3.8 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.9 Employees' retirement benefits - defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods, and discounted to determine its present value. The calculation is performed at least once annually, by a qualified actuary using the projected unit credit method. The Company operates a funded defined benefit 'Gratuity' plan for all of its permanent employees who have completed qualifying period of service.

Provisions are made in the financial statements to cover obligations under the scheme. The provisions require assumptions to be made of future outcome which mainly include increase in remuneration, expected return on plan assets and the discount rate used to convert future cash flows to current values. Remeasurement gains and losses arising from the actuarial valuation are recognised immediately in other comprehensive income.

3.10 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental cost, if any, directly attributable to the issue of shares, are recognised in equity as a deduction, net of tax, from proceeds.

3.11 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. These are classified as current liabilities if payment is due within twelve months or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.12 Taxation

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 /IAS 37 and accordingly are classified as levy.

Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation, after taking into account tax credits available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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Deferred

The Company accounts for deferred taxation arising on all temporary differences using the balance sheet method. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted at the reporting date. A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the related deductible temporary differences can be utilised.

3.13 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed off, or is classified as held for sale, and

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single coordinated plan to dispose off a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

3.14 Revenue and other income

Revenue

Revenue from sale of goods is recognised at a point in time when goods are transferred to the customer and when performance obligations are fulfilled. Goods are considered to be transferred when the control is transferred to the customer, i.e. at the time of dispatch of goods. Dividend income is recognised when the Company's right to receive the dividend is established.

Other income

- Profit on bank balances are recognised on a time proportion basis on the principal amount outstanding and at the applicable rate.
- Capital gains / losses arising on sale of investments are included in the profit or loss on the date at which the transaction takes place.
- Unrealised gains / losses arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Income on investments and mark-up on deposits are recognised on an accrual basis.
- Gains or losses arising from changes in fair value less costs to sell of biological assets are recognized in the profit and loss.

3.15 Foreign currency translation

Transactions in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at rates of exchange prevailing at the reporting date. Foreign exchange differences are recognised in the profit or loss.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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3.16 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes the strategic decisions.

Management has disclosed information as required by IFRS 8 'Operating Segments' in note 36 to these unconsolidated financial statements.

3.18 Contingent liabilities

Contingent liabilities are disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain significant accounting estimates. It also requires management to exercise its judgment 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. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- (a) Impairment – note 3.2.4 and 3.3
- (b) Provision for taxation – note 3.11
- (c) Estimation of contingent liabilities – note 3.17

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Building on freehold land	Plant and machinery	Furniture, fixtures and office equipment	Computers	Tools and equipment	Vehicles	Renewable energy units	Total
(Rupees in '000)									
As at January 1, 2023									
Cost	3,157	65,827	103,940	65,943	7,528	3,764	13,699	2,450	266,308
Accumulated depreciation	-	(63,167)	(100,569)	(61,647)	(7,063)	(3,655)	(8,623)	(2,204)	(246,928)
Net book value	3,157	2,660	3,371	4,296	465	109	5,076	246	19,380
Year ended December 31, 2023									
Net book value at the beginning of the year	3,157	2,660	3,371	4,296	465	109	5,076	246	19,380
Additions	-	1,300	-	187	-	865	-	-	2,352
Disposals									
Cost	-	-	-	-	(103)	-	-	-	(103)
Accumulated depreciation	-	-	-	-	103	-	-	-	103
Depreciation (note 5.1)	-	(210)	(192)	(1,092)	(207)	(146)	(1,073)	(246)	(3,166)
Net book value at the end of the year	3,157	3,750	3,179	3,391	258	828	4,003	-	18,566
As at January 01, 2024									
Cost	3,157	67,127	103,940	66,130	7,425	4,629	13,699	2,450	268,557
Accumulated depreciation	-	(63,377)	(100,761)	(62,739)	(7,167)	(3,801)	(9,696)	(2,450)	(249,991)
Net book value	3,157	3,750	3,179	3,391	258	828	4,003	-	18,566
Year ended December 31, 2024									
Net book value at the beginning of the year	3,157	3,750	3,179	3,391	258	828	4,003	-	18,566
Additions	-	1,100	-	-	549	-	-	-	1,649
Writeoff									
Cost	-	-	-	-	(1,840)	(3,069)	(897)	-	(5,806)
Accumulated depreciation	-	-	-	-	1,840	3,069	897	-	5,806
Disposals									
Cost	-	(6,055)	-	(13,819)	(3,564)	(231)	(4,092)	-	(27,761)
Accumulated depreciation	-	5,892	-	12,389	3,564	165	3,684	-	25,694
Depreciation (note 5.1)	-	(237)	(191)	(757)	(357)	(192)	(777)	-	(2,511)
Net book value at end of the year	3,157	4,450	2,988	1,204	450	570	2,818	-	15,637
As at December 31, 2024									
Cost	3,157	62,172	103,940	52,311	2,570	1,329	8,710	2,450	236,639
Accumulated depreciation	-	(57,722)	(100,952)	(51,107)	(2,120)	(759)	(5,892)	(2,450)	(221,002)
Net book value	3,157	4,450	2,988	1,204	450	570	2,818	-	15,637
Annual rate of depreciation (%) 2024 and 2023	-	5%	5%	10%	33%	20%	20%	10%	

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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2024 2023
----- (Rupees in '000) -----

5.1 Depreciation for the year has been charged in:

Administrative expenses (note 22)	2,511	3,166
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5.2 The details of immovable fixed assets (i.e. land and buildings) are as follows:

Description of location	Address	Total area of land in Acres
BTM Factory	Dawoodabad, Railway Station Road and Luddan Road, Chak 439, E.B, Tehsil Burewala, District Vehari.	313.725
LWTM Factory	G.T. Road, Faqirabad District Attock	230.000

2024 2023
----- (Rupees in '000) -----

6. Long term investments

Long-term investment

Investment in related parties, at cost (note 6.1)

Provision for impairment (note 6.1.9)

	2,528,102	213,298
	(168,001)	(148,001)
	2,360,101	65,297

Other investments

- Financial assets at fair value through profit or loss (note 6.2)

- Financial assets at fair value through other comprehensive income (note 6.2)

	28,060	15,184
	15	15
	28,075	15,199
	2,388,176	80,496

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	2024	2023
	----- (Rupees in '000) -----	
6.1 Investment in related parties - at cost		
<i>Subsidiary - unquoted</i>		
Tenaga Generasi Limited (notes 6.1.1 and 15)		
Percentage holding 75% (2023: 75%)		
227,027,613 (2023: 227,027,613)		
fully paid ordinary shares of Rs. 10 each	2,294,804	2,294,804
<i>Wholly owned subsidiaries - unquoted</i>		
Reon Energy Limited (note 6.1.2)		
Percentage holding nil (2023: 100%)		
nil (2023: 102,600,000)		
fully paid ordinary shares of Rs. 10 each	-	1,026,000
Reon Alpha (Private) Limited (note 6.1.3)		
Percentage holding 100% (2023: 100%)		
16,800,100 (2023: 14,800,100)		
fully paid ordinary shares of Rs. 10 each	168,001	148,001
Mozart (Private) Limited (note 6.1.4)		
Percentage holding 100% (2023: 100%) 100 (2023: 100)		
fully paid ordinary shares of Rs 10 each	1	1
Greengo (Private) Limited (note 6.1.5)		
Percentage holding 100% (2023: 100%) 100 (2023: 100)		
fully paid ordinary shares of Rs 10 each	1	1
Abrax (Private) Limited (note 6.1.6)		
Percentage holding 100% (2023: 100%) 100 (2023: 100)		
fully paid ordinary shares of Rs 10 each	1	1
	168,004	1,174,004
<i>Associate - quoted</i>		
Engro Holdings Limited (formerly Dawood Hercules Corporation Limited) (note 6.1.7)		
Percentage holding 16.19% (2023: 16.19%)		
77,931,896 (2023: 77,931,896)		
fully paid ordinary shares of Rs. 10 each		
Market value Rs 20,247.486 million (2023: Rs 8,388.589 million)	65,294	65,294
	2,528,102	3,534,102
Investment in subsidiaries classified as held for sale (note 15)	-	(3,320,804)
	2,528,102	213,298
6.1.1	Tenaga Generasi Limited (TGL) was incorporated in Pakistan on December 1, 2005 as a public unlisted company to carry out the business of power generation as an independent power producer using wind energy.	
6.1.2	Reon Energy Limited (REL) was incorporated in Pakistan on September 15, 2014, as a public unlisted company to carry out the business of trading and construction of renewable energy projects, mainly solar projects, for commercial and industrial customers.	
6.1.3	Reon Alpha (Private) Limited (RAPL) was incorporated in Pakistan on October 23, 2017 as a private limited company. The principal business of RAPL is to own and operate electric power generation project and supply electricity as an independent power producer. RAPL's plant commenced commercial operations on April 22, 2020. During the year, the Company subscribed to additional two million ordinary shares of RAPL while maintaining shareholding of 100% in the Company.	

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During the year, as a continuity of the impairment exercise conducted during previous years, the Company carried out a review of the recoverable amount of its investment in RAPL. The Company estimated the recoverable amount by using value-in-use method. The value-in-use of the investment is based on the future expected cashflows over the remaining 12 years life of the project as per the terms of the Power Purchase Agreement of RAPL with Sindh Engro Coal Mining Company Limited (SECMC). The pre-tax discount rates are derived from RAPL's cost of equity, which has been calculated using the capital asset pricing model, the inputs of which include a country risk-free rate, equity risk premium and a risk adjustment (beta). The discount rate used in measuring value-in-use is 16.26% per annum (2023: 19.81%) based on the effective gearing of RAPL.

Based on the assessment performed, the recoverable amount determined as at December 31, 2024 is nil, hence an impairment loss amounting Rs 20 million (2023: Rs 15 million) has been recorded in the profit or loss.

- 6.1.4** Mozart (Private) Limited (MPL) was incorporated in Pakistan on October 4, 2016 as a private limited company to manage investments in associated companies. MPL is yet to execute its business activities.
- 6.1.5** Greengo (Private) Limited (GPL) was incorporated in Pakistan on October 4, 2016 as a private limited company to manage the Company's legacy assets located in Attock. GPL is yet to execute its business activities.
- 6.1.6** Abrax (Private) Limited (APL) was incorporated in Pakistan on October 4, 2016 as a private limited company to manage the Company's legacy assets located in Burewala. APL is yet to execute its business activities.
- 6.1.7** Engro Holdings Limited (ENGROH) (formerly Dawood Hercules Corporation Limited) was incorporated in Pakistan on April 17, 1968 as a public limited company and has its shares quoted on the Pakistan Stock Exchange. The principal activity of ENGROH is to manage investments in its subsidiaries and associated companies.

During the year, ENGROH, along with Engro Corporation Limited (ECL) and DH Partners (Private) Limited (DHPL) - both subsidiaries of ENGROH - filed a petition in the Islamabad High Court in respect of a Scheme of Arrangement (the Scheme) under which it is envisaged that:

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

The scheme was approved in the respective general meetings of the ENGROH, ECL and DHPL on June 26, 2024 and was sanctioned by the Islamabad High Court on July 18, 2024 and it has become effective as of January 1, 2025 i.e. subsequent to the year end.

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- 6.1.8** The Company has pledged ordinary shares of its associate and subsidiaries as security against financing facilities availed by itself and its subsidiaries from various commercial banks (note 20), the details of which are as follows:

Facilities / Banks	Shares pledged	As at December 31, 2024			As at December 31, 2023		
		Number of shares pledged	Face value of shares pledged	Market value of pledged shares	Number of shares pledged	Face value of shares pledged	Market value of pledged shares
Pledged against short-term financing and other facilities availed by the subsidiaries		-----Rupees-----			-----Rupees-----		
Bank Al Habib Limited (note 20.2.2)	ENGROH	6,200,000	62,000	1,610,822	6,200,000	62,000	667,368
United Bank Limited (note 20.2.2)		27,900,000	279,000	7,248,699	27,900,000	279,000	3,003,156
Pledged under Musharka Agreement entered into between RAPL and Faysal Bank Limited							
Faysal Bank Limited (note 20.2.2)	Reon Alpha (Private) Limited	5,300,000	53,000	-*	5,300,000	53,000	-*
Pledged under Sponsor Share Agreement							
Citibank N.A.	Tenaga Generasi Limited	34,599,995	345,996	-*	34,599,995	345,996	-*

*Tenaga Generasi Limited is an unlisted company and Reon Alpha (Private) Limited is a private company.

- 6.1.9** The movement in provision for impairment of investment is as follows:

	2024	2023
	----- (Rupees in '000) -----	
Balance at beginning of the year	148,001	859,001
Provision recognized during the year (notes 6.1.3 and 23)	20,000	15,000
Transferred to assets held for sale (note 15)	-	(726,000)
Balance at end of the year	168,001	148,001

6.2 Other investments

2024	2023	Name of Investee	2024	2023
Units / Number of Shares				
200,000	200,000	National Investment (Unit) Trust (note 6.3)	28,060	15,184
1,500	1,500	Asian Co-operative Society Limited (note 6.3)	15	15
			28,075	15,199

6.3 Reconciliation between fair value and cost of investments

Fair value of investments	28,075	15,199
Surplus on remeasurement of investments as at year end	(25,620)	(12,744)
	2,455	2,455

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	2024	2023
	----- (Rupees in '000) -----	
7. DEFERRED TAXATION - net		
Loss incurred on sale of REL (note 7.1)	493,761	
Transaction costs (note 7.1)	63,223	-
	<u>556,984</u>	<u>-</u>
Taxable temporary differences arising on remeasurement of investments at fair value through profit or loss	(290,427)	-
	<u>266,557</u>	<u>-</u>

7.1 These represent a deferred tax asset arising on loss incurred on the sale of REL (note 15) and transaction cost incurred for the envisaged disposal of TGL (note 22). These will be claimed as deductions when computing capital gain tax liability on future capital gains upto next six years, in accordance with section 37 of the Income Tax Ordinance, 2001.

7.2 The deferred tax amounts shown in the table above are available for deduction as and when these are realized, subject to having sufficient capital gains. The Company has carried out an assessment of recoverability by estimating future capital gain of the Company and the expected rate applicable to those gains and determined that the amounts shall be recoverable. However, the estimation of future capital gains is sensitive to certain key assumptions which can be changed.

	2024	2023
	----- (Rupees in '000) -----	
8. STOCK-IN-TRADE		
Textile goods		
Finished goods	3,060	6,102
Provision for write down to net realisable value	(1,684)	(1,684)
	<u>1,376</u>	<u>4,418</u>
9. TRADE DEBTS - unsecured		
Considered doubtful		
Renewable energy	2,590	2,590
Others	1,052	1,052
	<u>3,642</u>	<u>3,642</u>
Allowance for expected credit losses	(3,642)	(3,642)
	<u>-</u>	<u>-</u>

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	2024	2023
	----- (Rupees in '000) -----	
10. LOANS TO SUBSIDIARIES - unsecured		
Subordinated loans to subsidiary companies:		
- Tenaga Generasi Limited (notes 10.1 and 10.2)	437,000	437,000
- Abrax (Private) Limited (note 10.4)	1,023	823
- Mozart (Private) Limited (note 10.4)	997	780
- Greengo (Private) Limited (note 10.4)	1,019	819
	440,039	439,422
- Reon Energy Limited (note 10.3)	-	300,000
Allowance for expected credit losses (note 10.3)	-	(300,000)
	440,039	439,422

10.1 In April 2017, the Company entered into a subordinated loan agreement with Tenaga Generasi Limited (TGL, a subsidiary company) for arranging finance upto a limit of Rs 300 million. The original term of the facility was one year which was extended from time to time with all other terms unchanged. During the year, the facility has been again extended till April 2025. The facility carries mark-up at the rate of 3 months KIBOR plus 1.775%.

10.2 In 2019, the Company entered into another subordinated loan agreement with TGL for arranging finance to the extent of Rs 1,000 million to fulfill its working capital requirements. The loan is subject to mark-up calculated at the rate of three months KIBOR plus 2%. The term of the loan was initially for one year which was extended from time to time with all other terms unchanged. As at December 31, 2024, TGL has utilised Rs 137 million out of the facility amount.

10.3 On February 22, 2019, the Company provided a loan to Reon Energy Limited (REL, a subsidiary company upto October 7, 2024) amounting to Rs 300 million carrying mark-up at the rate of 1% above the average borrowing cost of the Company, to finance its operations. Originally, the principal amount was to be repaid on a lump-sum basis within a period of one year, however repayment terms were extended from time to time till December 31, 2022. On May 25, 2022 an addendum was signed between the parties and the loan was converted to a long term loan with principal amount being repayable upon retirement of existing long term financing facilities of REL. However, under the second amendment to the SPA (note 15.1) dated June 30, 2023, the loan was decided to be waived off when the corporate guarantees issued by the Company on behalf of REL are either released or replaced. Accordingly, upto release of corporate guarantee the loan has been written off during the year.

10.4 These represent loan facilities provided to subsidiary companies, in the year 2018, with individual financing limits of upto Rs 4 million to fulfill working capital requirements. The loans are subject to mark-up at the rate of average borrowing rate of the Company plus 1% per annum. The loans are repayable by subsidiaries on demand.

	2024	2023
	----- (Rupees in '000) -----	
10.5 The movement in loans to subsidiaries is as follows:		
Balance at beginning of the year	439,422	439,003
Loan disbursed during the year	617	419
Balance at end of the year	440,039	439,422

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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- 10.6** The maximum aggregate amounts outstanding against loans to subsidiaries at the end of any month during the year were as follows:

	2024	2023
	----- (Rupees in '000) -----	
Tenaga Generasi Limited	437,000	437,000
Reon Energy Limited	300,000	300,000
Abrax (Private) Limited	1,023	823
Mozart (Private) Limited	997	780
Greengo (Private) Limited	1,019	819

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES - considered good

Security deposits	7,413	7,413
Prepayments	2,387	735
Sales tax	29,647	15,728
Others - unsecured (note 11.1)	48,491	61,180
	<u>87,938</u>	<u>85,056</u>

- 11.1** This includes amount due from related parties as follows:

Sach International (Private) Limited	28,951	33,095
Tenaga Generasi Limited	2,563	5,607
Reon Energy Limited	-	15,018
Reon Alpha (Private) Limited	5,581	4,749
Dawood Foundation	-	1,546
Engro Holdings Limited (formerly Dawood Hercules Corporation Limited)	-	1,165
	<u>37,095</u>	<u>61,180</u>

Maximum aggregate outstanding amounts at any time during the year based on month end balances were as follows:

	2024	2023
	----- (Rupees in '000) -----	
Sach International (Private) Limited	33,095	33,095
Tenaga Generasi Limited	43,733	56,980
Reon Energy Limited	-	20,251
Reon Alpha (Private) Limited	7,182	4,749
Dawood Foundation	-	1,546
Engro Holdings Limited (formerly Dawood Hercules Corporation Limited)	-	1,165

- 11.2** As at December 31, 2024, receivables from related parties aggregating to Rs 15.841 million (2023: Rs 36.404 million) were past due but not impaired. The aging analysis of these receivables is as follows:

	2024	2023
	----- (Rupees in '000) -----	
Upto 3 months	5,133	2,329
3 to 6 months	801	1,249
More than 6 months	9,907	32,826
	<u>15,841</u>	<u>36,404</u>

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FOR THE YEAR ENDED DECEMBER 31, 2024

12. INTEREST ACCRUED

This represents mark-up on loans and other receivables from related parties as follows:

	2024	2023
	----- (Rupees in '000) -----	
Tenaga Generasi Limited	427,792	330,383
Reon Energy Limited	8,361	114,640
Reon Alpha (Private) Limited	-	1,201
Mozart (Private) Limited	526	328
Abrax (Private) Limited	553	347
Greengo (Private) Limited	550	347
	437,782	447,246
Allowance for expected credit losses (note 10.3)	-	(109,226)
	437,782	338,020

12.1 During the year, the accrued interest related to loan amounting to Rs 160.762 million has been written off.

12.2 The maximum aggregate amounts outstanding against interest receivable from related parties at the end of any month during the year were as follows:

	2024	2023
	----- (Rupees in '000) -----	
Tenaga Generasi Limited	427,792	330,383
Reon Energy Limited	169,123	114,640
Reon Alpha (Private) Limited	2,399	1,201
Mozart (Private) Limited	526	328
Abrax (Private) Limited	553	347
Greengo (Private) Limited	550	347

12.3 As at December 31, 2024, interest receivable from related parties aggregating to Rs 9.993 million (2023: Rs 50.717 million) was past due but not impaired. The aging analysis of these receivables is as follows:

	2024	2023
	----- (Rupees in '000) -----	
Upto 3 months	707	1,393
3 to 6 months	7,953	14,664
More than 6 months	1,333	34,660
	9,993	50,717

13. Short term investments

At fair value through profit or loss

Investment in units of mutual fund (note 13.1)	202,225	145,809
Investment in listed equity securities (note 13.2)	3,850,732	1,158,000
	4,052,957	1,303,809

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13.1 Particulars regarding investment in mutual funds are as follows:

	As at January 1, 2024	Purchased during the year	Redeemed during the year	As at December 31, 2024	Cost as at December 31, 2024	Fair value as at December 31, 2024	Unrealised gain as at December 31, 2024
	-----Number of Units-----			----- (Rupees in '000) -----			
Shariah Compliant mutual funds:							
Al Hamra Islamic Stock Fund	-	2,750,673	(2,750,673)	-	-	-	-
Meezan Sovereign Fund (MSF)	-	705,960	-	705,960	40,000	40,463	463
Al-Ameen Shariah Stock Fund - Class A	-	86,356	(86,356)	-	-	-	-
Conventional mutual funds:							
Atlas Money Market Fund	-	36,236	-	36,236	20,000	20,219	219
NBP Money Market Fund	-	3,701,305	-	3,701,305	40,000	40,415	415
MCB Cash management optimizer	-	8,424,618	(7,970,678)	453,940	50,000	50,536	536
UBL Stock Advantage Fund- Class A	-	159,798	(159,798)	-	-	-	-
UBL Cash Fund - Class A	-	5,391,465	(4,927,735)	463,730	50,000	50,540	540
Pakistan Cash Management Fund	2,889,140	4,509,181	(7,397,297)	1,024	52	52	-
					200,052	202,225	2,173

13.2 Particulars regarding quoted shares are as follows:

	As at January 1, 2024	Purchased during the year	Sold during the year	As at December 31, 2024	Cost as at December 31, 2024	Fair value as at December 31, 2024	Unrealised gain as at December 31, 2024
	-----Number of Shares-----			----- (Rupees in '000) -----			
Conventional securities:							
MCB Bank Limited	2,500,000	-	(425,000)	2,075,000	358,041	583,698	225,657
United Bank Limited	1,550,000	-	-	1,550,000	275,652	592,457	316,805
Fauji Fertilizer Company Limited	-	2,381,562	-	2,381,562	694,011	872,414	178,403
Shariah compliant securities:							
Pakistan Petroleum Limited	800,000	-	-	800,000	92,024	162,840	70,816
System Limited	847,457	-	-	847,457	358,949	526,652	167,703
Oil & Gas Development Company Ltd	-	1,106,000	-	1,106,000	145,770	251,350	105,580
AGP Limited	-	519,907	-	519,907	69,881	88,436	18,555
Highnoon Laboratories Limited	-	313,809	-	313,809	262,252	288,146	25,894
Lucky Cement Limited	-	283,000	-	283,000	297,022	311,439	14,417
Abbott Laboratories Limited	-	140,000	-	140,000	150,473	173,300	22,827
					2,704,075	3,850,732	1,146,657

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	2024	2023
	----- (Rupees in '000) -----	
14. CASH AND BANK BALANCES		
Cash in hand	112	160
Balances with banks in:		
- current accounts	34,428	114,437
- deposit accounts	116,913	29,144
	151,341	143,581
	151,453	143,741
15. ASSETS CLASSIFIED AS HELD FOR SALE		
Investments in subsidiaries		
Reon Energy Limited (REL) (note 15.1)		
- Cost	-	1,026,000
- Accumulated impairment loss	-	(926,000)
	-	100,000
Tenaga Generasi Limited (note 15.2)	-	2,294,804
	-	2,394,804

15.1 During the year, the Company completed the sale of its investment in shares of REL at an aggregate amount of Rs 100 million to Juniper International FZ LLC as per the terms and conditions under REL share purchase agreement (REL SPA).

15.2 The Board of Directors of the Company in its meeting held on December 18, 2023 decided to dispose the entire shareholding of the Company in the shares of Tenaga Generasi Limited (TGL). Based on the expectation that (i) the envisaged sale was expected to be completed within one year from the date of the decision; and (ii) there was high probability of obtaining the approvals from the International Finance Corporation (IFC), the other shareholder of TGL which has tag along right, and the shareholders of the Company, the investment in shares of TGL had been classified as 'held for sale'.

During the year, the Company entered into a Share Purchase Agreement (TGL SPA) dated February 12, 2024 with Artistic Milliner (Private) Limited which was subject to certain conditions required to be complied with up to the long-stop date of September 6, 2024. The related consideration specified in the TGL SPA against TGL's 100% stake was US Dollars 30,900, subject to certain adjustments.

As part of the envisaged TGL transaction, IFC through its letter dated March 11, 2024 agreed to tag along with the said transaction and also the transaction was approved by the Company's shareholders in the Annual General Meeting held on May 29, 2024. Subsequent to these approvals, certain other conditions required for completing the disposal transaction were not met by up to the time stipulated in the SPA and, therefore, the buyer ultimately chose not to proceed with the transaction and the TGL SPA was terminated.

Following the termination of the TGL SPA and in view of the prevalent condition pertaining to the energy sector of the country, the Company's decision to continue with the sale of its shareholding in TGL immediately in its present condition has changed. Accordingly, the Company's investment in share of TGL has been reclassified as long-term investment in these unconsolidated financial statements (note 6).

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16. SHARE CAPITAL

Authorized capital

2024	2023	2024	2023
----- (Number of shares) -----		----- (Rupees in '000) -----	
75,000,000	75,000,000	750,000	750,000

Issued, subscribed and paid up capital

2024	2023		2024	2023
--- (Number of shares) ---			----- (Rupees in '000) -----	
2,204,002	2,204,002	Ordinary shares of Rs. 10 each	22,040	22,040
		Fully paid in cash		
12,805,118	12,805,118	Issued for consideration other than cash (note 16.3)	128,051	128,051
44,048,739	44,048,739	Issued as bonus shares	440,487	440,487
130,520	130,520	Issued as right shares as per the Court Order (note 16.4)	1,305	1,305
111,430	111,430	Issued as bonus shares as per the Court Order (note 16.4)	1,115	1,115
59,299,809	59,299,809		592,998	592,998

2024	2023
--- (Number of shares) ---	

- 16.1** Associates are incorporated in Pakistan. Shareholding details are as follows:

Dawood Corporation (Private) Limited		
Percentage of holding 54.84% (2023: 54.84%)	32,521,794	32,521,794
The Dawood Foundation		
Percentage of holding 5.02% (2023: 5.02%)	2,979,324	2,979,324
Dawood Investments (Private) Limited (formerly Patek (Private) Limited)		
Percentage of holding 7.49% (2023: 7.49%)	4,443,661	4,443,661
Cyan Limited		
Percentage of holding 5.00% (2023: 5.00%)	2,965,095	2,965,095
Sach International (Private) Limited		
Percentage of holding 0.01% (2023: 0.01%)	3,776	3,776
	42,913,650	42,913,650

- 16.2** The Company has a single class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company. All shares rank equally with regard to the Company's residual assets.

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- 16.3** Shares issued for consideration other than cash represent shares issued to the shareholders of the amalgamating companies in accordance with the share-swap ratio stipulated in the Scheme of Arrangement for Amalgamation (note 1.1).
- 16.4** In compliance with the orders passed by the Honorable Sindh High Court (note 19), the Company had issued 241,950 shares (denoting 130,520 shares as right issue and 111,430 as bonus issue) to National Investment (Unit) Trust [managed by National Investment Trust Limited (NIT)] on May 12, 2020.

	2024	2023
	----- (Rupees in '000) -----	
17. STAFF RETIREMENT BENEFITS		
Staff retirement benefits - gratuity	13,223	3,506

The details of staff retirement benefit obligation based on actuarial valuation carried out by an external actuary as at December 31, 2024 using the Projected Unit Credit Method are as follows:

	2024	2023
	----- % -----	
17.1 Principal actuarial assumptions used in the actuarial valuation		
Financial assumptions:		
Discount rate used for year end obligation	12.25	14.75
Expected rate of salary increase	12.25	13.75
Expected return on plan assets	11.49	11.52
Demographic assumptions:		
Expected withdrawal rate	Age-Based	Age-Based
Expected retirement age	Age 60	Age 60
Expected mortality rates	SLIC 2001 - 2005 (Set back 1 year)	SLIC 2001 - 2005 (Set back 1 year)
	2024	2023
	----- (Rupees in '000) -----	

17.2 Statement of financial position reconciliation		
Present value of defined benefit obligation (note 17.3)	18,764	8,284
Fair value of plan assets (note 17.4)	(5,541)	(4,778)
Net liability at end of the year	13,223	3,506

17.3 Movement in present value of defined benefit obligation		
Present value of defined benefit obligation at beginning of the year	8,284	8,950
Current service cost	1,136	1,298
Interest cost	1,115	1,029
Liability transferred from other group company	8,185	906
Liability transferred to other group company	-	(218)
Benefits paid	(1,441)	(3,595)
Remeasurement loss / (gain) on obligation (note 17.6)	1,485	(86)
Present value of defined benefit obligation at end of the year	18,764	8,284

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2024 2023
----- (Rupees in '000) -----

17.4 Movement in fair value of plan assets

Fair value of plan assets at beginning of the year	4,778	4,191
Contributions made by the Company	1,441	3,595
Interest income	598	608
Benefits paid	(1,441)	(3,595)
Remeasurement gain / (loss) on plan assets excluding interest income	165	(21)
Fair value of plan assets at end of the year	<u>5,541</u>	<u>4,778</u>

17.5 Expense recognised in profit or loss

Current service cost	1,136	1,298
Interest cost on defined benefit obligation	1,115	1,029
Interest income on plan assets	(598)	(608)
Expense for the year	<u>1,653</u>	<u>1,719</u>

17.6 Remeasurement (loss) / gain on defined benefit obligation recognised in other comprehensive income

Remeasurement of plan obligations

- Changes in financial assumptions	(2,023)	(5)
- Experience adjustments	538	91
	<u>(1,485)</u>	<u>86</u>
Return on plan assets, excluding interest income	165	(21)
	<u>(1,320)</u>	<u>65</u>

17.7 Net recognized liability

Net liability at beginning of the year	3,506	4,759
Expense recognised in profit or loss (note 17.5)	1,653	1,719
Remeasurement loss / (gain) recognised in other comprehensive income (note 17.6)	1,320	(65)
Contributions made during the year	(1,441)	(3,595)
Net liability transferred from other group Company)	8,185	688
Net liability at end of the year	<u>13,223</u>	<u>3,506</u>

17.8 Plan assets comprise of investments in units of mutual funds.

17.9 The weighted average duration of the defined benefit obligation is 12 years.

17.10 Expected future cost for the year ending December 31, 2025 is Rs 3.57 million

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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17.11 The scheme exposes the Company to the following risks:

- Final salary risk (linked to inflation risk) – the risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.
- Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.
- Investment risk - the risk of the investment underperforming and being not sufficient to meet the liabilities.

17.12 Historical information of staff retirement benefits:

	2024	2023	2022	2021	2020
	Rupees in '000				
Present value of defined benefit obligation	(18,764)	(8,284)	(8,950)	(8,476)	(6,341)
Fair value of plan assets	5,541	4,778	4,191	3,779	3,586
Deficit	(13,223)	(3,506)	(4,759)	(4,697)	(2,755)

17.13 Sensitivity analysis

As of reporting date, the sensitivity of the defined benefit obligation to changes in the significant actuarial assumptions is as follows:

	Impact on present value of defined benefit obligation		
	Change in assumption (%)	Increase in assumption ----- (Rupees in '000) -----	Decrease in assumption
Valuation discount rate	1%	(208)	243
Expected rate of salary level	1%	243	(213)

The sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognized within the statement of financial position.

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18. TRADE AND OTHER PAYABLES	2024	2023 (Restated)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Creditors	2,306	2,561
Accrued liabilities	41,542	28,323
Due to Islamic Development Bank (note 18.1)	25,969	25,969
Levy	18,187	11,742
Deposits (note 18.2)	489	489
Withholding tax	608	1,376
Payable to TGL (note 18.3)	63,842	50
Advance against disposal of REL (note 18.4)	-	100,004
Other payables	34,273	22,957
	187,216	193,471

18.1 This represents amount payable against the preference shares issued before amalgamation in the year 2004 by one of the merged entities to Islamic Development Bank with a right to redeem. The merged entity had served notice to the Bank for redemption before the scheme of amalgamation and redemption reserve had been created.

18.2 All deposits are interest free and are payable on demand. These include Rs 0.346 million (2023: Rs 0.346 million) utilised as per the agreement with the respective parties. The balance is not kept in a separate bank account.

18.3 This represent transaction-related costs incurred by TGL, which are reimbursable by the Company.

18.4 This represented amount received from Juniper International FZ LLC against sale of Company's investment in REL (note 15.1). The amount was kept in a separate escrow account. On October 2, 2024, the funds were released in accordance with the SPA, as all conditions precedent had been met.

19. PROVISIONS

In 1975, LWTM offered 130,520 right shares to National Investment (Unit) Trust, managed by National Investment Trust Limited (NIT), where the offer was accepted by NIT and acknowledged by LWTM. These events took place during the validity of the Consent Order dated January 2, 1976 issued by the Controller of Capital Issues. However, payment for the said shares was made by NIT after the expiry of the Consent Order based on which LWTM contended that it was no longer obliged to issue shares to NIT.

On October 3, 1998 a decree was passed by the High Court of Sindh (HCS) in favour of NIT wherein NIT was declared the owners of the right shares along with other consideration. The Company filed an appeal in the HCS which suspended the operation of the impugned order. In 2016, the HCS decided the case in favour of NIT whereby the Company was ordered to release the unissued shares, bonus shares, dividend accrued and interest till the date of the Decree of the HCS. In 2018, NIT filed an Execution Application before the HCS for the Order passed by HCS, whereby NIT expressed a disagreement on the amount of dividend payable thereto as communicated to it by the Company.

On September 16, 2019, the Company received an Order from the HCS wherein it was directed to deposit Rs 8.235 million with the Nazir for onward payment to NIT as originally agreed between the two parties and to transfer the underlying 241,950 shares of DCM to NIT. The Company obtained a correction in this Order from the HCS wherein the name of DCM was changed to Dawood Lawrencepur Limited and the word "transfer" of shares was changed to "issue" thereof. Moreover, the Company obtained a concurrence of the Securities and Exchange Commission of Pakistan (SECP) upon the matter that the issue of aforesaid shares by the Company to NIT in terms of the Order of the HCS dated October 3, 1998 did not attract applicability of section 83 of the Companies Act, 2017 and was, hence, allowed to proceed with the share issue in terms of section 344 thereof. In the year 2021, in compliance with the order of HCS, Company has issued 241,950 shares as stated in note 16.4.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

The Company has estimated the total provision in respect of mark-up and dividend payments due to NIT to be Rs 15.595 million out of which the Company has deposited Rs 8.235 million with the Nazir of High Court pursuant to the Court Order for onward payment to NIT. The Company anticipates that the remaining provision amounting to Rs 7.360 million maintained in these unconsolidated financial statements is sufficient to meet the remaining obligation of the Company in respect of this matter.

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 Expenses not allocated to dividend income (Tax years 2004, 2005 and transition year 2005)

The Additional Commissioner Inland Revenue (ACIR) in its order dated January 1, 2011, amended the amount of allocation of expenses from business income to capital gain and dividend income to Rs 62.5 million from the original allocation of Rs 136.105 million. The Company filed an appeal where disallowances of Rs 62.5 million were upheld by Commissioner Inland Revenue Appeals [CIR(A)]. On July 30, 2013, the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which decided the matter in favour of the Company on December 18, 2018. On March 1, 2019 the department has filed a reference application before the High Court of Sindh (HCS) for the allocation of common expenses which is pending adjudication. Total increase in incidence of tax was Rs 25.762 million. Based on the opinion of the tax advisor, the Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated financial statements.

20.1.2 Dividend income offset against business losses (Tax years 2006, 2008 and 2009)

Previously, the ACIR in his order dated May 6, 2014 had disallowed to set off dividend income against business losses for tax years 2008 and 2009 having a tax impact of Rs 13.926 million. On March 29, 2013, an appeal was filed with the ATIR who decided the matter in favour of the Company on December 18, 2018. On March 1, 2019, the ACIR has filed a reference application before the HCS for the allocation of common expenses and minimum tax which is pending adjudication. Based on the opinion of the tax advisor, the Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated financial statements.

20.1.3 Assessment of annual tax return (Tax year 2014)

The income tax return of the Company was selected for tax audit by the department through computer ballot on October 27, 2015. The Company submitted the relevant information requested after which the department issued a show cause notice to the Company on May 16, 2016 citing several factual and legal issues in the assessment for tax year 2014. The Company subsequently challenged the aforementioned proceedings in the HCS and obtained an interim stay.

During the year 2020, the HCS vacated the stay petition and decided the case in favour of the department upon which the DCIR through an order dated October 28, 2020 raised a demand of Rs 421.567 million. The Company filed an appeal before the CIR(A) on November 9, 2020 who through an order dated January 14, 2021 had remanded back the matter to the Assessing Officer for re-examination. In order to conclude remand back proceedings notice was issued on May 12, 2023. In response the Company being aggrieved filed second round of appeal to CIR(A). The CIR(A) through order dated September 14, 2023, ruled in the Company's favor, extinguishing the tax demand of Rs 421.567 million and remanding the case for de novo proceedings due to the Company not being given an opportunity to be heard. Based on the opinion of the tax advisor, the Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated financial statements.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

20.1.4 Sales tax audit

On April 23, 2020, the Company received an order for tax year 2017 from the Assistant Commissioner Inland Revenue (ACIR) raising a demand of Rs 87.492 million including default surcharge and penalty amounting to Rs 29.645 million and Rs 2.755 million respectively. The order was raised primarily on account of taxability of supplies made by the Company as exempt and related inadmissible input sales tax. The Company filed an appeal on June 3, 2020 against the aforementioned order before the Commissioner Inland Revenue (Appeals) [CIR(A)] who, vide an order dated July 22, 2020, upheld the demand of the ACIR to the extent of Rs 112 on account of inadmissible input tax deduction and remanded back the remaining matters contained in the order to the ACIR for fresh consideration. During March 2022, department has initiated remand back proceedings on the remaining issues and vide order dated June 30, 2022 raised a tax demand of Rs 41.582 million by treating exempt supplies as taxable, claiming of inadmissible input of Rs 8.070 million and inadmissible adjustment of 0.057 million for which the Company has filed appeal before CIR(A). Based on the opinion of the tax advisor, the Company is confident that the matter will be decided in its favour. Hence, no further provision has been recognised in these unconsolidated financial statements.

20.1.5 Super Tax under section 4C of Income Tax Ordinance, 2001

In accordance with section 4C 'Super tax on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through the Finance Act, 2022, a super tax at 10% has been imposed on the specified sectors (including the textile sector) in case the income exceeds Rs 300 million for the year ended December 31, 2021 (tax year 2022) while for other sectors super tax was levied at 4%.

The Company filed a petition against the imposition of super tax before the Sindh High Court (SHC) which is pending adjudication. The Company's management based on the advice of its legal advisor has recorded a provision of super tax at the rate of 4% amounting to Rs 24.980 million on prudent basis and, considers that the chances of additional super tax levy of 6% amounting to Rs 37.470 million are remote and therefore no provision is recorded thereagainst in these unconsolidated financial statements.

20.1.6 Tax on undistributed profits

The Company obtained a stay order from the High Court of Sindh dated August 2, 2017 with regards to the amendment inserted through the Finance Act, 2017 relating to the taxation of undistributed profits as stated in section 5A of Income Tax Ordinance, 2001 [substituted through section 4(3) of the Finance Act, 2017]. The said interim order is still operating in favour of the Company. On April 30, 2021, HCS passed an order in favour of the companies appellant of this constitution petition and struck down this subject section of the ITO 2001. However, on July 1, 2021, FBR has filed a constitutional appeal against the aforementioned matter with the Honourable Supreme Court of Pakistan, which is pending for hearing. The Company is confident of the favourable outcome, hence no provision has been recognised in these unconsolidated financial statements.

20.2 Commitments

- 20.2.1** The Company is committed, as a Sponsor, to purchase shares of Tenaga Generasi Limited (TGL) from International Finance Corporation (IFC) on the exercise of put option by IFC under the Shareholders' Agreement entered into among the Company, TGL and Dawood Corporation (Private) Limited as the shareholders of TGL under conditions (i) at any time during the period beginning on the seventh anniversary of the first subscription until Liquidity date; or (ii) in the event that Tenaga Generasi Limited and the Company breach any of the obligations set out in the shareholders' agreement.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

20.2.2 Guarantees issued in respect of subsidiaries

Tenaga Generasi Limited

The Company has arranged a Stand-by Letter of Credit (SBLC) amounting to USD 7.010 million in favor of the lenders of Tenaga Generasi Limited. The said facility is secured by way of a first pari passu charge on immovable property and pledge over the Company's investments in related party, as explained in note 6.1.8.

Reon Energy Limited (REL)

During the year, the following corporate guarantees issued by the Company in favour of the lenders of REL were discharged as per the terms of SPA:

- Rs 300 million to MCB Bank Limited to secure unfunded facility provided to REL for the import / purchase of plant, machinery, stores, and spares;
- Rs 500 million to Karandaaz Pakistan through JS Bank Limited against financing facilities for REL.
- Rs 600 million to Bank Al Habib Pakistan Limited to secure a long-term running facility for REL.

Reon Alpha (Private) Limited

The Company has provided a corporate guarantee amounting to Rs 206 million in favour of Faysal Bank Limited to secure the musharika financing facility of Reon Alpha (Private) Limited (RAPL) of Rs 309 million. Further, the Company has also pledged shares of RAPL as stated in note 6.1.8.

- 20.2.3** The Company is contingently liable for bank guarantees amounting to Rs 31.305 million (2023: Rs 37.897 million) favouring the Government and various other parties. These have been issued against mobilization advances and performance in respect of sale of goods and rendering of services for a tenure varying from three months to three years.

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	2024	2023
	----- (Rupees in '000) -----	
21. DIVIDEND INCOME		
Engro Holdings Limited (formerly Dawood Hercules Corporation Limited)	818,285	1,402,774
Tenaga Generasi Limited	1,050,000	112,500
National Investment Trust	640	380
Short term investments	181,231	117,422
	2,050,156	1,633,076
22. OPERATING EXPENSES		
Salaries and allowances (note 22.1)	98,651	76,056
Legal and professional	17,583	9,051
Rent, rates and taxes	7,870	8,295
Electricity and gas	23,888	28,781
Depreciation (note 5.1)	2,511	3,166
Printing and stationery	1,606	2,423
Fees and subscription	157,971	26,179
Insurance	1,355	1,454
Conveyance and travelling	4,090	933
Repairs and maintenance	1,177	871
Postage and telephone	363	373
Entertainment	1,054	865
Auditor's remuneration (note 22.2)	12,294	4,520
Amortization	21	-
Others	731	2,822
	331,165	165,789
Related to discontinued operations (note 27)	(102,470)	(95,515)
	228,695	70,274

22.1 These include Rs 1.652 million (2023: Rs 1.719 million) in respect of staff retirement benefits.

	2024	2023
	----- (Rupees in '000) -----	
22.2 Auditor's remuneration		
Fee for:		
- audit of unconsolidated financial statements	1,018	886
- review of half yearly condensed interim financial statements	488	460
- audit of consolidated financial statements	446	388
- certification and other services	1,522	1,300
- taxation services	8,680	930
- review of compliance with the Code of Corporate Governance	140	148
	12,294	4,112
Reimbursement of expenses and taxes	-	408
	12,294	4,520

22.3 Administrative expenses include Rs 162.109 million which represent transaction related costs incurred for the envisaged disposal of TGL.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
23. OTHER EXPENSES		
Loss of remeasurement of investment classified as held for sale (note 15.1)	-	200,000
Provision for impairment of investment in subsidiary (note 6.1.9)	20,000	15,000
Interest on loan written off	51,536	109,226
Brokerage expense	2,553	293
	74,089	324,519
24. OTHER INCOME - net		
Income from financial assets		
Profit on bank deposits	21,792	8,115
Profit / (loss) on remeasurement of investments at fair value through profit or loss	1,161,707	(27,930)
Profit on sale of investment in quoted shares	9,416	-
Profit on sale of units of mutual funds	82,309	-
Mark-up charged to related parties	153,988	177,971
	1,429,212	158,156
Income from non-financial assets and others		
Gain on disposal of property, plant and equipment	7,818	10
Royalty income	43,471	38,800
Rental income	64,828	47,400
Farming income	2,777	15,771
Gain on sale of scrap / store items	16,314	31,723
Others	658	2,452
	135,866	136,156
	1,565,078	294,312
Related to discontinued operations (note 27)	(88,454)	(94,893)
	1,476,624	199,419
25. FINANCE COSTS		
Mark-up on running finances	-	2,704
Mark-up on late payment	410	-
Bank charges	712	491
	1,122	3,195
	2024	2023
		(Restated)
	----- (Rupees in '000) -----	
26. LEVY AND TAXATION		
Levy (note 26.2)	45,468	29,356
Income tax		
Current		
- for the year (note)	389,785	417,571
- for prior year (note)	-	69,410
	389,785	486,981
Deferred tax (note 7)	(266,557)	-
	123,228	486,981

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023 (Restated)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
26.1 Relationship between tax expense and accounting profit before taxation		
Profit before taxation	3,177,406	1,405,151
Tax rate	29%	29%
Tax on accounting profit	921,448	407,494
Tax effect of:		
- Income on which levy is charged	(52,743)	(34,052)
- Income taxed at reduced rate	(386,779)	(219,459)
- Super tax	186,838	151,527
- Adjustment in respect of the prior year charge	-	69,410
- Loss incurred on sale of REL	(493,760)	-
- Others	(51,776)	112,061
	(798,220)	79,487
	123,228	486,981

26.2 This represents final taxes paid under section 150 of the income tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

26.3 The tax expense pertains to continuing operations only.

	2024	2023
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
27. LOSS FROM DISCONTINUED OPERATIONS		
Revenue from contracts with customers	3,395	4,776
Sales tax	(518)	(725)
	2,877	4,051
Cost of revenue	(3,042)	(4,324)
Gross loss	(165)	(273)
Selling and distribution expenses	(29)	(41)
Administrative expenses (note 22)	(102,470)	(95,515)
Other income (note 24)	88,454	94,893
	(14,210)	(936)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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28. EARNINGS / (LOSS) PER SHARE - basic and diluted

There is no dilutive effect on the basic earnings / (loss) per share of the Company which is based on:

	2024	2023
	----- (Rupees in '000) -----	
Continuing operations		
Profit for the year	3,054,178	918,170
	-----Number of shares-----	
Weighted average number of ordinary shares (in thousands)	59,299,809	59,299,809
	----- (Rupees) -----	
Earnings per share	51.50	15.48
Discontinued operations		
Loss for the year	(14,210)	(936)
	-----Number of shares-----	
Weighted average number of ordinary shares (in thousands)	59,299,809	59,299,809
	----- (Rupees) -----	
Loss per share	(0.24)	(0.02)
	2024	2023
	----- (Rupees in '000) -----	

29. CASH AND CASH EQUIVALENTS

Cash and bank balances (note 14)	151,453	143,741
Less: Balance held in escrow account	-	(100,000)
	151,453	43,741

2024			2023		
Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
----- Rupees in '000 -----			----- Rupees in '000 -----		

30. SHARIAH COMPLIANCE DISCLOSURE

Statement of financial position

Trade and other payables - Short-term borrowings	-	187,216	187,216	193,471	-	193,471
Long term investment	28,060	2,360,116	2,388,176	15,184	65,312	80,496
Short-term investments	2,210,331	1,842,626	4,052,957	852,836	450,973	1,303,809
Cash and bank balances	151,453	-	151,453	143,741	-	143,741
Loans to subsidiaries	440,039	-	440,039	439,422	-	439,422
Interest accrued	437,782	-	437,782	338,020	-	338,020

Statement of profit or loss

Gain or loss or dividend earned on shariah compliant investments	157,667	1,892,489	2,050,156	380	1,632,696	1,633,076
Interest earned on conventional loan	153,988	-	153,988	177,971	-	177,971
Interest paid on short-term borrowings	-	-	-	2,704	-	2,704
Profit on sale of investment in quoted shares	9,416	-	9,416	-	-	-
Profit on sale of units of mutual funds	46,530	35,779	82,309	-	-	-
Gain on disposal of property, plant and equipment and scrap sales	24,132	-	24,132	31,733	-	31,733
Royalty, rental and farming income	-	111,076	111,076	-	-	-
Interest income on bank deposits	21,792	-	21,792	8,115	-	8,115

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31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024			2023		
	Directors			Directors		
	Chief Executive	Others Directors	Executives	Chief Executive	Others Directors	Executives
	Rupees in '000			Rupees in '000		
Managerial remuneration	4,053	-	17,904	2,409	-	16,811
Bonus	-	-	1,218	-	-	507
Medical allowance	-	-	955	-	-	941
Fuel allowance	-	-	1,631	-	-	2,166
Vehicle maintenance allowance	-	-	2,457	-	-	2,812
Other benefits	-	-	268	-	-	1,477
Meeting fee	-	600	-	-	600	-
	4,053	600	24,433	2,409	600	24,714
Number of persons	1	7	7	2	9	9

31.1 Remuneration of CEO and Executives represent amount charged by a group company as they are shared employees.

31.2 The Company considers its Chief Executive and Directors as Key Management Personnel.

32. FINANCIAL INSTRUMENTS BY CATEGORY

32.1 FINANCIAL ASSETS

At fair value through profit or loss

Long-term investments

Short term investments

At fair value through other comprehensive income

Long-term investments

At amortised cost

Long term deposits

Loans to subsidiaries

Loans to employees

Deposits and other receivables

Interest accrued

Cash and bank balances

2024	2023
(Rupees in '000)	
28,060	15,184
4,052,957	-
15	15
2,778	2,778
440,039	439,422
1,583	1,754
55,904	68,593
437,782	338,020
151,453	143,741
1,089,539	994,308
5,170,571	1,009,507

32.2 Financial liabilities as per statement of financial position

Financial assets at amortised cost

Trade and other payables

Unclaimed dividend

Unpaid dividend

186,608	92,091
77,585	78,046
3,284	-
267,477	170,137

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33. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in subsidiaries and associates are carried at cost. The carrying values of all other financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value hierarchy

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Company held the following assets measured at fair values:

As at December 31, 2024				
	Level 1	Level 2	Level 3	Total
	(Rupees `000)			
Non-current assets				
Financial assets at fair value through profit or loss				
- Long-term investments (investments in units of mutual funds)	-	28,060	-	28,060
Financial assets at fair value through other comprehensive income				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
Current assets				
Financial assets at fair value through profit or loss				
- Short-term investments (investments in quoted equity shares)	3,850,730	-	-	3,850,730
- Short-term investments (investments in units of mutual funds)	-	202,225	-	202,225
	3,850,730	230,285	15	4,081,030

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As at December 31, 2023				
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Non-current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Long-term investments (investments in units of mutual funds)	-	15,184	-	15,184
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
Current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Short term investments (investments in quoted equity shares)	1,158,000		-	1,158,000
- Short-term investments (investments in units of mutual funds)	-	145,809	-	145,809
Non-current asset classified as held for sale				
- Reon Energy Limited (REL)			100,000	100,000
	<u>1,158,000</u>	<u>160,993</u>	<u>100,015</u>	<u>1,419,008</u>

Level 2 fair values have been determined on the basis of closing Net Asset Values for Mutual Fund Units.

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

34. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets for having cost effective funding as well as to manage financial risk to minimize earnings volatility and to provide maximum return to the shareholders. Risk management is carried out by the Company's finance department under the policies approved by the Company's Board of Directors.

34.1 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. It comprises the following risks:

i) Currency risk

Currency risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company's has no exposure to currency risk as its transactions are carried out primarily in Pakistan Rupees.

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ii) Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and by taking into account various other financing options available. For borrowing at variable rates, the rates are determined in advance for stipulated periods with reference to applicable KIBOR.

Fair value risk - The Company is exposed to interest rate risk on loans given to subsidiary companies and cash with banks in deposit accounts. At December 31, 2024, had there been increase / decrease in the interest rates by 1% with all other variables held constant, profit before tax for the year would have been higher / lower by Rs 5.57 million (2023: Rs 4.69 million).

Future cash flow risk - Presently, the Company is not exposed to future cash flow risk.

iii) Other price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to price risk mainly on investments held in units of mutual funds, quoted shares and NIT units.

As at reporting date, had there been increase / decrease of 1% in fair value with all other variables held constant, profit before taxation would have been higher / lower by Rs 40.81 million (2023: Rs 13.19 million). This analysis assumes that all other variables remain constant.

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34.2 Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge their obligations.

Credit risk arises from deposits with banks and financial institutions, loans, deposits, investments in mutual funds / quoted shares, NIT units and other receivables. The maximum exposure to credit risk is equal to the carrying amount of financial assets. The carrying value of financial assets, exposed to credit risk are as follows:

	2024	2023
	----(Rupees in '000)----	
Long term deposits	2,778	2,778
Long term investment	28,060	15,184
Loans to subsidiaries	440,039	439,422
Loans to employees	1,583	1,754
Deposits and other receivables	55,904	68,593
Interest accrued	437,782	338,020
Bank balances	151,341	143,581
Short term investments	202,225	145,809
	<u>1,319,712</u>	<u>1,155,141</u>

Balances with banks and short term investments

The credit quality of the Company's balances with banks can be assessed with reference to the fact that the minimum credit rating of the banks with which such financial assets are placed is 'A-1+', which denotes obligations supported by a strong capacity for timely repayment.

The credit quality of the Company's investment in units of mutual funds can be assessed with reference to external credit rankings as follows:

				2024	2023
				----(Rupees in '000)----	
		Short-term	Long-term	Rating agency	
Mutual Funds					
Meezan Sovereign Fund (MSF)	-	AM1	PACRA	40,463	-
Atlas Money Market Fund	-	AA+(f)	PACRA	20,219	-
NBP Money Market Fund	-	AA (f)	PACRA	40,415	-
MCB Cash Management Optimzer	-	AA+(f)	PACRA	50,536	-
UBL Cash Fund - Class A	-	MFR 5	VIS	50,540	-
Pakistan Cash Management Fund	-	AA+(f)	PACRA	52	145,809
				<u>202,225</u>	<u>145,809</u>

Other financial assets

The remaining financial assets of the Company are either not material to these financial statements or, being amounts due from related parties, were considered to have low credit risk.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by the changes in economic, political or other conditions.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

34.3 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with its financial liabilities. The Company's liquidity management involves projecting cash flows and considering the level of liquid funds necessary to meet these. These objectives are achieved by maintaining sufficient cash and readily marketable securities and availability of funding through committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates.

	2024			2023		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	(Rupees in '000)					
Trade and other payables	186,608	-	186,608	92,091	-	92,091
Unclaimed dividend	77,585	-	77,585	78,046	-	78,046
Unpaid dividend	3,284	-	3,284	-	-	-
	<u>267,477</u>	<u>-</u>	<u>267,477</u>	<u>170,137</u>	<u>-</u>	<u>170,137</u>

35. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital, i.e. its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

The Company is ungeared as at the reporting date.

36. SEGMENT REPORTING

Management has determined the operating segments for allocation of resources and assessment of performance which are organized into the following two reportable operating segments:

- Textile - this was the legacy business of the Company and has been discontinued in prior years; and
- Other operations - it mainly includes management of all investments made by the Company including those made in subsidiaries and associate.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

36.1 Segment operating results

	Textile - discontinued operations		Other operations		Total	
			(Rupees in '000)			
	2024	2023	2024	2023	2024	2023
Revenue from contract with customers - net	2,877	4,051	-	-	2,877	4,051
Dividend income	-	-	2,050,156	1,633,076	2,050,156	1,633,076
Cost of revenue	(3,042)	(4,324)	-	-	(3,042)	(4,324)
Segment gross loss	(165)	(273)	2,050,156	1,633,076	2,049,991	1,632,803
Selling and distribution expenses	(29)	(41)	-	-	(29)	(41)
Administrative expenses	(102,470)	(95,515)	(228,695)	(70,274)	(331,165)	(165,789)
Other expenses	-	-	(74,089)	(324,519)	(74,089)	(324,519)
Other income - net	88,454	94,893	1,476,624	199,419	1,565,078	294,312
Finance costs	-	-	(1,122)	(3,195)	(1,122)	(3,195)
Levy	-	-	(45,468)	(29,356)	(45,468)	(29,356)
Taxation	-	-	(123,228)	(486,981)	(123,228)	(486,981)
Segment (loss) / profit	(14,210)	(936)	3,054,178	918,170	3,039,968	917,234

36.2 Segment assets and liabilities

	Textile - discontinued operations		Other operations		Total	
			(Rupees in '000)			
	2024	2023	2024	2023	2024	2023
Property, plant and equipment	14,752	10,464	885	8,102	15,637	18,566
Biological assets	1,604	-	-	-	1,604	-
Intangible assets	-	-	107	-	107	-
Investments	-	-	2,388,176	80,496	2,388,176	80,496
Long term deposits	2,778	2,778	-	-	2,778	2,778
Deferred taxation - net	-	-	266,557	-	266,557	-
Stores and spares	892	892	-	-	892	892
Stock-in-trade	1,376	4,418	-	-	1,376	4,418
Trade debts	-	-	-	-	-	-
Loans to subsidiaries	-	-	440,039	439,422	440,039	439,422
Loans and advances	821	1,600	1,012	404	1,833	2,004
Deposits, prepayments and other receivables	-	-	87,938	85,056	87,938	85,056
Interest accrued	-	-	437,782	338,020	437,782	338,020
Short term investments	-	-	4,052,957	1,303,809	4,052,957	1,303,809
Cash and bank balances	-	-	151,453	143,741	151,453	143,741
Assets classified as held for sale	-	-	-	2,394,804	-	2,394,804
Total segment assets	22,223	20,152	7,826,907	4,793,854	7,849,129	4,814,006
Staff retirement benefits	-	-	13,223	3,505	13,223	3,506
Trade and other payables	36,368	17,143	150,848	176,328	187,216	193,471
Unclaimed dividend	-	-	77,585	78,046	77,585	78,046
Unpaid dividend	-	-	3,284	-	3,284	-
Provision	-	-	7,360	7,360	7,360	7,360
Taxes payable	-	-	438,814	270,725	438,814	270,725
Total segment liabilities	36,368	17,143	691,114	535,965	727,482	553,108

37. RELATED PARTY TRANSACTIONS AND BALANCES

- 37.1** The Company in the normal course of business carries out transactions with various related parties. Related parties comprise of subsidiary companies, associates, directors, key management personnel, retirement benefit funds and others. Transaction with related parties are carried out at agreed terms.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

- 37.2** Following are the name of associated companies, related parties or undertakings with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year:

Name of Related parties	Percentage of shareholding into the Company	Basis of Relationship
Dawood Corporation (Private) Limited	54.84%	Parent Company
The Dawood Foundation	5.02%	Common directorship
Cyan Limited	5.00%	Common directorship
Dawood Investments (Private) Limited	7.49%	Common directorship
Sach International (Private) Limited	0.01%	Associated company
Engro Holdings Limited (formerly Dawood Hercules Corporation Limited)	-	Associate
Tenaga Generasi Limited	-	Subsidiary
Reon Energy Limited	-	Subsidiary
Reon Alpha (Private) Limited	-	Subsidiary
Mozart (Private) Limited	-	Subsidiary
Abrax (Private) Limited	-	Subsidiary
Greengo (Private) Limited	-	Subsidiary
Grid Edge (Private) Limited	-	Subsidiary
Mr. Hussain Dawood	10.24%	Company's Sponsor
Ms. Kulsum Dawood	1.05%	Sponsor's Family member
Mr. Abdul Samad Dawood	0.00%	Sponsor's Family member / Director
Ms. Ayesha Dawood	0.05%	Sponsor's Family member
Ms. Azmeh Dawood	2.01%	Sponsor's Family member
Mr. Ruhail Muhammad	0.00%	Director
Mr. Mohammad Shamooun Chaudry	0.00%	Director/CEO
Mr. Mohammad Bilal Ahmed	0.00%	Director
Mr. Mohammad Amin	0.00%	Director
Mr. Shafiq Ahmed	0.00%	Director
Ms. Sabrina Dawood	1.96%	Director
Staff retirement benefit - gratuity scheme	N/A	Post Employment Benefits

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

37.3 Balances with related parties have been disclosed in the respective notes to these financial statements. Details of transactions with related parties, other than those disclosed elsewhere in these financial statements, are as follows:

Relationship	Nature of transaction	2024	2023
a. Subsidiary companies		----- (Rupees in '000) -----	
Tenaga Generasi Limited	Expenses reimbursable to the Company	25,547	9,580
	Expenses reimbursable by the Company	78,763	2,533
	Equity arrangement fee (SBLIC) / SBLIC cost reimbursement	39,281	103,120
	Interest on outstanding receivable balance	257	675
	Interest on outstanding payable balance	313	-
	Interest on subordinated loans	97,443	102,758
	Dividend income	1,050,000	112,500
Reon Energy Limited (related party upto October 7, 2024)	Expenses reimbursable to the Company	1,262	7,151
	Interest on expenses reimbursable to the Company	2,381	4,071
	Interest on loans disbursed by the Company	51,536	69,173
	Reimbursable expenses incurred on behalf of the Company	4,327	11,116
	Rental income	-	216
Mozart (Private) Limited	Unsecured loan disbursed by the Company	217	130
	Interest on loan	197	166
Abrax (Private) Limited	Unsecured loan disbursed by the Company	200	158
	Interest on loan	207	90
Greengo (Private) Limited	Unsecured loan disbursed by the Company	171	141
	Interest on loan	203	172
Reon Alpha (Private) Limited	Interest on reimbursement of expenses	1,197	784
	Expenses reimbursable to the Company	2,459	2,006
	Investment by the company	20,000	15,000
b. Associated companies			
Engro Holdings Limited (formerly Dawood Hercules Corporation Limited)	Dividend income	818,285	1,402,774
	Reimbursable expenses		
	incurred on behalf of the Company	25,024	16,575
	Expenses reimbursable to the Company	5,187	4,042
Sach International (Private) Limited	Expenses reimbursable to the Company	656	1,132
	Royalty charged	43,471	38,800
	Rental income	660	660
The Dawood Foundation	Reimbursable expenses		
	incurred on behalf of the Company	-	804
United bank Limited	Dividend income	17,050	-
Oil and Gas Development Company Limited	Dividend income	12,719	-
c. Other related parties			
Post Employment Benefits	Contributions made	1,441	3,595
Remuneration to key management personnel	Key management personnel	4,653	3,009

37.4 Remuneration of key management personnel are as per terms of employment. Remuneration of directors and key management personnel is disclosed in note 35.

38. NUMBER OF EMPLOYEES

	2024	2023
Average number of employees during the year	11	11
Number of employees at December 31 - management employees	12	12

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

38.1 The total and average number of employees of the Company as at December 31, 2024 include shared staff as per the Sharing of Services Agreement with subsidiaries.

39. CORRESPONDING FIGURES

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

40. GENERAL

Figures have been rounded off to the nearest Pakistan Rupees.

41. NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors in its meeting held on March 7, 2025 has proposed a final cash dividend of Rs 5 (2023: Nil) per share for the year ended December 31, 2024 amounting to Rs 296.499 million (2023: Nil), for approval of the members at the Annual General Meeting to be held on April 25, 2025. This is in addition to interim cash dividends of Rs 3 (2023: Nil) resulting in a total dividend of Rs 177.899 million (2023: Rs Nil) for the year 2024.

42. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorised for issue on March 7, 2025 by the Board of Directors of the Holding Company.

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CONSOLIDATED FINANCIAL STATEMENT



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the members of Dawood Lawrencepur Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Dawood Lawrencepur Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following is the Key Audit Matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Reversal of disposal group held for sale</p> <p>(Refer note 33 to the annexed consolidated financial statements)</p> <p>Based on the decision of the Board of Directors of the Holding Company, the assets and liabilities of Tenaga Generasi Limited (TGL) had been classified as 'disposal group held for sale'. During the year, the Holding Company entered into a Shares Purchase Agreement (TGL SPA) dated February 12, 2024 which was subject to certain conditions required to be complied with up to the long-stop date of September 6, 2024. Certain conditions required for completing the disposal transaction were not met up to the time stipulated in the SPA and, therefore, the buyer ultimately chose not to proceed with the transaction and the TGL SPA was terminated.</p> <p>Following the termination of the TGL SPA and in view of the prevalent condition pertaining to the energy sector of the country, the Holding Company's decision to continue with the sale of TGL immediately in its present condition changed, resulting in reclassification of assets and liabilities of TGL as continuing operations. Further, the Group's management has calculated the recoverable amount of TGL, which has resulted in reversal of impairment provision amounting to Rs 3,121.263 million in the annexed consolidated financial statements.</p> <p>The matter, being a significant event for the period, is a 'key audit matter'.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> - Obtained copy of the Share Purchase Agreement dated February 12, 2024 signed by the Holding Company and noted key conditions specified therein including the long-stop date of September 6, 2024. - Read the letter issued by the other shareholder of TGL and the minutes of the meeting of the Holding Company's shareholders through which approval for the envisaged sales was provided. - Discussed with the Holding Company's management about the matters that led to the termination of the SPA and the subsequent change in the decision to not to continue with the sale of TGL immediately in its present condition. - Obtained understanding of the Group management's process of estimating the recoverable amount including methodology and key assumptions used. - Assessed the related disclosures made in the annexed financial statements are in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.



S. No.	Key audit matter	How the matter was addressed in our audit
2	<p>Deferred tax asset</p> <p>(Refer note 18 to the annexed unconsolidated financial statements)</p> <p>The Group has recorded deferred tax asset (DTA) amounting to Rs 556.984 million on account of loss recognised on sale of the Holding Company's investment in shares of Reon Energy Limited (REL) including the loan and mark up accrued thereon due from REL which were waived as part of the sale consideration; and the transaction cost incurred on the envisaged sale of the Holding Company's investment in shares of Tenaga Generasi Limited.</p> <p>The recoverability of DTA is dependent on availability of future capital gains that takes into account significant management judgement about the timing of its recoverability.</p> <p>Due to the involvement of significant management judgement, we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Obtained understanding of the management's process of estimating future capital gains. - Discussed with the management, the significant assumptions i.e. timing of the recoverability of DTA used in preparing the capital gains forecast and assessed its reasonableness. - Checked the appropriateness of tax rates applied in view of the local tax legislation. - Checked mathematical accuracy of the calculations. - Assessed the related disclosures made in the annexed financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



A.F. FERGUSON & Co.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Osama Moon.

**A. F. Ferguson & Co.,
Chartered Accountants
Karachi**

Date: March 27, 2025

UDIN: AR202410056nwlxX5DRm

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

ASSETS	Note	2024	2023
		----- (Rupees in '000) -----	
Non-current assets			
Property, plant and equipment	5	12,755,969	295,737
Biological assets		1,604	-
Right-of-use assets	6	68,879	-
Intangible assets	7	107	-
Long-term investments	8	12,011,194	10,656,105
Long-term deposits		2,778	2,778
		24,840,531	10,954,620
Current assets			
Stores and spares		892	892
Stock-in-trade	9	1,376	4,418
Trade debts	10	1,714,110	5,664
Contract assets	11	7,144	4,842
Loans and advances	12	11,487	2,004
Deposits, prepayments and other receivables	13	2,638,275	50,924
Accrued interest		9,060	44
Short-term investments	14	4,064,652	1,303,809
Cash and bank balances	15	3,108,397	145,897
		11,555,393	1,518,494
Assets of disposal group and discontinued operations		-	22,194,612
TOTAL ASSETS		36,395,924	34,667,726

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	Note	2024	2023 (Restated)
		----- (Rupees in '000) -----	
EQUITY AND LIABILITIES			
Share capital	16	592,998	592,998
Capital reserves		(592,898)	(478,316)
Unappropriated profit		23,630,683	15,978,598
Non-controlling interest		3,101,172	2,123,656
TOTAL EQUITY		26,731,955	18,216,936
Non-current liabilities			
Staff retirement benefits	17	15,948	3,506
Deferred taxation	18	2,712,899	2,643,918
Long-term borrowings	19	2,892,259	223,350
Lease liabilities	20	114,085	-
		5,735,191	2,870,774
Current liabilities			
Current portion of:			
- Long-term borrowings	19	2,590,377	23,826
- Lease liabilities	20	9,762	-
Unclaimed dividend		77,585	78,046
Unpaid dividend		3,284	-
Taxes payable		452,700	283,157
Trade and other payables	21	656,217	191,190
Provision	22	7,360	7,360
Accrued mark-up	23	131,493	752
		3,928,778	584,331
Liabilities of disposal group and discontinued operations		-	12,995,685
TOTAL LIABILITIES		9,663,969	16,450,790
Contingencies and commitments	24		
TOTAL EQUITY AND LIABILITIES		36,395,924	34,667,726

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023 (Restated)
----- (Rupees in '000) -----			
CONTINUING OPERATIONS			
Revenue from contracts with customers - net	25	4,660,279	5,879,648
Cost of revenue	26	(1,251,316)	(1,800,070)
Gross profit		3,408,963	4,079,578
Selling and distribution expenses	27	-	-
Administrative expenses	28	(437,322)	(275,110)
Other expenses	29	(7,058)	(3,808,656)
Other income	30	5,075,634	599,065
Operating profit		8,040,217	594,877
Finance cost	31	(482,670)	(800,496)
Share of profit from associate	8.1	2,273,438	1,347,342
Profit before taxation and Levy		9,830,985	1,141,723
Levy	32	(45,468)	(29,356)
Profit before taxation		9,785,517	1,112,367
Taxation	32	(597,235)	(1,322,700)
Profit / (loss) from continuing operations		9,188,282	(210,333)
DISPOSAL GROUP and DISCONTINUED OPERATIONS			
Loss from disposal group and discontinued operations	33	(21,838)	(351,198)
Profit / (loss) after taxation		9,166,444	(561,531)
Profit / (loss) attributable to:			
- Owners of the Holding Company		7,801,428	(464,815)
- Non-controlling interest		1,365,016	(96,716)
		9,166,444	(561,531)
Earnings / (loss) per share - basic and diluted			
- Total	34	154.58	(9.47)
- Continuing operations	34	154.95	(3.55)
- Disposal group and discontinued operations	34	(0.37)	(5.92)

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts in thousand)

	2024	2023
	----- (Rupees in '000) -----	
Profit after taxation	9,166,444	(561,531)
Other comprehensive income / (loss):		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Share of other comprehensive income of associate - net of tax	29,876	8,056
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurement loss on defined benefit obligation - net of tax	(1,320)	(4,314)
Other comprehensive income for the year	28,556	3,742
Total comprehensive income / (loss) for the year	9,195,000	(557,789)
Total comprehensive income / (loss) for the year:		
- Continuing operations	9,216,838	(206,591)
- Discontinued operations	(21,838)	(351,198)
	9,195,000	(557,789)
Total comprehensive income / (loss) attributable to:		
- Owners of the Holding Company	7,829,984	(461,073)
- Non-controlling Interest	1,365,016	(96,716)
	9,195,000	(557,789)

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023 (Restated)
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES	9,763,679	761,169
Profit before taxation		
Loss before taxation attributable to disposal group and discontinued operations	21,838	351,198
Profit before taxation from continuing operations	9,785,517	1,112,367
Adjustment for non-cash charges and other items:		
(Reversal of) / provision of impairment	(3,121,263)	3,796,326
Depreciation on operating assets	362,758	991,616
Impairment on operating assets	-	2,674
Right-of-use assets	7,858	11,954
Disposal group	22,546	352,682
Amortisation	21	9,108
Levy	45,468	29,356
Unrealised gain on investments at fair value through profit or loss	(1,161,663)	27,930
Provision for warranty - net	-	52,421
Provision for gratuity - net	5,567	33,215
Finance cost	590,103	1,087,163
Gain on disposal of operating assets	(8,774)	(170)
(Gain) / loss on investments in units of mutual funds	(38,058)	(14,297)
Share of profit of associate	(2,273,438)	(1,347,342)
Dividend income	(183,599)	(118,037)
Profit on bank deposits	(391,247)	(252,882)
Operating profit before working capital changes	3,641,796	5,774,084
Decrease / (increase) in current assets		
Trade debts	1,957,136	(1,481,567)
Contract assets	(2,302)	97,131
Loans and advances	(916)	260,885
Stock in trade	3,042	(442,962)
Deposits, prepayments and other receivables	(528,449)	(380,413)
	1,428,511	(1,946,926)
Increase / (decrease) in current liabilities		
Trade and other payables	9,785	370,157
Contract liability	-	(309,842)
Net cash generated from operations	5,080,092	3,887,473

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023 (Restated)
	----- (Rupees in '000) -----	
Net cash generated from operations	5,080,092	3,887,473
Gratuity paid	(2,145)	(35,059)
Income tax and levy paid	(389,106)	(444,678)
Net cash generated from operating activities	4,688,841	3,407,736
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,607)	(67,708)
Purchase of intangible asset	(128)	(11,033)
Investment in biological assets	(1,604)	-
Purchase of long term investment	-	(3,620)
Proceeds from sale of Reon Energy Limited	100,000	-
Proceeds from disposal of property, plant and equipment	11,132	263,265
Interest on profit received	391,247	252,882
Markup received	29,042	14,470
Purchase of Short-term investments	(1,603,420)	(1,340,811)
Dividend received	1,001,883	1,520,811
Net cash generated from investing activities	(109,455)	628,256
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(2,421,602)	(2,236,406)
Short term borrowings	-	(333,041)
Repayment of Lease Liability	(12,014)	(1,764)
Finance costs paid	(662,739)	(1,063,542)
Payment of dividend	(562,576)	(790)
Net cash used in financing activities	(3,658,931)	(3,635,543)
Net increase in cash and cash equivalents	920,455	400,449
Cash and cash equivalents at beginning of the year	2,187,942	2,008,981
Cash and cash equivalents pertaining to disposal group	-	(2,263,533)
Cash and cash equivalents at end of the year	3,108,397	145,897

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

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Dawood Lawrencepur Limited

Wood Lawrencepur Limited

Chief Executive Officer

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1. LEGAL STATUS AND OPERATIONS

- 1.1** Dawood Lawrencepur Limited (the Holding Company) was incorporated in Pakistan in the year 2004, as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the (now repealed) Companies Ordinance, 1984 among Dawood Cotton Mills Limited (DCM), Dilon Limited (DL), Burewala Textile Mills Limited (BTM) and Lawrencepur Woollen and Textile Mills Limited (LWTM). The shares of the Company are listed on the Pakistan Stock Exchange. The principal activity of the Holding Company is to manage investments including in its subsidiaries and associated companies.

The business units of the Holding Company and its subsidiaries include the following:

Business Units	Geographical Location
Head Offices (registered offices)	
The Holding Company	Dawood Centre, M.T. Khan Road, Karachi.
Abrax (Private) Limited	Dawood Centre, M.T. Khan Road, Karachi.
GreenGo (Private) Limited	Dawood Centre, M.T. Khan Road, Karachi.
Mozart (Private) Limited	Dawood Centre, M.T. Khan Road, Karachi.
Reon Alpha (Private) Limited	Dawood Centre, M.T. Khan Road, Karachi.
Tenaga Generasi Limited	Dawood Centre, M.T. Khan Road, Karachi.
Solar and Wind Power Plants of subsidiaries	
Solar Power Plant of Reon Alpha (Private) Limited	Block II, District Tharparkar, Sindh.
Wind Farm of Tenaga Generasi Limited	KhutiKun Area, Mirpur Sakro, District Thatta, Sindh.

- 1.2** During the years 2007 and 2008, the Holding Company suspended operations of LWTM, BTM, DL and DCM. In this respect, all immoveable assets of DL, DCM, LWTM and BTM were disposed of, except for the land and building pertaining to LWTM and BTM as stated in note 5.1.6 to these consolidated financial statements. Consequently, the Holding Company does not have any industrial unit in production.

- 1.3** The Holding Company continues to operate the 'Lawrencepur' brand name under a license.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1.4 The "Group" consists of:

Holding Company: Dawood Lawrencepur Limited;

Associated Company: Associated company is an entity over which the Group has significant influence but not control; and

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

	Financial year end	%age of direct holding	
		2024	2023
Reon Energy Limited upto October 7, 2024 (note 1.4.1)	December 31	0%	100%
Tenaga Generasi Limited (note 1.4.2)	December 31	75%	75%
Reon Alpha (Private) Limited (note 1.4.3)	December 31	100%	100%
Mozart (Private) Limited (note 1.4.4)	December 31	100%	100%
Abrax (Private) Limited (note 1.4.5)	December 31	100%	100%
Greengo (Private) Limited (note 1.4.6)	December 31	100%	100%
Grid Edge (Private) Limited upto October 7, 2024 (note 1.4.1)	December 31	Subsidiary of Reon Energy Limited	
Associated Company			
Engro Holdings Limited (formerly Dawood Hercules Corporation Limited) (note 1.5)	December 31	16.19%	16.19%

1.4.1 Reon Energy Limited

Reon Energy Limited (REL) was incorporated in Pakistan on September 15, 2014, as a public unlisted company to carry out the business of trading and construction of renewable energy projects, mainly solar projects for commercial and industrial customers.

REL holds 100% shareholding in its subsidiary namely Grid Edge (Private) Limited (GEL). GEL is a private limited company incorporated in Pakistan on August 8, 2018 with the principal business to own and operate electric power generation project and to supply electricity as an independent power producer. It currently holds a generation license of upto 2MW for generation and sale of electricity to Proctor and Gamble Pakistan (Private) Limited (P&G) as a bulk power consumer. REL has been disposed off during the year (note 33).

1.4.2 Tenaga Generasi Limited

Tenaga Generasi Limited (TGL) was incorporated in Pakistan on December 1, 2005 as a public unlisted company to primarily carry out the business of power generation as an independent power producer using wind energy.

TGL has set up a 49.5 MW Wind Power Plant at Gharo, Sindh. The Project achieved 'Financial Close' in March 2015 and has received the Government of Pakistan Guarantee. The Plant commenced commercial operations on October 11, 2016. The electricity initially generated was being transmitted to the National Transmission and Despatch Company (NTDC) under the Energy Purchase Agreement (EPA) until June 18, 2019, subsequent to which the electricity generated was being transmitted to K-Electric Limited under a Short term Power Purchase Agency Agreement (STPPAA). As of September 6, 2021 the STPPAA has expired and now the electricity again is being transmitted to NTDC.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

The Government of Pakistan has initiated the renegotiation of EPAs with Independent Power Producers (IPPs) as part of broader power sector reforms aimed at reducing electricity costs, addressing circular debt, and enhancing financial sustainability.

As part of this initiative, certain thermal power plants, particularly those operating under high capacity payment structures, have undergone premature contract terminations.

TGL continues to monitor developments closely and will provide updates on any material impacts in subsequent financial statements.

Set out below is summarised financial information for TGL that has Non-Controlling Interest (NCI). The amounts disclosed for TGL are before inter-company eliminations:

	2024	2023
	----- (Rupees in '000) -----	
Non-current assets	12,556,752	13,577,790
Current assets	7,303,559	7,786,742
Total assets	19,860,311	21,364,532
Non-current liabilities	2,812,348	5,405,516
Current liabilities	4,076,053	3,925,907
Total liabilities	6,888,401	9,331,423
Revenue	4,605,211	5,818,681
Total comprehensive income for the year	2,338,801	3,386,649
Total comprehensive income allocated to NCI	584,700	846,661
Accumulated NCI	3,101,172	2,123,656
Cash and cash equivalents	2,955,689	2,042,045
Net cash generated from / (utilized in) :		
- operating activities	5,254,177	3,365,825
- investing activities	351,336	184,850
- financing activities	(4,691,869)	(3,324,552)
	913,644	226,123
Proportion of ownership interest held by NCI	25%	25%

1.4.3 Reon Alpha (Private) Limited

Reon Alpha (Private) Limited (RAPL) was incorporated in Pakistan on October 23, 2017 under the Companies Act, 2017 as a private limited company. The principal business of RAPL is to own and operate electric power generation project and supply of electricity as an independent power producer. Originally, RAPL had to set up a 4 MW solar project which was upgraded to 5 MW through an addendum dated March 11, 2019, at District Thar, in the province of Sindh, to provide clean electricity to Sindh Engro Coal Mining Company (SECMC) under a 15-year Power Purchase Agreement (PPA). The commercial operations date and final acceptance date of the project was April 22, 2020.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1.4.4 Mozart (Private) Limited

Mozart (Private) Limited (MPL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company to manage investments in associate company.

MPL is yet to execute its business activities. The Directors have no intention to windup MPL.

1.4.5 Abrax (Private) Limited

Abrax (Private) Limited (APL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company to manage the Holding Company's legacy assets located in Burewala.

APL is yet to execute its business activities. The Directors have no intention to windup APL.

1.4.6 GreenGo (Private) Limited

GreenGo (Private) Limited (GPL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company to manage the Holding Company's legacy assets located in Attok.

GPL is yet to execute its business activities. The Directors have no intention to windup GPL.

1.5 Engro Holdings Limited (formerly Dawood Hercules Corporation Limited)

Engro Holdings Limited (formerly Dawood Hercules Corporation Limited) (ENGROH) 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 ENGROH is to manage investments including in its subsidiaries and associated companies.

During the year, the Dawood Hercules Corporation Limited (DHCL), along with Engro Corporation Limited (ECL) and DH Partners Limited (DHPL) filed a petition in the Islamabad High Court (IHC) in respect of a Scheme of Arrangement (the ENGROH Scheme) under which it was envisaged that:

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024)

The Scheme was approved in the respective general meetings of the DHCL, ECL and DHPL on June 26, 2024 and was sanctioned by the IHC on July 18, 2024 and it has become effective as of January 1, 2025 i.e. subsequent to the year end.

In view of the ENGROH Scheme, ENGROH's members at the Extraordinary General Meeting held on December 18, 2024, authorised the change of the name from "Dawood Hercules Corporation Limited" to "Engro Holdings Limited".

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared under the historical cost convention except as specified in the relevant accounting policies.

The preparation of consolidated financial statements in conformity with the above requirements 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. The areas involving high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The unconsolidated financial statements of the Holding Company have been presented separately.

The financial year end of the Holding Company, subsidiaries and associate is December 31.

2.1 Statement of compliance

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

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

Where provisions and directives issued under the Act differ from IFRSs, the provisions of and directives issued under the Act have been followed.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees which is the Group's functional and presentation currency.

2.3 Amendments to published accounting and reporting standards and interpretations / guidance which became effective during the year December 31, 2024:

There were certain amendments to accounting and reporting standards that became applicable to the Group during the year. These do not have any material impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements, except for the following:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

i) Amendment to IAS 1 - Non-current liabilities with covenants

These amendments aim to improve the information an entity provides when its right to defer settlement of liability is subject to compliance with covenants within twelve months after the reporting period which affect the classification of a liability. These amendments introduce additional disclosure requirements that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period. These amendments only have an impact on the Group's disclosure of long-term loans, but not on the measurement, recognition or presentation of any item in these consolidated financial statements.

ii) IAS 12 - Application Guidance on Accounting for Minimum Taxes and Final Taxes

During the year, the Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Group's has changed its accounting policy to recognise minimum and final taxes as 'levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously recognised as 'Income tax'.

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

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----- (Rupees in '000) -----		
Effect on consolidated statement of profit or loss			
For the year ended December 31, 2024			
Levy	-	45,468	45,468
Profit before taxation	9,830,985	(45,468)	9,785,517
Taxation	(642,703)	45,468	(597,235)
Profit after taxation	9,188,282	-	9,188,282
For the year ended December 31, 2023			
Levy	-	29,356	29,356
Profit before taxation	1,141,723	(29,356)	1,112,367
Taxation	(1,352,056)	29,356	(1,322,700)
Profit after taxation	(210,333)	-	(210,333)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

Effects on consolidated statement
of financial position

As at December 31, 2024

Taxes payable	470,887	(18,187)	452,700
Trade and other payables	638,030	18,187	656,217
Total	1,108,917	-	1,108,917

As at December 31, 2023

Taxes payable	294,899	(11,742)	283,157
Trade and other payables	179,448	11,742	191,190
Total	474,347	-	474,347

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

iii) Disclosure detailing shariah and conventional elements

The SECP has made amendment to the fourth schedule to the Act whereby certain disclosure requirements have been introduced which have been presented in note 36 to these consolidated financial statements.

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

2.5 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiaries;
- it is exposed to variable returns from the subsidiaries; and
- decision making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-recognized from the date the control ceases. These consolidated financial statements include the Holding Company and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of NCI over the fair value of the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealized) are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

ii) Transactions with NCI

The Group treats transactions with NCI that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid / received and the relevant share acquired / disposed off of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses to NCI are also recorded in equity.

iii) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained. In addition, any amounts previously recognized in comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Property, plant and equipment

Property, plant and equipment, except for freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Freehold land and capital work-in-progress are stated at cost less accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss in the year in which these are incurred.

Depreciation is charged using the straight-line method whereby the cost of an operating asset less its estimated residual value, if any, is charged over its estimated useful life. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on additions is charged from the month in which an asset is available for use while no depreciation is charged for the month in which an asset is disposed of. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made for future periods.

Disposal of assets is recognised when significant risks and rewards incidental to ownership have been transferred to the buyer. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are included in the profit or loss.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount of operating fixed assets since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the operating fixed assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the operating fixed assets in prior years. Such reversal is recognised in the profit or loss.

3.2 Lease liabilities and right-of-use assets

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective yield method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in the profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received except for the assets under the Power Purchase Agreement (PPA) which are exempted from the applicability of IFRS 16 'Leases'. The SECP through its S.R.O. 986 (I)/2019 dated September 2, 2019 extended its exemption from the requirements of IFRS 16 to all companies that have executed their power purchase agreements before January 1, 2019. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

3.3 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed subsequently.

3.4 Investments in associates

Investment in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investors' share of profit or loss of the investee after the date of acquisition. The Group's investment in associate includes goodwill identified on acquisition. The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the impairment loss as the difference between the recoverable amount of associate and its carrying value and recognizes it in profit or loss.

3.5 Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

a) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets, impairment losses and foreign exchange gain and losses are recognised in profit or loss.

b) Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains / (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the profit or loss within other gains / (losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain / (losses) in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

3.6 Financial liabilities

Financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective interest method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

3.7 Offsetting

Financial assets and liabilities are offset and the net amount is reported in financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle either on a net basis, or realize the asset and settle the liability simultaneously.

3.8 Impairment of financial assets

The Securities and Exchange Commission of Pakistan (SECP) through its various notifications has continued to notify that the requirements contained in IFRS 9 "Financial Instruments" in case of application of Expected Credit Losses (ECL) method will not be applicable to companies with respect to financial assets due from Government of Pakistan. However, such companies are required to follow the relevant requirements of IAS 39 "Financial Instruments: Recognition and Measurement" in respect of such financial assets during the exemption period. In view of the latest notification the exemption has been extended till December 31, 2025. Therefore, the Group does not recognise ECL on trade debts and delayed payment charges as they are solely receivable from the Government of Pakistan (GoP).

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments (other than trade debts) carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Lifetime ECL is recognized when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial assets has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

For trade debts, other than those due from GoP, the Group applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade debts other than those due from GoP are grouped based on shared credit risk characteristics and the days past due.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

3.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised. Intangible assets with indefinite useful lives are tested for impairment annually at year end either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.10 Trade debts and other receivables

Trade debts and other receivables are recognized initially at the amount of consideration that is unconditional unless they contain a significant financing component, in which case these are recognized at fair value. The Group holds the trade debts and other receivables with the objective to collect contractual cash flows and, therefore, measures them subsequently at amortized cost using effective interest rate method.

3.11 Contract assets

A contract asset is recognised for the Group's right to consideration in exchange for goods or services that it has transferred to a customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the amount as a contract asset, excluding any amounts presented as a receivable. A contract asset is assessed for impairment in accordance with note 3.8. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, deposits held with banks and highly liquid investments with original maturity of three months or less from the date of acquisition. Running finance facilities availed by the Group, if any, which are repayable on demand and form an integral part of the Group's cash management are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

3.13 Assets held for sale

The Group classifies non-current assets as held for sale if the carrying amounts are to be recovered principally through a sale transaction rather than through continuing use, the sale is considered highly probable within one year from the reporting date and the asset is available for immediate sale in the present condition. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Assets classified as held for sale are presented separately in the statement of financial position, a remeasurement loss is recognised for any writedown of the asset to fair value less cost to sell. A gain is recognised for any subsequent increase in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

When the criteria for the non-current asset to be classified as held for sale is not met the entity ceases to classify asset as held for sale and is recorded at the lower of its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, that would have been recognised had the asset not been classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

3.14 Employees' retirement benefits

The Holding Company operates a funded defined benefit gratuity plan for its permanent employees and TGL operates unfunded gratuity schemes for their permanent employees who have completed the minimum qualifying period of service of one year. The obligation is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the Projected Unit Credit method, related details of which are given in note 17 to these consolidated financial statements. All remeasurement gains / losses are recognized in other comprehensive income.

Provisions are made in the financial statements to cover obligations under the scheme. The provisions require assumptions to be made of future outcome which mainly include increase in remuneration, expected return on plan assets and the discount rate used to convert future cash flows to current values.

3.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost using effective yield method, any difference between the proceeds (net of transaction costs) and the redemption value is amortised over the period of borrowing.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.16 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. These are classified as current liabilities if payment is due within twelve months or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Exchange gains and losses arising from translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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3.17 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.18 Taxation

3.18.1 Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21/IAS 37 and accordingly are classified as levy.

3.18.2 Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation, after taking into account tax credits and tax rebates available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

The Group's profits and gains from power generation are exempt from tax under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO). The Group is also exempt from minimum tax on turnover relating to power generation units under clause 11 A of part IV of the Second Schedule to the ITO.

3.18.3 Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and the tax laws that have been enacted or substantively enacted by the date of statement of financial position.

Deferred tax liability is recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits. A deferred tax asset is recognised only when it is probable that future taxable profits (which is sensitive to certain key assumptions such as sales volume, gross margin percentage, product pricing and inflation rates etc.) will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax charged is recognised in profit or loss, however deferred tax relating to items recognised in other comprehensive income / equity is recognised directly in other comprehensive income / equity.

3.19 Revenue and other income

3.19.1 Project revenue

Project revenue is recognised with reference to the stage of completion of project activity at the reporting date over the period of time. Stage of completion of a project is determined by applying the 'cost-to-cost method'. Under this method, the stage of completion of a project is determined with reference to the proportion of project costs incurred to date bear to the total estimated contract costs. Expected losses on projects are recognised as an expense immediately in profit or loss.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

3.19.2 Operations and maintenance services

Operation and maintenance fee under various contracts is measured at fair value of the consideration received or receivable and is recognised on accrual basis and when services are rendered i.e. performance obligations are fulfilled in accordance with the terms of agreements.

3.19.3 Sale of goods

Revenue from sale of goods is recognized at a point in time when goods are transferred to the customer and when performance obligations are fulfilled. Goods are considered to be transferred when the control is transferred to the customer, i.e. at the time of dispatch of goods.

3.19.4 Dividend income

Dividend income is recognised when the Group's right to receive the dividend is established.

3.19.5 Supply of electricity

The Group recognizes revenue when the performance obligation is satisfied i.e. delivery of monthly energy, which includes Net Delivered Energy and Non Project Missed Volume (NPMV), to Central Power Purchasing Agency Guarantee Limited (CPPA-G).

Energy revenue is recognized based on the rates determined under the mechanism laid down in the Energy Purchase Agreement (EPA). The Group recognizes revenue for NPMV. NPMV is defined in the EPA as a volume of electricity not delivered by the Group due solely to a non-project event (NPE) i.e. events which are outside the control of the Group (e.g. constraints on the grid systems, variations in the grid system frequency or voltage outside technical limits, etc.)

In case of supply of electricity to SECMC and P&G, the Group recognizes revenue when the performance obligation is satisfied i.e. delivery of energy output at the Energy Delivery Point to SECMC and P&G. Revenue is recognized based on the rates determined under the mechanism laid down in the PPA. Normal payment terms of the group are 30 days.

The Group has assessed that the performance obligation in its contracts with the customers is discharged over time.

3.19.6 Other services

Revenue from other services such as design and engineering services is recognized as and when such services are rendered.

3.19.7 Other income

- Profit on bank balances are recognised on a time proportion basis on the principal amount outstanding and at the applicable rate on accrual basis;
- Scrap sales are recognised on an accrual basis;

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

- Capital gains / losses arising on sale of investments are included in the profit or loss on the date at which the transaction takes place;
- Unrealised gains / losses arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise;
- Income on investments is recognised on an accrual basis;
- Gains or losses arising from changes in fair value less costs to sell of biological assets are recognized in the profit and loss;
- Gain on disposal of property, plant and equipment is recognised as the difference between sales proceeds and carrying value when the relevant item is disposed of.

3.20 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

3.21 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- a) represents a separate major line of business or geographical area of operations;
- b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- c) is a subsidiary acquired exclusively with a view to resale.

3.22 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transactions. The SECP vide its SRO 24(I) / 2012 dated January 16, 2012 which was partially modified by its SRO 986(I) / 2019 dated September 2, 2019 granted exemption from the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates" to the extent of capitalisation of exchange differences to all Independent Power Producers that have executed their Power Purchase Agreements before January 1, 2019. Monetary assets and liabilities denominated in foreign currencies, other than foreign currency borrowings, are translated at the period-end exchange rates. Accordingly, exchange gains / losses of Group's foreign exchange differences arising on foreign currency borrowings are capitalised as cost of the related property, plant and equipment in these consolidated financial statement. Foreign exchange differences resulting from the settlement of transactions and from the translations of monetary assets and liabilities denominated in foreign currencies, other than foreign currency borrowings, are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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3.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Holding Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Holding Company that makes the strategic decisions.

Management has disclosed information as required by IFRS 8 'Operating Segments' in note 41 to these consolidated financial statements.

3.25 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Group, based on the availability of the latest information, estimates the value of contingent liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

3.26 Transactions with related parties

Sales, purchases and other transactions with related parties are carried out on terms and conditions agreed between the parties.

3.27 Dividends and appropriation to reserves

Dividends and appropriation to reserves are recognized in the consolidated financial statements in the period in which these are approved.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with the applicable accounting and reporting 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 expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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liabilities within the next financial year are as follows:

4.1 Property, plant and equipment and intangibles

The Group reviews appropriateness of the rates of depreciation / amortization, useful lives and residual values used in the calculation of depreciation / amortization at each reporting date. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

4.2 Taxation

In making the estimates for current income taxes payable by the Group, the management considers the applicable laws and the decisions / judgments of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made taking into account these judgments and the best estimates of future results of operations of the Group.

Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply in the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the date of financial position.

4.3 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.4 Impairment of cash generating unit

The Group assesses at each reporting date whether there exists an indication that a cash generating unit (CGU) may be impaired. If any such indication exists, the Group estimates the recoverable amount, which is higher of assets' fair value less cost to sell and its value-in-use.

In making estimate of recoverable amount of the CGU, the management considers future cash flows / dividend stream and estimates discount rate and terminal value of these CGUs, which are subject to change.

Where the carrying amount of a CGU exceeds its recoverable amount, these are considered impaired and are written down to its recoverable amount. Impairment loss is recognised as an expense in profit or loss.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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4.5 Revenue

The Group estimates the cost to complete the projects in order to determine the Group's progress towards the complete satisfaction of a performance obligation. These costs include the cost of material, infrastructure, labour and the cost of meeting other contractual obligations to the customer.

2024	2023
----- (Rupees in '000) -----	

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets, at net book value (note 5.1)
Capital work in progress (CWIP) (note 5.2)
Capital spares

Related to disposal group (note 33.2)

12,557,827	13,740,454
4,494	4,494
193,648	191,398
12,755,969	13,936,346
-	(13,640,609)
12,755,969	295,737

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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5.1 Operating assets

	Land		Building		Plant and machinery (note 5.1.4)	Wind measuring equipment	Furniture, fixtures and office equipment	Computers	Tools and equipment	Vehicles	Renewable energy units	Total
	Freehold	Leasehold (notes 5.1.1 and 5.1.2)	Freehold	Leasehold								
(Rupees in '000)												
As at January 1, 2023												
Cost	3,157	38,194	65,827	3,439,828	13,944,146	3,881	141,765	15,508	15,091	28,841	5,643	17,701,881
Accumulated Depreciation	-	(28,318)	(63,168)	(850,468)	(3,402,595)	(2,929)	(122,069)	(12,722)	(8,088)	(20,959)	(3,245)	(4,514,561)
Accumulated impairment	-	-	-	-	(39,088)	-	-	-	(468)	-	-	(39,556)
Net book value	3,157	9,876	2,659	2,589,360	10,502,463	952	19,696	2,786	6,535	7,882	2,398	13,147,764
Year ended December 31, 2023												
Net book value at beginning of the year	3,157	9,876	2,659	2,589,360	10,502,463	952	19,696	2,786	6,535	7,882	2,398	13,147,764
Additions including transfers from CWIP	-	-	1,300	18,732	283,720	-	4,176	1,623	865	310	-	310,726
Capitalization adjustment for exchange loss (note note 6.1.4)	-	-	-	316,958	1,222,369	-	-	-	-	-	-	1,539,327
Disposals												
Cost	-	-	-	-	(270,543)	-	(654)	(76,103)	-	(693)	-	(347,993)
Accumulated depreciation	-	-	-	-	7,556	-	654	76,103	-	585	-	84,898
	-	-	-	-	(262,987)	-	-	-	-	(108)	-	(263,095)
Impairment loss	-	-	-	-	(2,674)	-	-	-	-	-	-	(2,674)
Depreciation charge (note 5.1.3)	-	(658)	(210)	(195,524)	(778,865)	(119)	(12,963)	(599)	(750)	(1,660)	(246)	(991,616)
Net book value at the end of the year	3,157	9,218	3,749	2,729,526	10,964,026	833	10,909	3,810	6,650	6,424	2,152	13,740,454
As at December 31, 2023												
Cost	3,157	38,194	67,127	3,775,519	15,179,692	3,881	145,287	(58,972)	15,956	28,458	5,643	19,203,942
Accumulated depreciation	-	(28,976)	(63,378)	(1,045,993)	(4,173,904)	(3,048)	(134,378)	62,782	(8,838)	(22,034)	(3,491)	(5,421,258)
Accumulated impairment	-	-	-	-	(41,762)	-	-	-	(468)	-	-	(42,230)
Net book value	3,157	9,218	3,749	2,729,526	10,964,026	833	10,909	3,810	6,650	6,424	2,152	13,740,454
Year ended December 31, 2024												
Net book value at beginning of the year	3,157	9,218	3,749	2,729,526	10,964,026	833	10,909	3,810	6,650	6,424	2,152	13,740,454
Additions including transfers from CWIP	-	-	1,100	-	9,300	-	8,434	1,354	-	-	-	20,188
Capitalization adjustment for exchange loss (note 5.1.4)	-	-	-	(11,962)	(46,131)	-	-	-	-	-	-	(58,093)
Writeoff												
Cost	-	-	-	-	-	-	-	(1,840)	(3,069)	(897)	-	(5,806)
Accumulated depreciation	-	-	-	-	-	-	-	1,840	3,069	897	-	5,806
Disposals												
Cost	-	-	(6,055)	-	-	-	(15,159)	(3,791)	(231)	(4,092)	-	(29,328)
Accumulated depreciation	-	-	5,892	-	-	-	13,487	3,742	165	3,684	-	26,970
	-	-	(163)	-	-	-	(1,672)	(49)	(66)	(408)	-	(2,358)
Disposal of subsidiary												
Cost	-	-	-	-	(166,213)	-	(77,351)	-	-	(6,558)	-	(250,122)
Accumulated depreciation	-	-	-	-	40,200	-	62,376	-	-	5,000	-	107,576
	-	-	-	-	(126,013)	-	(14,975)	-	-	(1,558)	-	(142,546)
Impairment loss	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge (note 5.1.3)	-	(648)	(237)	(202,582)	(791,327)	(119)	(2,125)	(1,085)	(799)	(896)	-	(999,819)
Net book value at the end of the year	3,157	8,570	4,449	2,514,982	10,009,855	714	571	4,030	5,785	3,562	2,152	12,557,826
As at December 31, 2024												
Cost	3,157	38,194	62,172	3,763,557	14,976,648	3,881	61,211	(61,409)	15,725	17,808	5,643	18,886,587
Accumulated depreciation	-	(29,624)	(57,723)	(1,248,575)	(4,925,031)	(3,167)	(60,640)	65,439	(9,472)	(14,246)	(3,491)	(6,286,530)
Accumulated impairment	-	-	-	-	(41,762)	-	-	-	(468)	-	-	(42,230)
Net book value	3,157	8,570	4,449	2,514,982	10,009,855	714	571	4,030	5,785	3,562	2,152	12,557,827
Annual rate of depreciation	0%	4% to 33%	10%	5% - 6%	5% to 20%	10%	10% to 35%	33%	10% to 33%	20%	10%	

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FOR THE YEAR ENDED DECEMBER 31, 2024

5.1.1 This represents initial cost on allocation of land by Alternate Energy Development Board (AEDB) for setting up of a Wind Power Farm. Possession of the land and the site sub-lease have been obtained by the Group.

5.1.2 Leasehold land is secured in favor of lenders to secure various financing arrangements.

5.1.3 Depreciation charge for the year has been allocated as follows:

	2024	2023
	----- (Rupees in '000) -----	
Cost of revenue (note 26)	351,231	975,304
Selling and distribution expenses (note 27)	2,400	2,102
Administrative expenses (note 28)	9,127	14,210
Impairment	652,229	
Related to Disposal Group	(15,168)	
	999,819	991,616

5.1.4 These represent exchange difference arising on foreign currency borrowings capitalised as cost of the related property, plant and equipment as per the exemption from the application of IAS 21 as referred to in note.

5.1.5 In November 2023, Earthing Transformer No. 1 suffered a malfunction and subsequent burnout. The transformer was deemed irreparable by the operations and maintenance contractor during its inspection. A new earthing transformer was installed in its place. An assessment was carried out to determine its fair value less cost to sell to be Rs 1.265 million, resulting in recognising of impairment loss amounting to Rs 2.674 million, representing remaining net book value of the asset.

5.1.6 The details of immovable fixed assets (i.e. land and buildings) are as follows:

Description of location	Address	Total covered (in acres)
BTM Factory	Dawoodabad, Railway Station Road and Luddan Road, Chak 439, E.B, Tehsil Burewala, District Vehari.	313.725
LWTM Factory	G.T. Road, Faqirabad District Attock	230.000
Leasehold land including wind measuring equipment and building thereon	Khuti Kun Area, Ghara, District Thatta, Sindh	4,881.000

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
5.2 Capital work-in-progress		
Balance at beginning of the year	4,494	279,148
Additions	-	14,621
Transfers to operating fixed assets	-	(289,275)
Balance at end of the year	4,494	4,494
6. RIGHT-OF-USE ASSETS		
Year ended December 31, 2024 / 2023		
Balance at beginning of the year	-	100,174
Transfer from Disposal Group	74,627	
Depreciation charge (note 6.1)	(7,858)	(11,954)
Related to disposal group (note 33.2)	-	(88,220)
Balance at end of the year	66,769	-
As at December 31, 2024 / 2023		
Cost	103,383	181,499
Accumulated depreciation	(34,504)	(93,279)
	68,879	88,220
Related to disposal group (note 33.2)	-	(88,220)
Net book value	68,879	-
Rate of depreciation (% per annum)	5.56	5.56 to 20
6.1 The depreciation charge for the year has been allocated as follows:		
Cost of revenue (note 26)	5,748	5,770
Selling and distribution expenses (note 27)	2,110	6,184
	7,858	11,954
7. INTANGIBLE ASSETS		
Goodwill (note 7.1)	-	22,834
Computer software (note 7.2)	107	9,146
Capital work-in-progress (note 7.3)	-	19,509
	107	51,489
Related to disposal group (note 33.2)	-	(51,489)
	107	-

7.1 Goodwill

In year 2008, the Holding Company acquired 100% shareholding of TGL. The business combination with TGL was accounted for by applying the purchase method. The cost of the acquisition was measured at the fair value of equity instruments issued at the date of exchange plus cost directly attributable to acquisition. Identified assets acquired, liabilities (including contingent liabilities) assumed or incurred were measured at fair value at the acquisition date. The excess cost of acquisition over the fair value of identifiable net assets acquired was recognised as goodwill in these consolidated financial statements.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
7.2 Computer software		
Cost		
Balance at beginning of the year	-	49,960
Additions	128	-
Transfers from CWIP (note 7.3)	-	11,499
Balance at end of the year	128	61,459
Accumulated amortization		
Balance at beginning of the year	-	(43,205)
Amortization	(21)	(9,108)
Balance at end of the year	(21)	(52,313)
Carrying amount	107	9,146

7.2.1 The cost of above intangible assets is being amortized over a period of 3 years.

	2024	2023
	----- (Rupees in '000) -----	
7.3 Capital work-in-progress		
Balance at beginning of the year	-	19,975
Additions during the year	-	11,033
Transfer to computer software (note 7.2)	-	(11,499)
Balance at end of the year	-	19,509

8. LONG-TERM INVESTMENTS

Investment in associate (note 8.1)	11,983,119	10,640,906
Other investments (note 8.3)	28,075	15,199
	12,011,194	10,656,105

8.1 Investment in associate (quoted)

Engro Holdings Limited (Formerly Dawood Hercules Corporation Limited (DHCL))

Balance at beginning of the year	10,640,906	11,358,451
Add:		
- Share of profit after taxation	2,086,968	1,347,342
- Share of other comprehensive income	39,836	22,869
- Effect of restatement in ENGROH - PNL	186,470	
- Share of other components of equity (note 8.1.2)	(392,175)	(684,982)
- Effect of restatement in other components of equity (ENGROH)	239,399	-
	2,160,498	685,229
Less: Dividend received	818,285	1,402,774
	11,983,119	10,640,906

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

8.1.1 The Holding Company has invested in ENGROH with ownership of 16.19% (2023: 16.19%) comprising of 77,931,896 (2023: 77,931,896) fully paid ordinary shares of Rs 10/- each, having a market value of Rs 20,247.486 million (2023: Rs 8,388.589 million) as at the reporting date.

8.1.2 This includes shares purchased by Engro Corporation Limited (ECL) for cancellation and transfer from unappropriated profit to maintainance reserve.

8.1.3 The summary of financial information / reconciliation of ENGROH is as follows:

	2024	2023
	----- (Rupees in '000) -----	
Revenue including discontinued operations	540,176,774	482,488,902
Profit after tax	43,244,895	36,364,637
Other comprehensive income - net of tax	615,644	377,500
Total comprehensive income	43,860,539	36,742,137
Total comprehensive income attributable to:		
- Owners of ENGROH	13,136,529	8,463,315
- NCI of ENGROH	30,724,010	28,278,822
	43,860,539	36,742,137
Non-current assets	298,766,394	457,434,075
Current assets	207,711,490	356,832,750
Assets classified as held for sale	262,859,218	1,525,396
Total assets	769,337,102	815,792,221
Less:		
Non-current liabilities	139,634,301	254,201,841
Current liabilities	190,584,295	328,693,108
Liabilities classified as held for sale	206,999,527	-
Total liabilities	537,218,123	582,894,949
Net assets	232,118,979	232,897,272
Net assets attributable to:		
- Owners of ENGROH	74,022,184	65,731,052
- NCI of ENGROH	158,096,795	167,166,220
	232,118,979	232,897,272
Group's share in %	16.19%	16.19%
Share of net assets	11,984,192	10,641,857
Others	(1,073)	(951)
Carrying amount	11,983,119	10,640,906

8.1.4 'The Holding Company holds 16.19% of the voting power in ENGROH, however due to representation of its Directors on the Board of Directors of ENGROH and participation in policy making processes including participation in decisions about dividends or other distributions, it has significant influence over ENGROH.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

- 8.2** The Holding Company has pledged ordinary shares of its associate and subsidiaries as security against financing facilities availed by itself and its subsidiaries from various commercial banks the details of which are as follows:

		AS AT DECEMBER 31, 2024			As at December 31, 2023		
Particulars	Shares pledged	Number of shares pledged	Face value of shares pledged	Market value of pledged shares	Number of shares pledged	Face value of shares pledged	Market value of pledged shares
		----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Pledged against short-term financing and other facilities availed by the subsidiaries							
Bank AL Habib Limited (note 24)	ENGROH	6,200,000	62,000	1,610,822	6,200,000	62,000	667,368
United Bank Limited (note 24)		27,900,000	279,000	7,248,699	27,900,000	279,000	3,003,156
Pledged under Musharka Agreement entered into between RAPL and FBL							
Faysal Bank Limited (note 24)	Reon Alpha (Private) Limited	5,300,000	53,000	-*	5,300,000	53,000	-*
Pledged under Sponsor Share Agreement							
Citibank N.A.	Tenaga Generasi Limited	34,599,995	345,996	-*	34,599,995	345,996	-*

*Tenaga Generasi Limited is an unlisted company and Reon Alpha (Private) Limited is a private company.

8.3 Other investments

2024	2023	Name of Investee	2024	2023
Units / Number of Shares			----- (Rupees in '000) -----	
Listed securities				
200,000	200,000	National Investment (Unit) Trust (note 8.3.1)	28,060	15,184
Un-listed securities				
1,500	1,500	Asian Co-operative Society Limited (note 8.3.1)	15	15
201,500	201,500		28,075	15,199

8.3.1 Reconciliation between fair value and cost of investments

	2024	2023
----- (Rupees in '000) -----		
Fair value of investments	28,075	15,199
Surplus on remeasurement of investments as at year end	(25,620)	(12,744)
Cost of investments	2,455	2,455

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

9.	STOCK-IN-TRADE	2024	2023
		----- (Rupees in '000) -----	
	Renewable energy		
	Finished goods	-	694,710
	Stock in transit	-	749,989
		-	1,444,699
	Textile		
	Finished goods	3,060	6,102
	Provision for slow moving and obsolete items	(1,684)	(1,684)
		1,376	4,418
		1,376	1,449,117
	Related to disposal group (note 33.2)	-	(1,444,699)
		1,376	4,418
10.	TRADE DEBTS		
	- Secured, considered good		
	Alternate energy (notes 10.1 and 10.2)	1,706,833	3,665,581
	- Unsecured, considered good		
	Renewable energy (notes 10.3 and 10.4)	7,277	819,070
		1,714,110	4,484,651
	- Considered doubtful		
	Renewable energy	5,953	133,060
	Others	1,052	1,052
		7,005	134,112
		1,721,115	4,618,763
	Allowance for expected credit loss (note 10.5)	(7,005)	(70,656)
	Related to disposal group (note 33.2)	-	(4,542,443)
		1,714,110	5,664
10.1	Trade debts including delayed payment charges are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good.		
10.2	Trade debts from alternate energy represents amounts aggregating to:		
	<ul style="list-style-type: none"> - Rs 331.531 million (2023: Rs 502.468 million) which has not been billed. - Rs 82.557 million (2023: Rs 811.063 million) which are neither past due nor impaired. - Rs 1,292.745 million (2023: Rs 2,352.051 million) which are overdue by upto 90 days (2023: upto 113 days) but not impaired. These carry markup at the rate of 3 months KIBOR plus 4.5% per annum as per EPA. 		

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

- 10.3** These include trade debts from the following related parties in respect of projects executed and inventory sold by the Group, the aging analysis of which is given below:

	2024	2023
	----- (Rupees in '000) -----	
Neither past due nor impaired		
Enfrashare (Private) Limited	-	54,802
Past due but not impaired		
Engro Energy Limited	-	1,172
Enfrashare (Private) Limited	-	115,961
Engro Holdings Limited (formerly Dawood Hercules Corporation Limited)	-	-
Engro Eximp F.Z.E.	-	3,779
Engro Vopak Terminal Limited	-	668
	-	121,580
	-	176,382
The aging analysis of above past due but not impaired is as follows:		
Upto 2 months	-	13,179
More than 2 months	-	108,401
	-	121,580

- 10.4** The maximum aggregate amount due from related parties at the end of any month during the year was Rs Nil (2023: Rs 176.382 million).

- 10.5** As at December 31, 2024, trade debts aggregating to Rs Nil (2023: Rs 70.656 million) were deemed to have been impaired and were provided for. These include balances that were outstanding for more than 6 months. The movement in allowance for expected credit loss is as follows:

	2024	2023
	----- (Rupees in '000) -----	
Balance at beginning of the year	70,656	63,212
Allowance	-	7,444
Related to disposal of subsidiary	(63,651)	-
Balance at end of the year	7,005	70,656

11. CONTRACT ASSETS

Contract costs incurred plus recognized profits less recognized losses	7,144	5,705,058
Less: Progress billings	-	(4,221,672)
Amount unbilled	7,144	1,483,386
Allowance for expected credit loss	-	(37,851)
	7,144	1,445,535
Related to disposal group (note 33.2)	-	(1,440,693)
	7,144	4,842

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Dawood Lawrencepur Limited

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

- 13.3** The amount due and maximum aggregate amount due from related parties at the end of any month during the year is as follows:

	Amount outstanding 2024	2023	Maximum month end balance 2024	2023
	(Rupees in '000)			
Sach International (Private) Limited	32,211	32,211	33,095	33,095
Engro Holdings Limited (Formerly Dawood Hercules Corporation Limited)	-	280	-	280
Dawood Foundation	-	662	-	1,546
	32,211	33,152	33,095	34,921

- 13.4** As at December 31, 2024, receivables from related parties aggregating to Rs 15.841 million (2023: Rs 33.153 million) were past due but not impaired. The aging analysis of these receivables is as follows:

	2024	2023
	(Rupees in '000)	
Upto 3 months	2,078	2,078
3 to 6 months	1,249	1,249
More than 6 months	29,826	29,826
	33,153	33,153

14. SHORT-TERM INVESTMENTS

At amortized cost

Term deposit receipts (notes 14.1)	-	33,835
------------------------------------	---	--------

At fair value through profit or loss

Investment in units of mutual fund (note 14.2)	213,920	154,445
Investment in listed equity securities (note 14.3)	3,850,732	1,158,000
	4,064,652	1,346,280
Related to disposal group (note 33.2)	-	(42,471)
	4,064,652	1,303,809

- 14.1** The aforementioned investments have been placed under lien with various banks as security against unfunded financing facilities obtained therefrom.

- 14.2** Particulars regarding investment in mutual funds are as follows:

	As at January 1, 2024	Purchased during the year	Redeemed during the year	As at December 31, 2024	Cost as at December 31, 2024	Fair value as at December 31, 2024	Unrealised gain as at December 31, 2024
	-----Number of Units-----				----- (Rupees in '000) -----		
Shariah Compliant mutual funds:							
Al Hamra Islamic Stock Fund	-	2,750,673	(2,750,673)	-	-	-	-
Meezan Sovereign Fund (MSF)	-	705,960	-	705,960	40,000	40,463	463
Al-Ameen Shariah Stock Fund - Class A	-	86,356	(86,356)	-	-	-	-
					-	-	
Conventional mutual funds:							
Atlas Money Market Fund	-	36,236	-	36,236	20,000	20,219	219
NBP Money Market Fund	-	3,701,305	-	3,701,305	40,000	40,415	415
MCB Cash management optimizer	-	8,424,618	(7,970,678)	453,940	50,000	50,536	536
UBL Stock Advantage Fund- Class A	-	159,798	(159,798)	-	-	-	-
UBL Cash Fund - Class A	-	5,391,465	(4,927,735)	463,730	50,000	50,540	540
Pakistan Cash Management Fund	3,060,261	4,540,884	(7,621,900)	(20,754)	11,541	11,747	206
					211,541	213,920	2,379

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

14.3 Particulars regarding quoted shares are as follows:

	As at January 1, 2024	Purchased during the year	Sold during the year	As at December 31, 2024	Cost as at December 31, 2024	Fair value as at December 31, 2024	Unrealised gain as at December 31, 2024
	-----Number of Shares-----			----- (Rupees in '000) -----			
Conventional securities:							
MCB Bank Limited	2,500,000	-	(425,000)	2,075,000	358,041	583,698	225,657
United Bank Limited	1,550,000	-	-	1,550,000	275,652	592,457	316,805
Fauji Fertilizer Company Limited	-	2,381,562	-	2,381,562	694,011	872,414	178,403
Shariah compliant securities:							
Pakistan Petroleum Limited	800,000	-	-	800,000	92,024	162,840	70,816
System Limited	847,457	-	-	847,457	358,949	526,652	167,703
Oil & Gas Development Company Ltd	-	1,106,000	-	1,106,000	145,770	251,350	105,580
AGP Limited	-	519,907	-	519,907	69,881	88,436	18,555
Highnoon Laboratories Limited	-	313,809	-	313,809	262,252	288,146	25,894
Lucky Cement Limited	-	283,000	-	283,000	297,022	311,439	14,417
Abbott Laboratories Limited	-	140,000	-	140,000	150,473	173,300	22,827
					2,704,075	3,850,732	1,146,657

2024 **2023**
----- (Rupees in '000) -----

15. CASH AND BANK BALANCES

Cash in hand	133	400,424
Cash at banks		
- In current accounts	34,438	335,718
- In deposit accounts - local currency (note 15.1)	3,033,220	1,635,948
- In deposit accounts - foreign currency (note 15.2)	40,606	37,340
	3,108,264	2,009,006
	3,108,397	2,409,430
Related to disposal group (note 33.2)	-	(2,263,533)
	3,108,397	145,897

15.1 These represent deposits with commercial banks and carry profit at the rates ranging from 6.5% to 18.63% (2023: 10% to 20.5%) per annum.

15.2 These carry return at the rate of 5.38% (2023: 5.38%) per annum.

16. SHARE CAPITAL

16.1 Authorized capital

2024	2023		2024	2023
----- (Number of shares) -----			--- (Rupees in '000) ---	
75,000,000	<u>75,000,000</u>	Ordinary shares of Rs.10/- each	750,000	<u>750,000</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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16.2 Issued, subscribed and paid up capital

2024	2023		2024	2023
---(Number of shares) ---			----- (Rupees in '000) -----	
2,204,002	2,204,002	Ordinary shares of Rs.10/- each fully paid in cash	22,040	22,040
12,805,118	12,805,118	Ordinary shares of Rs.10/- each issued for consideration other than cash (note 16.2.3)	128,051	128,051
44,048,739	44,048,739	Ordinary shares of Rs.10/- each issued as bonus shares	440,487	440,487
130,520	130,520	Ordinary shares of Rs.10/- each Issued as right shares as per the court Order (note 16.2.4)	1,305	1,305
111,430	111,430	Ordinary shares of Rs.10/- each issued as right shares as per the court Order (note 16.2.4)	1,115	1,115
59,299,809	<u>59,299,809</u>		592,998	<u>592,998</u>
			2024	2023
			----- (Number of shares) -----	

16.2.1 Associates are incorporated in Pakistan. Shareholding details are as follows:

Dawood Corporation (Private) Limited percentage of holding 54.84% (2023: 54.84%)	32,521,794	32,521,794
The Dawood Foundation percentage of holding 5.02% (2023: 5.02%)	2,979,324	2,979,324
Dawood Investments (Private) Limited (formerly Patek (Private) Limited) Percentage of holding 7.49% (2023: 7.49%)	4,443,661	4,443,661
Cyan Limited percentage of holding 5.00% (2023: 5.00%)	2,965,095	2,965,095
Sach International (Private) Limited percentage of holding 0.01% (2023: 0.01%)	3,776	3,776
	42,913,650	<u>42,913,650</u>

16.2.2 The Holding Company has a single class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Holding Company. All shares rank equally with regard to the Holding Company's residual assets.

16.2.3 Shares issued for consideration other than cash represent shares issued to the shareholders of the amalgamating companies in accordance with the share-swap ratio stipulated in the Scheme of Arrangement for Amalgamation.

16.2.4 In compliance with the orders passed by the Honorable Sindh High Court (note 22), the Holding Company had issued 241,950 shares (denoting 130,520 shares as right issue and 111,430 as bonus issue) to National Investment (Unit) Trust [managed by National Investment Trust Limited (NIT)] on May 12, 2020.

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FOR THE YEAR ENDED DECEMBER 31, 2024

2024 2023
----- (Rupees in '000) -----

17. STAFF RETIREMENT BENEFITS

Defined benefit plans

- Gratuity fund	13,223	3,506
- Unfunded gratuity scheme	2,725	79,852
	15,948	83,358
Related to disposal group (note 33.2)	-	(79,852)
	15,948	3,506

The details of staff retirement benefit obligations based on actuarial valuations carried out by independent actuaries as at December 31, 2024 under the Projected Unit Credit Method are as follows:

17.1 Principal actuarial assumptions used in the actuarial valuations

	2024		2023	
	Gratuity fund	Unfunded gratuity schemes	Gratuity fund	Unfunded gratuity schemes
	%			
Financial assumptions:				
Discount rate used for year end obligations	12.25	12.25	14.75	15.5
Expected rate of salary increase	12.25	12.25	13.75	15.5
Expected return on plan assets	11.49	-	11.52	-
Demographic assumptions:				
Expected withdrawal rate	Age-based	Age-based	Age-based	Age-based
Expected retirement age	Age 60	Age 60	Age 60	Age 60
Expected mortality rate	SLIC 2001 - 2005 (Set back 1 year)	SLIC 2001 - 2005 (Set back 1 year)	SLIC 2001 - 2005 (Set back 1 year)	SLIC 2001 - 2005 (Set back 1 year)
	2024		2023	
	Gratuity fund	Unfunded gratuity schemes	Gratuity fund	Unfunded gratuity schemes
	(Rupees in '000)			

17.2 Consolidated statement of financial position reconciliation

Present value of defined benefit obligation (note 17.3)	18,764	2,725	8,284	79,852
Fair value of plan assets (note 17.4)	(5,541)	-	(4,778)	-
Net Liability at end of the year	13,223	2,725	3,506	79,852

17.3 Movement in present value of defined benefit obligation

Present value of defined benefit obligation at beginning of the year	8,284	79,852	8,950	74,368
Current service cost	1,136	2,704	1,298	23,015
Interest cost	1,115	1,210	1,029	8,481
Liability transferred from other group company	8,185	-	906	4,867
Liability transferred to other group company	-	(8,185)	(218)	(5,582)
Benefits paid	(1,441)	(240)	(3,595)	(31,464)
Benefits due but not paid	-	-	-	-
Remeasurement (gains) / losses from:				
- changes in demographic assumptions	-	-	-	2,372
- changes in financial assumptions	2,023	(11)	5	312
- experience adjustments	(538)	(677)	(91)	3,483
Disposal of Subsidiary	-	(71,928)	-	-
Present value of defined benefit obligation at end of the year	18,764	2,725	8,284	79,852

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

		2024		2023	
		Gratuity fund	Unfunded gratuity schemes	Gratuity fund	Unfunded gratuity schemes
(Rupees in '000)					
17.4	Movement in fair value of plan assets				
	Fair value of plan assets at beginning of the year	4,778	-	4,191	-
	Contributions made	1,441	-	3,595	-
	Interest income	598	-	608	-
	Benefits paid	(1,441)	-	(3,595)	-
	Remeasurement loss on plan assets excluding interest income	165	-	(21)	-
		<u>5,541</u>	<u>-</u>	<u>4,778</u>	<u>-</u>
17.5	Expense recognized in profit or loss				
	Current service cost	1,136	2,704	1,298	23,015
	Interest cost on defined benefit obligation	1,115	1,210	1,029	8,481
	Interest income on plan assets	(598)	-	(608)	-
		<u>1,653</u>	<u>3,914</u>	<u>1,719</u>	<u>31,496</u>
17.6	Remeasurement gains / (losses) on defined benefit obligation recognized in other comprehensive income				
	Remeasurements of plan obligations				
	- Demographic adjustments	-	-	-	(2,372)
	- Experience adjustments	(2,023)	11	(2,023)	(312)
	- Changes in financial assumptions	538	677	538	(3,483)
		<u>(1,485)</u>	<u>688</u>	<u>(1,485)</u>	<u>(6,167)</u>
	Return on plan assets, excluding interest income	165	-	(21)	-
		<u>(1,320)</u>	<u>688</u>	<u>(1,506)</u>	<u>(6,167)</u>
17.7	Net recognized liability				
	Net liability at beginning of the year	3,506	79,852	4,759	74,368
	Expense recognized in profit or loss	1,653	3,914	1,719	31,496
	Remeasurement (gains) / losses recognized in other comprehensive income	1,320	(688)	(65)	6,167
	Benefits paid	(1,441)	(240)	(3,595)	(31,464)
	Net liability transferred from / (to)	8,185	(8,185)	688	(715)
	Disposal of subsidiary	-	(71,928)	-	-
		<u>13,223</u>	<u>2,725</u>	<u>3,506</u>	<u>79,852</u>

17.8 Plan assets comprise of investments in units of mutual funds.

17.9 Sensitivity analysis

As of reporting date, the sensitivity of the defined benefit obligation to changes in the significant actuarial assumptions is as follows:

Impact on present value of defined benefit obligation - Gratuity fund			
		2024	2023
	Change in assumption (%)	Increase in assumption	Decrease in assumption
		----- (Rupees in '000) -----	
Valuation discount rate	1%	(208)	243
Expected rate of salary level	1%	243	(213)

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	Impact on present value of defined benefit obligation- Unfunded gratuity schemes		
	Change in assumption (%)	2024	2023
		Increase in assumption ----- (Rupees in '000) -----	Decrease in assumption
Sensitivity analysis for actuarial assumptions			
Discount rate	+1%	(21)	22
Discount rate	-1%	26	(24)

The sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the liability for gratuity recognized within the statement of financial position.

17.10 The scheme exposes the Group to the following risks:

- Final salary risk - This is the risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as the salary increases.
- Mortality risk - This is the risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- Withdrawal risk - This is the risk that actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.
- Investment risk - This is the risk of investments underperforming and not being sufficient to meet the liabilities.

17.11 Historical information of staff retirement benefits

	2024	2023	2022	2021	2020
	----- Rupees in '000 -----				
Gratuity fund					
Present value of defined benefit obligation	(18,764)	(8,284)	(9,537)	(8,950)	(8,476)
Fair value of plan assets	5,541	4,778	4,778	4,191	3,779
Deficit	(13,223)	(3,506)	(4,759)	(4,759)	(4,697)
Unfunded gratuity schemes					
Present value of defined benefit obligation	(2,725)	(79,852)	(74,368)	(81,611)	(57,820)
Fair value of plan assets	-	-	-	-	-
Deficit	(2,725)	(79,852)	(74,368)	(81,611)	(57,820)

FOR THE YEAR ENDED DECEMBER 31, 2024

- ## 18. DEFERRED TAXATION

18.1 These represent deferred tax asset arising on loss incurred on the sale of REL and transaction cost incurred for the envisaged disposal of TGL. These will be claimed as deductions when computing capital gain tax liability on future capital gains upto next six years, in accordance with section 37 of the Income Tax Ordinance, 2001.

18.2 The deferred tax balances aggregating Rs 556.984 million as shown in the table above are available for deduction as and when these are realized, subject to having sufficient capital gains. The Holding Company has carried out an assessment of recoverability by estimating future capital gain of the Holding Company and the expected rate applicable to those gains and determined that the amounts shall be recoverable. However, the estimation of future capital gains is sensitive to certain key assumptions which can be changed.

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	2024	2023
	----- (Rupees in '000) -----	
19. LONG-TERM BORROWINGS - secured		
Foreign currency borrowings (notes 19.1 and 19.2)	4,566,057	6,745,237
Local currency borrowings (notes 19.3 to 19.5)	962,836	1,853,599
	5,528,893	8,598,836
Transaction costs		
Transaction cost to date	(314,506)	(314,506)
Accumulated amortization	268,249	239,098
	(46,257)	(75,408)
	5,482,636	8,523,428
Related to disposal group (note 33.2)	-	(8,276,252)
Current portion shown under current liabilities	(2,590,377)	(23,826)
	2,892,259	223,350

19.1 TGL entered into a financing agreements with two international financial institutions for a total amount of US Dollars 66 million. The foreign finance attributable to IFC carries markup at the rate of three months LIBOR plus 5% payable quarterly over a period of ten years, whereas the foreign finance attributable to Development Finance Corporation (DFC), initially carried markup at the rate of three months LIBOR plus 5% payable quarterly over a period of ten year. However, effective July 15, 2023, the base rate has been transitioned from LIBOR to Secured Overnight Financing Rate (SOFR) due to the industry-wide discontinuation of LIBOR. The revised applicable interest rate is calculated as three months term SOFR + 4.70% plus Credit Adjustment Spread (CAS) of 0.26161%. As at December 31, 2024, the outstanding balance of borrowings was US Dollars 16.374 million (2023: US Dollar 23.885 million) for foreign currency borrowings.

TGL also entered into a financing agreement with a consortium of two local financial institutions for total amount of Rs 2,400 million. The local finance carries markup at the rate of three months KIBOR plus 3% payable quarterly over the period of ten years. The principal is repayable in twenty semi-annual installments which commenced from July 2017.

These facilities are secured by way of a hypothecation charge on all present and future fixed assets (land, building, plant & machinery), bank balances, trade and other receivables, and other current assets in favor of the onshore and offshore security agent. In addition, out of the total paid-up share capital of the Company, 34,599,995 shares held by Dawood Lawrencepur Limited are pledged in favor of the onshore security trustee.

19.2 This includes outstanding loan from IFC, a related party, amounting to Rs 1,522.019 million (2023: Rs 2,248.412 million).

19.3 During the year 2022, REL entered into long-term loan agreements with Bank Al-Habib amounting Rs 532.251 under the State Bank of Pakistan Renewable Energy Financing Scheme. The Holding Company has provided corporate guarantee amounting to Rs 670 million to secure funded facility provided to REL which has been released during the year.

19.4 In the year 2019, RAPL has obtained long-term loan from Faysal Bank Limited (FBL) under a Musharaka Agreement dated March 4, 2019 amounting to Rs 309,000 to finance 75% of the project. The tenure of the loan is 10 years, carrying mark-up at the rate of three months KIBOR plus 2% payable on quarterly basis. The principal amount is repayable in forty (40) quarterly instalments commencing from December 25, 2019. The loan is secured through hypothecation charge over the present and future fixed assets (excluding land and building) and assignment of receivables of the Company in favor of FBL. Transaction cost on borrowings is amortized over the tenure of the loan.

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- 19.5** In light of the relief granted by the State Bank of Pakistan (SBP) vide Banking Policy and Regulation Department (BPRD) Circular Letter No. 13 of 2020 dated March 26, 2020, RAPL sought relaxation in repayment terms in respect of its long term loan facilities. The principal repayments of this loan which were due from June 2020 to March 2021 have been deferred for a period of one year thereby extending the overall maturity of this loan by the same period. However, interest continues to be paid on quarterly basis during the deferment time. The Holding Company has provided a corporate guarantee amounting to Rs 206,000 in favour of FBL to secure the musharaka financing facility of RAPL.

As at year end, RAPL was not in compliance with minimum loan life coverage ratio, debt service coverage ratio, total leverage ratio and debt to equity ratio, as specified in section 8 of the Musharaka Agreement with FBL.

- 19.6** Following are the changes in the long-term borrowings for which cash flows have been classified as financing activities in the statement of cash flows:

	2024	2023
	----- (Rupees in '000) -----	
Balance at beginning of the year	8,523,428	9,220,507
Amortization of transaction costs (note 31)	29,439	29,531
Loan repaid	(2,450,754)	(2,265,938)
Exchange loss (note 5.1.4)	(58,093)	1,539,328
Disposal of subsidiary	(561,097)	-
Balance at end of the year	5,482,923	8,523,428

- 19.7** In accordance with the financial covenants for its facilities, TGL is required to comply with following financial thresholds as outlined in the Musharaka Agreement:

Financial Covenants

Historical debt cover ratio
Current ratio
Debt to Equity

Requirement I Threshold

At least 1.05:1
At least 1:1
At least 80:20

The above-mentioned financial covenants are determined based on amounts reported in unaudited condensed financial statements audited financial statements, and projected figures included in the compliance certificate submitted by the TGL. In case of the non-compliance with the above-mentioned financial covenants, and if those are not rectified, the facility becomes due immediately.

20. LEASE LIABILITIES

Non-current portion
Current portion

Related to disposal group (note 33.2)
Total lease liability at the end of the year

2024	2023
----- (Rupees in '000) -----	
114,085	116,502
9,762	20,134
123,847	136,636
-	(136,636)
123,847	-

- 20.1** TGL's weighted average incremental borrowing rate is 13.05% per annum. The remaining term of the lease is 12 years. This relates to leasehold land acquired for the purpose of installation of the wind power plant.

- 20.2** The movement in the balance of lease liability is as follows:

Balance at beginning of the year
Accretion of interest
Lease rentals paid
Disposal of subsidiary
Balance at end of the year

2024	2023
----- (Rupees in '000) -----	
136,636	138,400
14,297	18,921
(9,762)	(20,685)
(17,324)	-
123,847	136,636

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21. TRADE AND OTHER PAYABLES

	2024	2023 (Restated)
	----- (Rupees in '000) -----	
Creditors	319,678	1,248,465
Payable to related parties (note 21.1)	-	49,920
Levy	18,187	11,742
Accrued liabilities	78,614	926,761
Due to Islamic Development Bank (note 21.2)	25,969	25,969
Deposits (note 21.3)	489	489
Warranty obligation (note 21.4)	-	52,421
Workers' profits participation fund (note 21.5)	140,374	180,929
Provision for onerous contract (note 21.6)	-	47,661
Withholding tax	1,088	10,999
Advance against disposal of REL (note 21.7)	-	100,004
Others	71,818	27,077
	656,217	2,682,437
Related to disposal group (note 33.2)	-	(2,479,505)
	656,217	191,190

21.1 This represents amounts due to following related parties:

Dawood Hercules Corporation Limited	-	45,904
The Dawood Foundation	-	4,016
	-	49,919

21.2 This represents amount payable against the preference shares issued before amalgamation in the year 2004 by one of the merged entities to Islamic Development Bank with a right to redeem. The merged entity had served notice to the Bank for redemption before the scheme of amalgamation and redemption reserve had been created.

21.3 All deposits are interest free and are payable on demand. These amount include Rs 0.346 million (2023: Rs 0.346 million) utilized as per the agreement with the respective parties. The balance is not kept in a separate bank account.

21.4 Warranty obligation

	2024	2023
	----- (Rupees in '000) -----	
Balance at beginning of the year	52,421	59,137
Charge (note 28)	28,251	28,251
Reversal of excess provision (note 31)	-	-
Utilization during the year	(34,967)	(34,967)
Balance at end of the year	45,705	52,421

21.5 'This represents workers' profits participation fund liability. The Company has also recognized corresponding asset being a pass-through item under EPA. The movement in workers' profits participation fund payable is as follows:

	2024	2023
	----- (Rupees in '000) -----	
Balance at beginning of the year	180,929	82,784
Allocation for the year	173,113	173,113
Interest on fund utilized in TGL's business	4,560	4,560
	358,602	260,457
Less: Payments	(79,528)	(79,528)
Balance at end of the year	279,074	180,929

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- 21.6** This pertains to operation and maintenance contract with related party Reon Alpha (Private) Limited. Expected period for outflow of these economic benefits is 13 years.
- 21.7** This represents amount received from Juniper International FZ LLC against Group's net assets related to REL classified as held for sale (note 33). The amount has been kept in a separate escrow account.

22. PROVISIONS

In 1975, LWTM offered 130,520 right shares to National Investment (Unit) Trust, managed by National Investment Trust Limited (NIT), where the offer was accepted by NIT and acknowledged by LWTM. These events took place during the validity of the Consent Order dated January 2, 1976 issued by the Controller of Capital Issues. However, payment for the said shares was made by NIT after the expiry of the Consent Order based on which LWTM contended that it was no longer obliged to issue shares to NIT.

On October 3, 1998 a decree was passed by the High Court of Sindh (HCS) in favour of NIT wherein NIT was declared the owners of the right shares along with other consideration. The Holding Company filed an appeal in the HCS which suspended the operation of the impugned order. In 2016, the HCS decided the case in favour of NIT whereby the Holding Company was ordered to release the unissued shares, bonus shares, dividend accrued and interest till the date of the Decree of the HCS. In 2018, NIT filed an Execution Application before the HCS for the Order passed by HCS, whereby NIT expressed a disagreement on the amount of dividend payable thereto as communicated to it by the Holding Company.

On September 16, 2019, the Holding Company received an Order from the HCS wherein it was directed to deposit Rs 8.235 million with the Nazir for onward payment to NIT as originally agreed between the two parties and to transfer the underlying 241,950 shares of DCM to NIT. The Company obtained a correction in this Order from the HCS wherein the name of DCM was changed to Dawood Lawrencepur Limited and the word "transfer" of shares was changed to "issue" thereof. Moreover, the Holding Company obtained a concurrence of the Securities and Exchange Commission of Pakistan (SECP) upon the matter that the issue of aforesaid shares by the Holding Company to NIT in terms of the Order of the HCS dated October 3, 1998 did not attract applicability of section 83 of the Companies Act, 2017 and was, hence, allowed to proceed with the share issue in terms of section 344 thereof. In the year 2021, in compliance with the order of HCS, Holding Company has issued 241,950 shares as stated in note 16.

The Holding Company has estimated the total provision in respect of mark-up and dividend payments due to NIT to be Rs 15.595 million out of which the Holding Company has deposited Rs 8.235 million with the Nazir of High Court pursuant to the Court Order for onward payment to NIT. The Company anticipates that the remaining provision amounting to Rs 7.360 million maintained in these consolidated financial statements is sufficient to meet the remaining obligation of the Holding Company in respect of this matter.

23. ACCRUED MARK-UP

Mark-up on long-term borrowings
Mark-up on short-term borrowings

Related to disposal group (note 33.2)

	2024	2023
	----- (Rupees in '000) -----	
	131,493	218,460
	-	46,890
	131,493	265,350
	-	(264,598)
	131,493	752

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24. CONTINGENCIES AND COMMITMENTS

24.1 The Holding Company

Contingencies

24.1.1 Expenses not allocated to dividend income (Tax years 2004, 2005 and transition year 2005)

The Additional Commissioner Inland Revenue (ACIR) in its order dated January 1, 2011, amended the amount of allocation of expenses from business income to capital gain and dividend income to Rs 62.5 million from the original allocation of Rs 136.105 million. The Holding Company filed an appeal where disallowances of Rs 62.5 million were upheld by Commissioner Inland Revenue Appeals [CIR(A)]. On July 30, 2013, the Holding Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which decided the matter in favour of the Holding Company on December 18, 2018. On March 1, 2019 the department has filed a reference application before the High Court of Sindh (HCS) for the allocation of common expenses which is pending adjudication. Total increase in incidence of tax was Rs 25.762 million. Based on the opinion of the tax advisor, the Holding Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated financial statements.

24.1.2 Dividend income offset against business losses (Tax years 2006, 2008 and 2009)

Previously, the ACIR in his order dated May 6, 2014 had disallowed to set off dividend income against business losses for tax years 2008 and 2009 having a tax impact of Rs 13.926 million. On March 29, 2013, an appeal was filed with the ATIR who decided the matter in favour of the Holding Company on December 18, 2018. On March 1, 2019, the ACIR has filed a reference application before the HCS for the allocation of common expenses and minimum tax which is pending adjudication. Based on the opinion of the tax advisor, the Holding Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated financial statements.

24.1.3 Assessment of annual tax return (Tax year 2014)

The income tax return of the Holding company was selected for tax audit by the department through computer ballot on October 27, 2015. The Holding Company submitted the relevant information requested after which the department issued a show cause notice to Holding Company on May 16, 2016 citing several factual and legal issues in the assessment for tax year 2014. The Holding Company subsequently challenged the aforementioned proceedings in the HCS and obtained an interim stay.

During the year 2020, the HCS vacated the stay petition and decided the case in favour of the department upon which the DCIR through an order dated October 28, 2020 raised a demand of Rs 421.567 million. The Holding Company filed an appeal before the CIR(A) on November 9, 2020 who through an order dated January 14, 2021 had remanded back the matter to the Assessing Officer for re-examination. In order to conclude remand back proceedings notice was issued on May 12, 2023. In response the Holding Company being aggrieved filed second round of appeal to CIR(A). The CIR(A) through order dated September 14, 2023, ruled in the Holding Company's favor, extinguishing the tax demand of Rs 421.567 million and remanding the case for de novo proceedings due to the Holding Company not being given an opportunity to be heard. Based on the opinion of the tax advisor, the Holding Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated financial statements.

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Sales tax audit

24.1.4 Super Tax under section 4C of Income Tax Ordinance, 2001

On April 23, 2020, the Holding Company received an order for tax year 2017 from the Assistant Commissioner Inland Revenue (ACIR) raising a demand of Rs 87.492 million including default surcharge and penalty amounting to Rs 29.645 million and Rs 2.755 million respectively. The order was raised primarily on account of holding taxability of supplies made by the Holding Company as exempt and related inadmissible input sales tax. The Holding Company filed an appeal on June 3, 2020 against the aforementioned order before the Commissioner Inland Revenue (Appeals) [CIR(A)] who, vide an order dated July 22, 2020, upheld the demand of the ACIR to the extent of Rs 112 on account of inadmissible input tax deduction and remanded back the remaining matters contained in the order to the ACIR for fresh consideration. During March 2022, department initiated remand back proceedings on the remaining issues and vide order dated June 30, 2022 raised a tax demand of Rs 41.582 million by treating exempt supplies as taxable, claiming of inadmissible input of Rs 8.070 million and inadmissible adjustment of 0.057 million for which the Holding Company has filed appeal before CIR(A). Based on the opinion of the tax advisor, the Holding Company is confident that the matter will be decided in its favour. Hence, no further provision has been recognised in these unconsolidated financial statements.

24.1.5 Super Tax under section 4C of Income Tax Ordinance, 2001

In accordance with section 4C 'Super tax on high earning persons' introduced in the Income Tax Ordinance, 2001 (the Ordinance) through the Finance Act, 2022, a super tax at 10% has been imposed on the specified sectors (including the textile sector) in case the income exceeded Rs 300 million for the year ended December 31, 2021 (tax year 2022) while for other sectors super tax was levied at 4%.

The Holding Company filed a petition against the imposition of super tax before the Sindh High Court (SHC) which is pending adjudication. The Holding Company's management based on the advice of its legal advisor has recorded a provision of super tax at the rate of 4% amounting to Rs 24.980 million on prudent basis and, considers that the chances of additional super tax levy of 6% amounting to Rs 37.470 million are remote and therefore no provision is recorded thereagainst in these unconsolidated financial statements.

24.1.6 Tax on undistributed profits

The Holding Company obtained a stay order from the High Court of Sindh dated August 2, 2017 with regard to the amendment inserted through the Finance Act, 2017 relating to the taxation of undistributed profits as stated in section 5A of Income Tax Ordinance, 2001 [substituted through section 4(3) of the Finance Act, 2017]. The said interim order is still operating in favour of the Holding Company. On April 30, 2021, HCS passed an order in favour of the companies appellant of this constitutional petition and struck down this subject section of the ITO 2001. However, on July 1, 2021, FBR has filed a constitutional appeal against the aforementioned matter with the Honourable Supreme Court of Pakistan, which is pending for hearing. The Holding Company is confident of the favourable outcome, hence no provision has been recognised in these unconsolidated financial statements.

24.1.7 Commitments

The Holding Company is committed, as a Sponsor, to purchase shares of Tenaga Generasi Limited (TGL) from International Finance Corporation (IFC) on the exercise of put option by IFC under the Shareholders' Agreement entered into among the Holding Company, TGL and Dawood Corporation (Private) Limited as the shareholders of TGL under conditions (i) at any time during the period beginning on the seventh anniversary of the first subscription until Liquidity date; or (ii) in the event that Tenaga Generasi Limited and the Holding Company breach any of the obligations set out in the shareholders' agreement.

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24.1.8 Guarantees issued in respect of subsidiaries

In respect of Tenaga Generasi Limited (TGL)

The Holding Company has arranged a Stand-by Letter of Credit (SBLC) amounting to USD 7.010 million in favor of the lenders of Tenaga Generasi Limited. The said facility is secured by way of a first pari passu charge on immovable property and pledge over the Holding Company's investments in TGL.

In respect of Reon Energy Limited (REL)

During the year, the following corporate guarantees issued by the Holding Company in favour of the lenders of REL were discharged as per the terms of SPA:

- Rs 300 million to MCB Bank Limited to secure unfunded facility provided to REL for the import / purchase of plant, machinery, stores, and spares;
- Rs 500 million to Karandaaz Pakistan through JS Bank Limited against financing facilities for REL.
- Rs 600 million to Bank Al Habib Pakistan Limited to secure a long-term running facility for REL.

In respect of Reon Alpha (Private) Limited (RAPL)

The Holding Company has provided a corporate guarantee amounting to Rs 206 million in favour of Faysal Bank Limited to secure the musharika financing facility of RAPL of Rs 309 million. Further, the Holding Company has also pledged shares of RAPL as stated in note 8.2.

- 24.1.9** The Holding Company is contingently liable for bank guarantees amounting to Rs 31.305 million (2023: Rs 37.897 million) favouring the Government and various other parties. These have been issued against mobilization advances and performance in respect of sale of goods and rendering of services for a tenure varying from three months to three years.

24.2 Tenaga Generasi Limited (TGL)

Contingencies

- 24.2.1** On December 28, 2017, the Deputy Commissioner Inland Revenue (DCIR) issued an order for tax year 2016 in relation to monitoring under sections 161/205 amounting to Rs 282.281 million with the default surcharge and penalty amounting to Rs 33.874 million and Rs 28.228 million respectively. TGL filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. The CIR(A) annulled the tax demand and remanded back the case to DCIR for reverification vide order dated January 24, 2018 and required TGL to provide necessary documentation to support the case. The details in connection with the CIR(A) order were duly submitted by TGL which were not considered and the order was finalised by the DCIR, maintaining the tax assessment and penalties on April 17, 2018. Being aggrieved by the order, TGL appealed before CIR(A) on May 4, 2018 which was remanded back for fresh proceedings on June 15, 2020. Since the case has been again remanded back, the management of TGL, based on the advice of its tax consultants, has not recorded any provision in these consolidated financial statements.
- 24.2.2** On April 27, 2018, the Officer Inland Revenue (OCIR) through an order raised sales tax demand amounting to Rs 97.282 million along with default surcharge arising due to inadmissibility of input sales tax credit related to civil works carried out on account of building and foundation of wind turbines. TGL filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on May 14, 2018 on the grounds that sales tax at 14% was paid on services for installation of wind project which is related to the core taxable activity for the business and is, therefore, admissible as per law. The CIR(A) passed the order

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and confirmed the demand raised by the OCIR. Subsequent to which TGL has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A). The ATIR has passed the order whereby case has been remanded back for reconsideration. However, no remand back proceeding has been initiated yet. Since the case has been remanded back, the management of TGL, based on the advice of its tax consultants has not recorded any provision in these consolidated financial statements.

24.2.3 On August 31, 2022, the Deputy Commissioner Inland Revenue (DCIR) issued an order for tax year 2019 in relation to monitoring under section 161(1) amounting to Rs 18.837 million with the default surcharge and penalty amounting to Rs 9.388 million and Rs 1.884 million respectively. The details in connection with payment of withholding taxes were duly submitted which were not considered by the department while passing the impugned order. Therefore, the rectification request and the appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] were filed. The CIR(A) annulled the tax demand and remanded back the case for re-verification vide order dated September 14, 2023. During the year DCIR has issued a notice for initiating appeal effect proceedings on July 25, 2024 raising a tax demand amounting to Rs 71.331 million without considering the previous submissions made. The notice was responded on September 5, 2024. The management of TGL, based on the advice of its tax consultants, has not recorded any provision in these consolidated financial statements.

24.3 Reon Alpha Private Limited (RAPL)

Contingencies

24.3.1 Under section 6.7 of Power Purchase Agreement (PPA) between RAPL and Sindh Engro Coal Mining Company (SECMC), upon expiry of the operating year, if Energy Output supplied by RAPL is less than the Minimum Energy Output (MEO), RAPL is liable to pay the Alternate Energy Cost (AEC) to SECMC which is a pass through item under section 6.2 of the Operations and Maintenance agreement between RAPL and Reon Energy Limited (REL).

During 2023, RAPL was not able to meet MEO resulting in a shortfall of 1,136,589 KWh. The management is of the view that since the underlying amount to be paid is based on tariff which has not been intimated by SECMC, a reliable estimate can not be made against the same as at the reporting date and accordingly no provision against the said amount has been recognised in these financial statements.

However, these AEC are to be passed through to the Operations and Maintenance (O&M) contractor, REL, as per the terms of the O&M agreement. RAPL retains the right to recover these costs from REL in accordance with the agreed contractual terms.

24.3.2 On October 25, 2024, RAPL received an order for tax year 2022 from the Assistant Commissioner Inland Revenue (ACIR) raising a demand of Rs 18.193 million. The order was raised primarily by adding back certain under certain expenses e.g. energy cost, loan, addition in assets and trade debts. RAPL filed an appeal on January 2, 2025 against the aforementioned order before the Commissioner Inland Revenue (Appeals) [CIR(A)] on the ground that the business income of RAPL has been taxed erroneously without considering the fact that income of an IPP is exempt from tax under clause 132 of Part I, second Schedule to the Income tax Ordinance, 2001. Based on the opinion of the tax advisor, RAPL is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these consolidated financial statements.

24.3.3 Commitments

RAPL has committed to generate and transmit 76,233,492 Kwh (2023: 83,908,289 Kwh) of energy and pay its operation and maintenance contractor, Reon Energy Limited Rs 122,371,905 (2023: Rs 131,265,468.) over the span of next eleven years.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

2024

2023

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

25. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Renewable and alternate energy

Timing of revenue recognition:

- Over time (notes 25.1)

- At a point in time (note 25.2)

Less: Sales tax

- sales tax

- advance income tax

- electricity duty

- provision for penalty charges

Textile

- At a point in time

Less: Sales tax

Related to discontinued operations (note 33.5)

Related to disposal group (note 33.3)

8,976,357	12,383,172
3,696,978	2,008,977
12,673,335	14,392,149
(1,236,199)	(1,253,165)
(1,293)	(1,845)
(1,706)	(310)
-	(1,732)
11,434,137	13,135,097
3,395	4,776
(518)	(725)
2,877	4,051
11,437,014	13,139,148
(2,877)	(4,051)
(6,773,858)	(7,255,449)
4,660,279	5,879,648

- 25.1** Includes revenue in respect of RAPL energy sales to Sindh Engro Coal Mining Company (SECMC).
- 25.2** Includes income arising on trading solar equipment and other renewable energy components.
- 25.3** Revenue during the year amounting Rs 506.711 million (2023: Rs 1,097.135 million) includes opening balance of the contract liability.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

26. COST OF REVENUE

Renewable energy

Stock-in-trade - at beginning of the year
Purchases and related expenses
Salaries and allowances
Contracted services
Depreciation on operating assets (note 5.1.6)
Travelling expenses
Transportation and handling charges
Fees and subscription
Reversal of provision for slow moving
and obsolete items
Miscellaneous expenses

2024

2023

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

-
5,193,911
265,831
95,826
31,784
40,942
37,516
9,782
-
264,993
5,940,585

-
5,196,515
253,497
203,036
43,342
71,971
66,242
9,308
-
101,802
5,945,713

Alternate energy

Depreciation on property, plant and
equipment (note 5.1.6)
Depreciation on right-of-use assets (note 6.1)
Insurance
Travelling expenses
Fuel
Repair and maintenance
Operations and maintenance cost
Energy import charges
Others (note 26.1)

319,447
5,748
122,111
1,652
1,993
40,912
655,811
22,239
53,697
1,223,610

931,962
5,770
106,191
3,998
3,942
667
646,094
19,533
27,815
1,745,972

Textile - Finished goods

Stock-in-trade - at beginning of the year
Stock-in-trade at end of the year

6,102
(3,060)
3,042

10,426
(6,102)
4,324

Related to discontinued operations (note 33.5)
Related to disposal group (note 33.3)

7,167,237
(3,042)
(5,912,879)
1,251,316

7,696,009
(4,324)
(5,891,614)
1,800,070

26.1 This amount includes Rs 34.906 million (2023: Rs 24.651 million) for security services at plant site.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
27. SELLING AND DISTRIBUTION EXPENSES		
Salaries and allowances (note 27.1)	186,754	217,070
Depreciation on operating assets (note 5.1.3)	2,400	2,102
Depreciation on right-of-use assets (note 6.1)	2,110	6,184
Conveyance and travelling	13,072	17,987
Fees and subscription	3,039	8,650
Postage and telephone	1,521	1,462
Electricity, gas and water	918	984
Rent, rates and taxes (note 27.2)	14,410	2,603
Printing and stationery	409	127
Repairs and maintenance	3,877	2,027
Freight and insurance	603	1,332
Amortization	13,600	9,108
Advertisement	2,975	26,131
Legal and professional charges	9,124	6,240
Warranty obligation - net	10,000	28,251
Entertainment	591	1,247
Miscellaneous	16,854	8,175
	282,257	339,680
Related to discontinued operations (note 33.5)	(29)	(41)
Related to disposal group (note 33.3)	(282,228)	(339,639)
	-	-

27.1 This includes Rs 6.447 million (2023: Rs 8.8 million) in respect of staff retirement benefits.

27.2 This represents rentals paid under short-term leasing arrangements.

	2024	2023
	----- (Rupees in '000) -----	
28. ADMINISTRATIVE EXPENSES		
Salaries and allowances (note 28.1)	259,080	280,646
Legal and professional	119,778	90,389
Rent, rates and taxes (note 28.2)	36,159	40,440
Electricity and gas	29,743	37,752
Depreciation on operating assets (note 5.1.3)	9,127	14,210
Amortization	128	-
Printing and stationery	2,306	3,289
Fees and subscription	231,120	108,530
Insurance	20,536	3,725
Conveyance and travelling	36,481	12,618
Repairs and maintenance	10,022	27,057
Postage and telephone	4,936	5,929
Entertainment	21,974	7,053
Provision for doubtful debts - net	-	3,364
Auditors' remuneration (note 28.3)	25,812	18,390
Miscellaneous (note 28.4)	36,831	23,808
	844,033	677,199
Related to discontinued operations (note 33.5)	(102,470)	(95,515)
Related to disposal group (note 33.3)	(304,241)	(306,575)
	437,322	275,110

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

28.1 Salaries and allowances include Rs 6.806 million (2023: Rs 10.095 million) in respect of staff retirement benefits.

28.2 This represents short term leases or leases of low-value assets.

28.3 Auditor's remuneration

The aggregate amount charged in respect of auditors' remuneration is as follows:

- annual audit
- half yearly review
- consolidated financial statements
- certification and other advisory services
- taxation services
- other assurance services
- Reimbursement of expenses

2024	2023
----- (Rupees in '000) -----	----- (Rupees in '000) -----
5,473	5,043
488	1,160
1,307	388
6,652	4,271
10,030	4,605
540	402
1,321	2,521
25,811	31,321

28.4 This includes Rs 2.213 million (2023: Rs 2.882 million) given to Friends of Education for renovation, operations and maintenance of a school in village Faqeer Muhammad Rajero, Sindh, Rs nil million (2023: Rs 3.200 million) given to Business and Conservation Group for Mangroves Plantation in the vicinity of the Plant and Rs 3.433 million (2023: nil) given to H.R.H electrical and Engineering Electronics.

29. OTHER EXPENSES

- Impairment loss on operating assets (note 29.1)
- Demurrage and detention of imports
- Provision for impairment
- Exchange gain
- Allowance for expected credit loss (note 10.5)
- Duties on local purchases

- Loss on disposal of operating assets (note 5.1.2)
- Others

Related to disposal group (note 33.3)

2024	2023
----- (Rupees in '000) -----	----- (Rupees in '000) -----
-	2,674
2,038	57,444
-	3,796,326
4,508	9,213
62,731	7,444
1,840	-
-	12,224
2,550	291
73,667	3,885,615
(66,609)	(76,960)
7,058	3,808,656

29.1 Pertains to renewable and alternative energy segment of the Group.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023
-----	-----
(Rupees in '000)	

30. OTHER INCOME - Net

Income from financial assets

Dividend income on investments	183,599	118,037
Profit on bank deposits	391,247	252,882
Exchange gain	16,630	24,923
Profit on sale on investment in quoted shares	9,416	-
Profit on sale of units of mutual funds	82,526	-
Gain / (loss) on remeasurement of investments at fair value through profit or loss	1,161,663	(27,930)
Interest income on short-term investments	38,058	14,297
	1,883,139	382,209

Income from non-financial assets and others

Royalty income	43,471	38,800
Reversal of provision for impairment	3,121,263	-
Insurance claim (note 30.1)	1,469	214,532
Withholding tax on dividend	78,750	-
Rental income	64,828	47,400
Gain on disposal of operating assets	8,774	170
Others	20,772	58,761
	3,339,327	359,664

Related to discontinued operations (note 33.5)	5,222,466	741,873
Related to disposal group (note 33.3)	(88,454)	(94,893)
	(58,378)	(47,915)
	5,075,634	599,065

30.1 INSURANCE CLAIM / SETTLEMENT RECEIVED

30.1.1 On January 16, 2022, the Company's Wind Turbine Generator No-33 tripped off due to fire originated from Compact Substation (CSS-07) Switch Gear Room and then spread out to transformer chamber. Transformer external devices / apparatus were found damaged with fire. A new compact substation (CSS) was installed and energised on October 13, 2022 as a replacement of damaged CSS.

The replacement amount and loss of revenue due to business interruption were covered under the Company's insurance policy. During the year 2022, the insurance company had disbursed partial claim amounting to Rs 84.332 million in respect of plant damage and loss of revenue due to business interruption while the remaining claim amounting to Rs 137.781 million was finalised in year 2023.

30.1.2 During the year 2019, the Company had entered into an insurance arrangement for Wind Production. In 2021, the Company raised a claim for maximum amount payable under the policy amounting to USD 1 million. In 2022, the said claim was rejected by the insurance company. During the year 2023, the Company reached a settlement of the claim for an amount of USD 0.271 million (i.e. Rs 76.751 million).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
31. FINANCE COST		
Mark-up on long-term borrowings	799,568	1,121,574
Amortization of transaction costs (note 19.6)	29,439	29,531
Interest on Workers' Profits Participation Fund liability	10,114	4,560
Interest expense on lease liability	14,439	18,921
Mark-up on short-term borrowings	67,286	209,350
Other financial and bank charges	113,193	159,736
	1,034,039	1,543,672
Less: Delayed payment charges of overdue trade debts	(443,936)	(456,509)
	590,103	1,087,163
Related to disposal group (note 33.3)	(107,433)	(286,667)
	482,670	800,496
32. TAXATION		
Levy	130,561	120,554
Levy related to disposal group (note 32.2)	(85,093)	(91,198)
	45,468	29,356
Current		
- for the year (notes 32.1)	532,038	493,469
- for prior year - net	(19,137)	69,410
	558,369	592,235
Deferred	97,216	717,603
	655,585	1,309,838
Related to disposal group (note 33.3)	(12,882)	42,218
	642,703	1,352,056
32.1	The income of TGL and RAPL being derived from Electric Power Generation Project is exempt from the levy of tax under clause 132 of the Second Schedule to the Income Tax Ordinance, 2001. The income is also exempt from minimum tax on turnover under clause 11 A of part IV of the Second Schedule to the Income Tax Ordinance, 2001.	
32.2	Levy consist of minimum tax charged under section 113 of the Income Tax Ordinance, 2001 on REL's turnover for the year.	

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

2024 2023
----- (Rupees in '000) -----

32.3 Relationship between tax expense and accounting profit

Profit for the year before taxation	9,785,517	1,112,367
Tax at the applicable tax rates of 29% (2023: 29%)	2,837,800	322,586
Tax effect of:		
- Income on which levy is charged	(52,743)	(34,052)
- Exempt income	(610,230)	(933,289)
- Income taxed at reduce rate	(386,779)	(219,459)
- Share of profit from associate	86,456	790,673
- Super tax	209,021	156,408
- Impact of impairment	(905,166)	1,100,935
- Adjustment in respect of the prior year charge	(19,137)	69,410
- Loss on sale of REL	(493,760)	-
- Others	(22,759)	98,844
	642,703	1,352,056

33. (LOSS)/ PROFIT FROM DISPOSAL GROUP AND DISCONTINUED OPERATIONS

33.1 DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

33.1.1 During the year the Holding Company completed the sale of REL at an aggregate amount of Rs 100 million to Juniper International FZ LLC as per the terms and conditions under REL share purchase agreement (REL SPA).

33.1.2 The Board of Directors of the Holding Company in its meeting held on December 18, 2023 decided to dispose the entire shareholding of the Holding Company in the shares of Tenaga Generasi Limited (TGL). Based on the expectation that (i) the envisaged sale was expected to be completed within one year from the date of the decision; and (ii) there was high probability of obtaining the approvals from the International Finance Corporation (IFC), the other shareholder of TGL which has tag along right, and the shareholders of the Company, the assets and liabilities of TGL had been classified as 'disposal group'.

During the year, the Holding Company entered into a Shares Purchase Agreement (TGL SPA) dated February 12, 2024 with Artistic Milliner (Private) Limited which was subject to certain conditions required to be complied with up to the long-stop date of September 6, 2024. The related consideration specified in the TGL SPA against TGL's 100% stake was US Dollars 30.9 million, subject to certain adjustments.

As part of the envisaged TGL transaction, IFC through its letter dated March 11, 2024 agreed to tag along with the said transaction and also the transaction was approved by the Holding Company's shareholders in the Annual General Meeting held on May 29, 2024. Subsequent to these approvals, certain other conditions required for completing the disposal transaction were not met by up to the time stipulated in the SPA and, therefore, the buyer ultimately chose not to proceed with the transaction and the TGL SPA was terminated.

Following the termination of the TGL SPA and in view of the prevalent condition pertaining to the energy sector of the country, the Company's decision to continue with the sale of its shareholding in TGL immediately in its present condition has changed. Accordingly, the assets and liabilities of the TGL have been reclassified to continuing operations. This has also resulted in reversal of impairment provision amounting to Rs 3,121.263 million in these consolidated financial statements.

Discount rate

The discount rate of 16.26% has been applied to the cashflow projections of the CGU which has been calculated using Capital Asset Pricing Model.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Exchange rate

The exchange rate devaluation considered at the rate of 8% per annum. This is based on management forecast using historic trends and outlook from market experts.

33.2 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

2024

2023

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

Assets classified as held for sale

Non-current assets

Property, plant and equipment
Right-of-use assets
Intangible assets
Deferred taxation - net
Long-term loans

127,376

13,640,609

-

88,220

39,607

51,489

423,325

434,974

369

369

590,677

14,215,661

Current assets

Stock-in-trade
Trade debts
Contract assets
Loans and advances
Deposits, prepayments and other receivables
Taxation - net
Short-term investments
Accrued return
Sales tax receivable
Cash and bank balances

514,635

1,444,699

1,430,030

4,542,443

822,209

1,440,693

302,461

133,568

887,511

2,375,830

115,662

165,645

17,859

42,471

304

257

3,288

69,330

581,176

2,263,533

4,675,135

12,478,469

-

(4,499,518)

Impairment loss

TOTAL ASSETS OF DISPOSAL GROUP

5,265,812

22,194,612

Liabilities directly associated with assets classified as held for sale

Non-current liabilities

Staff retirement benefits
Long-term finances
Lease liabilities

79,320

79,852

399,541

5,758,936

-

116,502

478,861

5,955,290

Current liabilities

Current portion of:

Long-term finances
Lease liabilities

90,426

2,517,316

-

20,134

Trade and other payables

1,239,698

2,479,505

Contract liabilities

2,579,271

861,981

Short term financing

-

853,654

Accrued mark-up

5,866

264,598

Taxes payable

-

43,207

3,915,261

7,040,395

TOTAL LIABILITIES

4,394,122

12,995,685

NET ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

871,690

9,198,927

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

33.3 FINANCIAL PERFORMANCE OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	2024	2023
	----- (Rupees in '000) -----	
FOR THE YEAR ENDED DECEMBER 31, 2024		
Revenue from contracts with customers - net (note 25)	6,773,858	7,255,449
Cost of revenue (note 26)	(5,912,879)	(5,891,614)
Gross profit	860,979	1,363,835
Selling and distribution expenses (note 27)	(282,228)	(339,639)
Administrative expenses (note 28)	(304,241)	(306,575)
Other expenses (note 29)	(66,609)	(76,960)
Other income (note 30)	58,378	47,915
Profit from operations	266,278	688,577
Finance cost (note 31)	(107,433)	(286,667)
Profit before taxation	158,845	401,910
Levy	(85,093)	(91,198)
Taxation	(12,882)	42,218
Profit after taxation	60,870	352,930
Impairment loss	(68,498)	(703,192)
(Loss) / profit for the year	(7,628)	(350,262)

33.3.1 Represents impairment recognised in the carrying value of related assets for the following Cash Generating Units:

	2024	2023
	----- (Rupees in '000) -----	
Tenaga Generasi Limited (TGL)	-	3,796,326
Reon Energy Limited (REL)	-	703,192
	-	4,499,518

33.4 CASHFLOWS GENERATED BY DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

Net cash generated from operating activities	1,265,726	4,009,476
Net cash generated from investing activities	23,242	423,524
Net cash used in financing activities	(76,971)	(3,992,870)
Net increase in cash and cash equivalents generated	1,211,997	440,130

33.5 LOSS FROM DISCONTINUED OPERATIONS

Revenue - net (note 25)	2,877	4,051
Cost of revenue (note 26)	(3,042)	(4,324)
Gross loss	(165)	(273)
Selling and distribution expenses (note 27)	(29)	(41)
Administrative expenses (note 28)	(102,470)	(95,515)
Other income (note 30)	88,454	94,893
Net loss from discontinued operations	(14,210)	(936)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

34. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

34.1 Basic EPS has been calculated by dividing the profit attributable to equity holders of the Holding Company by weighted average number of ordinary shares in issue during the year.

34.2 As at December 31, 2024, there is no dilutive effect on the basic earnings per share of the Holding Company.

	2024	2023
	----- (Rupees in '000) -----	
34.3 Continuing operations		
Profit for the year attributable to the ordinary equity holders of the Holding Company	9,188,282	(210,333)
Weighted average number of ordinary shares	59,299,809	59,299,809
Earnings / (loss) per share (Rupees)	154.95	(3.55)
34.4 Disposal group and discontinued operations		
Loss for the year (attributable to the ordinary equity holders of the Holding Company (note 34.4.1 and 34.4.2))	(21,838)	(351,198)
Weighted average number of ordinary shares	59,299,809	59,299,809
(Loss) per share (Rupees)	(0.37)	(5.92)
34.4.1 Disposal group		
(Loss) / profit for the year attributable to the ordinary equity holders of the Holding Company	(7,628)	(350,262)
Weighted average number of ordinary shares	59,299,809	59,299,809
(Loss) per share (Rupees)	(0.13)	(5.91)
34.4.2 Discontinued operations		
Loss for the year attributable to the ordinary equity holders of the Holding Company	(14,210)	(936)
Weighted average number of ordinary shares	59,299,809	59,299,809
Loss per share (Rupees)	(0.24)	(0.02)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

35.1 The aggregate amounts charged during the year in respect of remuneration, including all benefits, to the chief executive, directors of the Holding Company and executives of the Group are as follows:

	2024			2023		
	Directors			Directors		
	Chief Executive	Others	Executives	Chief Executive	Others	Executives
	(Rupees in '000)					
Managerial remuneration	4,458	-	41,648	20,737	-	180,625
Bonus	-	-	2,091	-	-	991
House rent allowance	-	-	-	-	-	-
Medical allowance	-	-	2,066	972	-	9,618
Utilities	-	-	-	-	-	-
Bonus	-	-	-	-	-	-
Fuel allowance	-	-	2,255	989	-	18,242
Vehicle maintenance allowance	-	-	4,181	1,176	-	26,156
Retirement benefits	-	-	-	-	-	-
Employee share options	-	-	-	-	-	-
Fees	-	850	-	-	850	-
Other benefits	-	-	268	-	-	1,477
Fees	-	-	-	-	-	-
Total	4,458	850	52,509	23,874	850	237,109
Number of persons, including those who worked part of the year	2	7	67	2	7	67

36. SHARIAH COMPLIANCE DISCLOSURE

	-----2024-----			-----2023-----		
	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
	----- (Rupees '000) -----					
Statement of financial position						
Long term investment	-	12,011,194	12,011,194	-	10,656,105	10,656,105
Trade debts	-	1,714,110	1,714,110	-	5,664	5,664
Short-term investments	2,222,026	1,842,626	4,064,652	852,836	450,973	1,303,809
Cash and bank balances	3,108,397	-	3,108,397	145,897	-	145,897
Interest accrued receivable	9,060	-	9,060	44	-	44
Trade and other payables	-	656,217	656,217	-	191,190	191,190
Short-term borrowings	5,482,636	-	5,482,636	247,176	-	247,176
Accrued interest payable	131,493	-	131,493	752	-	752
Statement of profit or loss						
Revenue	-	4,660,279	4,660,279	-	5,879,648	5,879,648
Interest paid on borrowings	866,854	-	866,854	1,330,924	-	1,330,924
Profit on sale of investment in quoted shares	9,416	-	9,416	-	-	-
Profit on sale of units of mutual funds	46,530	35,779	82,309	-	-	-
Gain on disposa of property, plant and equipment and scrap sales	-	24,132	24,132	-	31,733	31,733
Royalty, rental and farming income	-	129,071	129,071	-	144,961	144,961
Interest income on bank deposits	391,247	-	391,247	252,882	-	252,882
Dividend income	159,391	62,266	62,266	132,334	-	132,334

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
37. FINANCIAL INSTRUMENTS BY CATEGORY		
37.1 Financial assets		
- Financial assets at fair value through profit or loss		
Long-term investments	28,060	15,184
- Financial assets at fair value through other comprehensive income		
Long-term investments	15	15
- Financial assets at amortized cost		
Long-term deposits	2,778	2,778
Trade debts	1,714,110	5,664
Loans to employees	2,438	1,754
Deposits and other receivables	2,638,275	46,149
Accrued Interest	9,060	46
Short-term investments	4,064,652	1,303,809
Cash and bank balances	3,108,397	145,897
	11,539,710	1,506,097
37.2 Financial liabilities		
- At amortized cost		
Long-term borrowings	5,482,636	247,176
Trade and other payables	514,755	281,617
Lease liabilities	123,847	-
Unclaimed and unpaid dividend	77,585	78,046
Accrued mark-up	131,493	752
	6,330,316	607,591

38. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's risk management program focuses on unpredictability of the financial markets for having cost effective funding as well as to manage financial risk to minimise earnings volatility and provide maximum return to the shareholders. Risk management is carried out by the Holding Company's finance department under the policies approved by the Holding Company's Board of Directors.

38.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk. It comprises the following risks:

i) Currency risk

Currency risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. Currency risk

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exists due to the Group's exposure resulting from outstanding import payments, foreign currency bank balances, outstanding borrowings and the related interest payments. At the reporting date, the Group is exposed to currency risk as follows:

	2024	2023
	----- (Rupees in '000) -----	
Foreign currency borrowings (note 19)	(4,566,057)	(6,745,237)
Foreign currency accrued markup	(101,294)	(161,464)
Bank balance in foreign currency deposit accounts (note 15)	40,606	37,340
Net liability	(4,626,745)	(6,869,361)

As at reporting date, had there been increase / decrease of 10% in exchange rates with all other variables held constant, net cash outflow would have been higher / lower by Rs 462.675 million (2023: Rs 686.936 million), however, cash outflow related to foreign currency borrowings of Rs 466.735 million (2023: Rs 690.67 million) have impact on profit before taxation through depreciation expense over the useful life of plant and machinery, as the exchange differences on foreign currency borrowings are capitalised in the cost of plant and machinery, on the basis of waiver granted by SECP vide its SRO 24(I) / 2012 dated January 16, 2012 which was partially modified by its SRO 986(I) / 2019 dated September 2, 2019. Therefore, the Group is not materially exposed to the currency risks as at reporting date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

ii) Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Group analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into account various other financing options available. For borrowing at variable rates, the rates are determined in advance for stipulated periods with reference to KIBOR and LIBOR.

The Group's interest rate risk arises from interest bearing financial assets namely overdue but not impaired receivables, cash at bank in deposit accounts and interest bearing financial liabilities namely long-term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk. The Group's exposure to interest rate risk on long-term borrowings for the alternate energy business is limited as the unfavorable fluctuation in interest rates of long-term borrowings from financial institutions is recovered through adjustment in tariff as per the EPA. At December 31, 2024, if interest rates on the Group's long-term borrowings, receivables and balances in deposit accounts had been 1% higher / lower with all other variables held constant, post-tax profit for the year would have been higher / lower by Rs 8.258 million (2023: lower / higher by Rs 37.782 million).

The Group also maintains balances with banks in local and foreign currency deposit accounts that are interest bearing which expose it to fair value interest rate risk which is not expected to be material.

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TGL's Plan - Transition of LIBOR to alternative arrangements

TGL has foreign borrowing with IFC as disclosed in note 25 which is subject to interest rate benchmark reforms, which have yet to transition. The consultation between the Group and IFC will commence in due course and transition will be completed in 2025 as per agreed plan.

iii) Other price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is exposed to price risk mainly on account of investments held in units of mutual funds the rates of which are based on the rates announced by the issuer on the Mutual Funds Association of Pakistan and investments held in quoted shares of listed securities. As at reporting date, had there been increase / decrease of 1% in fair value with all other variables held constant, profit before taxation would have been higher / lower by Rs 40.927 million (2023: Rs 0.238 million). This analysis assumes that all other variables remain constant.

38.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter party fail to perform as contracted. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Credit risk arises from deposits with banks and financial institutions, trade debts, loans, deposits, investments in mutual funds, NIT units and other receivables. The maximum exposure to credit risk is equal to the carrying amount of financial assets. The carrying value of financial assets, exposed to credit risk are as follows:

	2024	2023
	----- (Rupees in '000) -----	
Long-term deposits	2,778	2,778
Trade debts	1,714,110	5,664
Loans to employees	2,438	1,754
Deposits and other receivables	2,638,275	46,149
Accrued interest	9,060	46
Short-term investments	213,920	145,809
Bank balances	3,108,397	145,737
	7,688,978	347,937

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Balances with banks and short-term investments

The credit risk arising on balances with banks as these denote depositories / investee entity having reasonably high credit ratings, the analysis of which is given below:

Bank / Asset management Company	2024		
	Rating agency	Short-term	Long-term
Bank AL Habib Limited	PACRA	A-1+	AAA
Habib Bank Limited	JCR - VIS	A-1+	AAA
MCB Bank Limited	PACRA	A-1+	AAA
Faysal Bank Limited	PACRA	A-1+	AA
National Bank of Pakistan	JCR - VIS	A-1+	AAA
Citibank N.A.	Moody's	P-1	Aa3
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
United Bank Limited	VIS	A-1+	AAA
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA
Meezan Sovereign Fund	PACRA	-	AM-1
Atlas Money Market Fund	PACRA	-	AA+(f)
NBP Money Market Fund	PACRA	-	AA (f)
National Investment Trust Limited	PACRA	-	AM-1
MCB Cash management optimizer	PACRA	-	AA+(f)
UBL Cash Fund - Class A	VIS	-	MFR 5
Pakistan Cash Management Fund	PACRA	-	AA+(f)

Bank / Asset management Company	2023		
	Rating agency	Short-term	Long-term
Bank AL Habib Limited	PACRA	A-1+	AAA
Habib Bank Limited	JCR - VIS	A-1+	AAA
MCB Bank Limited	PACRA	A-1+	AAA
Faysal Bank Limited	PACRA	A-1+	AA
National Bank of Pakistan	JCR - VIS	A-1+	AAA
Citibank N.A.	Moody's	P-1	Aa3
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
Al Baraka Bank Limited	JCR - VIS	A-1	A+
JS Bank Limited	PACRA	A-1+	AA-
National Investment Trust Limited	PACRA	-	AM1
United Bank Limited	VIS	A-1+	AAA
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA
Meezan Bank Limited	JCR - VIS	A-1+	AAA
Pak Oman Investment Company Limited	JCR - VIS	A-1+	AA+

Other financial assets

The remaining financial assets of the Group are either not material to these consolidated financial statements or, being amounts due from related parties or held with the Government of Pakistan which are secured by sovereign guarantee, hence risk of default is minimal.

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Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by the changes in economic, political or other conditions.

38.3 Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities. The Group's liquidity management involves projecting cash flows and considering the level of liquid funds necessary to meet these, monitoring balance sheet liquidity ratios against external regulatory requirements and maintaining debt financing plans. These objectives are achieved by maintaining sufficient cash and readily marketable securities and availability of funding through committed credit facilities. Due to dynamic nature of the business, the Group maintains flexibility in funding by maintaining committed credit lines available.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the undiscounted contractual cash flows.

	2024			2023		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	(Rupees '000)					
Financial liabilities						
Long-term borrowings	3,611,194	3,157,299	6,768,493	23,825,933	228,023,034	251,848,967
Lease liabilities	9,762	239,169	248,931	-	-	-
Trade and other payables	584,201	-	584,201	281,617	-	281,617
Accrued mark-up	131,494	-	131,494	752	-	752
Unclaimed dividend	77,585	-	77,585	78,046	-	78,046
Unpaid dividend	3,284	-	3,284	-	-	-
	<u>4,417,520</u>	<u>3,396,468</u>	<u>7,813,988</u>	<u>24,186,348</u>	<u>228,023,034</u>	<u>252,209,382</u>

39. CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital, i.e. its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders or issue new shares.

The management of the Group at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase overall profitability. The Group also assesses compliance with debt covenants based on requirements of related agreements.

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The Group manages its capital by maintaining gearing ratio at certain level. The ratio is calculated as net debt divided by total capital. Total capital is calculated as 'equity' in the consolidated statement of financial position plus net debt. The gearing ratio as at December 31 is as follows:

	2024	2023
	----- (Rupees in '000) -----	
Total debt	5,482,636	247,176
Total equity	26,731,955	18,216,938
Total capital	32,214,591	18,464,114
Gearing ratio	17.02%	1.34%
IFC's debt equity ratio covenant's limit is	80%	80%
Covenant compliance status	Compliant	Compliant

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

40. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Group to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** 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); and
- **Level 3:** Inputs for the asset or liability that are not based on observable market data.

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The Group held the following financial assets measured at fair values:

As at December 31, 2024				
	Level 1	Level 2	Level 3	Total
----- (Rupees `000) -----				
Non-current assets				
Financial assets at fair value through profit or loss				
- Long-term investments (investments in units of mutual funds)	-	28,060	-	28,060
Financial assets at fair value through other comprehensive income				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
Current assets				
Financial assets at fair value through profit or loss				
- Short-term investments (investments in quoted equity shares)	3,850,732	-	-	3,850,732
- Short-term investments (investments in units of mutual funds)	-	213,920	-	213,920
	3,850,732	241,980	15	4,092,727

As at December 31, 2023				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Non-current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Long-term investments (investments in units of mutual funds)	-	15,184	-	15,184
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in unquoted equity shares)	-	-	15	15
Current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Short term investments (investments in quoted equity shares)	1,158,000		-	1,158,000
- Short-term investments (investments in units of mutual funds)	-	145,809	-	145,809
	1,158,000	160,993	15	1,319,008

As at December 31, 2024 and 2023, the carrying values of the remaining financial assets and liabilities of the Group reflected in these consolidated financial statements approximate their fair values.

Level 2 fair values have been determined on the basis of closing Net Asset Values for Mutual Fund Units.

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

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41. SEGMENT REPORTING

- 41.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined the operating segments based on the information that is presented to the Board of Directors of the Group for the allocation of resources and the assessment of performance. Based on internal management reporting structure and products produced and sold, the Group is organised into the following operating segments:

Type of segments	Nature of business
Renewable energy solutions	This part of the business represents power generation and sale of electricity in Pakistan using solar energy.
Alternate energy	This part of the business represents power generation and sale of electricity in Pakistan using wind energy.
Textile	This was legacy business of the Group and has been discontinued in prior years.
Other operations	It mainly includes management of investment in associate by the Holding Company.

Management monitors the operating results of the abovementioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in table below, is measured differently from profit or loss in the consolidated financial statements. Segment results and assets include items directly attributable to a segment.

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41.2 The following information presents operating results regarding operating segments for the year ended December 31, and financial position regarding operating segments as at December 31:

	Renewable energy		Textile - discontinued operations		Alternate Energy		Other operations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from contract with customers - net										
Timing of revenue recognition										
- At a point in time	3,335,488	1,833,507	2,877	4,051	-	-	-	-	3,338,365	1,837,558
- Over time	3,493,438	5,482,909	-	-	4,605,211	5,818,681	-	-	8,098,649	11,301,590
	6,828,926	7,316,416	2,877	4,051	4,605,211	5,818,681	-	-	11,437,014	13,139,149
Cost of revenue	(5,288,355)	(5,917,098)	(3,042)	(4,324)	(1,875,840)	(1,774,587)	-	-	(7,167,237)	(7,696,009)
Segment gross profit / (loss)	1,540,571	1,399,318	(165)	(273)	2,729,371	4,044,094	-	-	4,269,777	5,443,140
Selling and distribution expenses	(282,228)	(339,639)	(29)	(41)	-	-	-	-	(282,257)	(339,680)
Administrative expenses	(309,347)	(319,481)	(102,470)	(95,515)	(203,521)	(195,168)	(228,695)	(67,035)	(844,033)	(677,199)
Other expenses	(66,606)	(62,456)	-	-	(4,508)	(3,808,213)	(2,553)	(14,946)	(73,667)	(3,885,615)
Other income	55,508	144,359	88,454	94,893	3,573,598	458,569	1,504,906	44,052	5,222,466	741,873
Finance cost	(161,552)	(354,058)	-	-	(427,430)	(729,910)	(1,122)	(3,195)	(590,104)	(1,087,163)
Share of profit from associate	-	-	-	-	-	-	2,273,438	1,347,342	2,273,438	1,347,342
Levy	(85,093)	(91,198)	-	-	-	-	(45,468)	(29,356)	(130,561)	(120,554)
Taxation	(376,794)	(717,885)	-	-	(110,095)	(75,616)	(123,228)	(486,981)	(610,117)	(1,280,482)
Impairment loss	(68,498)	(703,192)	-	-	-	-	-	-	(68,498)	(703,192)
Segment net profit / (loss)	245,961	(1,044,232)	(14,210)	(936)	5,557,415	(306,244)	3,377,278	789,881	9,166,444	(561,531)
Segment assets										
Property, plant and equipment	252,459	277,173	14,752	10,464	12,487,873	-	885	8,101	12,755,969	295,738
Biological assets	-	-	1,604	-	-	-	-	-	1,604	-
Right-of-use assets	-	-	-	-	68,879	-	-	-	68,879	-
Intangible assets	-	-	-	-	-	-	107	-	107	-
Long-term investments	-	-	-	-	-	-	12,011,194	10,656,105	12,011,194	10,656,105
Long-term deposits	-	-	2,778	2,778	-	-	-	-	2,778	2,778
Long-term loans to employees	-	-	-	-	-	-	-	-	-	-
Stores and spares	-	-	892	892	-	-	-	-	892	892
Stock-in-trade	-	-	1,376	4,418	-	-	-	-	1,376	4,418
Trade debts	7,277	5,664	-	-	1,706,833	-	-	-	1,714,110	5,664
Contract assets	7,144	4,842	-	-	-	-	-	-	7,144	4,842
Loans and advances	-	405	821	1,599	9,654	-	1,012	-	11,487	2,004
Deposits, prepayments and other receivables	721	23,391	-	-	2,557,760	-	79,794	27,533	2,638,275	50,924
Accrued interest	-	-	-	-	699	-	8,361	44	9,060	44
Short-term investments	-	-	-	-	11,695	-	4,052,957	1,303,809	4,064,652	1,303,809
Cash and bank balances	1,255	2,141	-	-	2,955,689	-	151,453	143,756	3,108,397	145,897
Total segment assets	268,856	313,616	22,223	20,151	19,799,082	-	16,305,763	12,139,348	36,395,924	12,473,114
Segment liabilities										
Long-term borrowings	224,207	247,176	-	-	5,258,429	-	-	-	5,482,636	247,176
Staff retirement benefits	-	-	-	-	2,725	-	13,223	3,506	15,948	3,506
Lease liabilities	-	-	-	-	123,847	-	-	-	123,847	-
Deferred taxation	-	-	-	-	-	-	2,712,899	2,643,918	2,712,899	2,643,918
Tax payable	877	690	-	-	13,009	-	438,814	282,467	452,700	283,157
Unclaimed dividend	-	-	-	-	-	-	77,585	78,046	77,585	78,046
Unpaid dividend	-	-	-	-	-	-	3,284	-	3,284	-
Provision	-	-	-	-	-	-	7,360	7,360	7,360	7,360
Trade and other payables	56,483	45,999	36,368	13,316	494,548	-	68,818	131,875	656,217	191,190
Accrued mark-up	442	752	-	-	131,051	-	-	-	131,493	752
Total segment liabilities	282,009	294,617	36,368	13,316	6,023,609	-	3,321,983	3,147,171	9,663,969	3,455,105

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42. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

42.1 The Group in the normal course of business carries out transactions with various related parties. Related parties comprise of subsidiary companies, associated companies and undertakings, directors, key management personnel, retirement benefit funds and others. Amounts due from and to other related parties, directors, retirement benefit funds and key management personnel are shown under respective notes. Transactions with related parties are carried out at agreed terms. Remuneration of directors and key management personnel is disclosed in note 35 and is as per their terms of employment.

42.2 Following are the names of associated companies, related parties or undertakings with whom the Group had entered into transactions or had agreements and / or arrangements in place during the year:

Name of Related parties	Percentage of shareholding into the Holding Company	Relationship
Dawood Corporation (Private) Limited	54.84%	Major shareholder
The Dawood Foundation	5.02%	Common directorship
Cyan Limited	5.00%	Common directorship
Dawood Investments (Private) Limited	7.49%	Common directorship
United Bank Limited	0.13%	Common directorship
Oil and Gas Development Company Limited	0.03%	Common directorship
Sach International (Private) Limited	0.01%	Associated company
International Finance Corporation	N/A	Associated Company through TGL
Engro Energy Limited	N/A	Associated Company through TGL
Engro Vopak Terminal Limited	N/A	Associated Company through REL
Enfrashare (Private) Limited	N/A	Associated Company through REL
Engro Holdings Company (formerly Dawood Hercules Limited)	N/A	Associated company
Tenaga Generasi Limited	N/A	Associated company
Reon Energy Limited	N/A	Associated company
Reon Alpha (Private) Limited	N/A	Associated company
Mozart (Private) Limited	N/A	Associated company
Abrax (Private) Limited	N/A	Associated company
Greengo (Private) Limited	N/A	Associated company
Grid Edge (Private) Limited	N/A	Associated company
Shahid Hamid Pracha	0.00%	Shareholding of directorship
Hussain Dawood	10.24%	Company's Sponsor
Kulsum Dawood	1.05%	Sponsor's family member
Abdul Samad Dawood	0.00%	Sponsor's family member
Ayesha Dawood	0.05%	Sponsor's family member
Azmeh Dawood	2.01%	Sponsor's family member
Muhammad Jawaid Iqbal	0.00%	Director
Ruhail Muhammad	0.00%	Director
Mohammad Shamoon Chaudry	0.00%	Director
Shafiq Ahmed	0.00%	Director
Zamin Zaidi	0.00%	Director
Staff retirement benefit - gratuity scheme	N/A	Post Employment Benefits

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- 42.3** Balances with related parties have been disclosed in the respective notes to these consolidated financial statements. Details of transactions with related parties, other than those disclosed elsewhere in these consolidated financial statements, are as follows:

Relationship	Nature of transaction	2024	2023
		----- (Rupees in '000) -----	
Associated companies			
Engro Holdings Limited (formerly Dawood Hercules Corporation Limited)	Expenses reimbursable by the Group	53,250	57,822
	Expenses reimbursable to the Group	5,187	113,198
	Dividend income	818,285	1,402,774
	Sale of panel by the Group	-	-
Sach International (Private) Limited	Expenses reimbursable to the Group	656	1,132
	Royalty charged	43,471	38,800
	Rental income	660	660
United Bank Limited	Dividend income	17,050	-
Oil and Gas Development Company Limited	Dividend income	12,719	-
Engro Energy Limited	Operations and maintenance expenses	364,060	659,932
	Reimbursable expenses by the Group	2,720	8,996
	Payments	496,301	887,294
Other related parties			
Reon Energy Limited (related party upto October 7, 2024)	Expenses reimbursable to the Group	1,262	7,151
	Interest on expenses reimbursable to the Company	2,381	4,071
	Interest on loans disbursed by the Company	51,536	69,173
	Interest on outstanding payable balance	55	
	Reimbursable expenses incurred on behalf of the Company	6,153	11,116
	Service charges	8,894	8,744
Post employment benefits	Contributions made	22,150	3,595
	Salaries and other benefits	-	19,928

- 42.4** Remuneration of key management personnel area as per terms of employment. Remuneration of directors and key management personnel is disclosed in note 35.

- 42.5** Following is the name of an associated company incorporated outside Pakistan with whom the Group had entered into transaction or had agreements and arrangements in place during the year:

Name of party	Country of incorporation	Relationship	Holding in the subsidiary
International Finance Corporation	United States of America	Associated company / Lender	25%

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42.6 Transactions with related parties are carried out on commercial terms and conditions.

2024	2023
----- (MWh) -----	

43. CAPACITY AND PRODUCTION

Alternate energy

Maximum generation possible

154,910	154,910
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Net electrical output

103,305	129,561
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43.1 Maximum generation possible is based on electrical output at P-50 level. Output produced by the plant is dependent on the load demanded by NTDC, wind speed and the plant availability.

43.2 The energy generation of the Group is subject to seasonal fluctuations because of weather conditions in the region. Energy generation is at its peak during the high wind season, which primarily occurs between April and August. In the remaining period, the Group generally gets lower wind potential. Decline in the output is attributable to the lower-than-expected winds in May and June, which are typically high-energy yielding months, as well as increased curtailment throughout the year.

44. NUMBER OF EMPLOYEES

2024	2023
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Total number of management employees as at December 31

18	88
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Average number of management employees during the year

19	36
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45. NON-ADJUSTING EVENT AFTER REPORTING DATE

45.1 The Board of Directors in its meeting held on March 7, 2025 has proposed a final cash dividend of Rs 5 (2023: Nil) per share for the year ended December 31, 2024 amounting to Rs 296.499 million (2023: Nil), for approval of the members at the Annual General Meeting to be held on April 25, 2025. This is in addition to interim cash dividends of Rs 3 (2023: Nil) resulting in a total dividend of Rs 177.899 million (2023: Rs Nil) for the year 2024.

46. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorised for issue on March 7, 2025 by the Board of Directors of the Holding Company.

47. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

Chief Executive Officer

Director

Chief Financial Officer

The left side of the page features a series of vertical stripes in various shades of blue and grey, creating a modern, abstract background.

PATTERN OF SHAREHOLDING

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2024

Number of Shareholders	Shareholdings'Slab			Total Shares Held
2,772	1	to	100	111,960
1,632	101	to	500	409,870
432	501	to	1000	320,319
508	1001	to	5000	1,134,413
66	5001	to	10000	457,940
25	10001	to	15000	298,777
12	15001	to	20000	204,568
8	20001	to	25000	180,883
5	25001	to	30000	139,339
1	30001	to	35000	32,367
2	35001	to	40000	75,092
2	40001	to	45000	83,545
3	45001	to	50000	148,122
1	80001	to	85000	84,630
1	100001	to	105000	101,634
1	130001	to	135000	130,855
1	345001	to	350000	350,000
1	515001	to	520000	517,545
1	570001	to	575000	573,000
1	615001	to	620000	620,000
1	915001	to	920000	915,988
1	1075001	to	1080000	1,075,136
1	1160001	to	1165000	1,160,396
1	1185001	to	1190000	1,189,597
1	2965001	to	2970000	2,965,095
1	2975001	to	2980000	2,979,324
1	4440001	to	4445000	4,443,661
1	6070001	to	6075000	6,073,959
1	32520001	to	32525000	32,521,794
5,484				59,299,809

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2024

Catagory of Shareholders	Number of Shareholders	Number of Shares Held	Percentage
Directors, CEO and their spouse and minor children	8	1,196,779	2.02%
Associated companies, undertakings and related parties	5	42,913,650	72.37%
Investment Corporation of Pakistan	8	804	*
Banks, Development Financial Institutions, Non-Banking Financial Institutions	12	58,932	0.10%
Insurance Companies	3	776	*
Modarabas and Mutual Funds	3	572,345	0.97%
Shareholders holding 10% or more	1	32,521,794	54.84%
General Public			
a. Local	4,901	12,618,491	21.28%
b. Foreign	27	27,643	0.05%
Foreign Companies	1	1,075,136	1.81%
Others	516	835,253	1.40%
Total (Excluding: Shareholder holding 10% or more)	5,484	59,299,809	100.00%

* Negligible

ہم کمپنی کی ترقی و خوشحالی کے لیے مخلصانہ کوششوں پر کمپنی کی انتظامیہ اور ملازمین کا بھی شکریہ ادا کرتے ہیں۔

روہیل محمد
چیرمین

محمد شمعون چوہدری
چیف ایگزیکٹو آفیسر

کراچی:

مورخہ: 07 مارچ 2025

گزشتہ برسوں کے برخلاف جب بنیادی خطرہ تیل کی قیمتیں بڑھنے سے منسلک ہوتا تھا، حالیہ رجحانات بتاتے ہیں کہ اس ضمن میں کافی آسانی میسر ہوگی۔ اس سے قلیل مدت میں حاصل ہونے والے فوائد کی بجائے بیرونی کھاتوں کو مستحکم کرنے کا موقع ملے گا۔

اس تدریجی میکرو اکنامک پس منظر میں پیدا ہونے والے مواقع سے فوائد حاصل کرنے کے لئے داؤد لارنس پور لمیٹڈ پوری طرح تیار ہے۔ ہمیں امید ہے کہ زیادہ منافع کمانے والی سرمایہ کاریوں پر توجہ مرکوز رکھ کر اپنے پورٹ فولیو کی کارکردگی شان دار بنائیں گے اور اپنے شیئر ہولڈروں کو طویل مدت میں قدر فراہم کریں گے۔

ہوا سے توانائی کے منصوبے (Wind Energy Project)

بجلی کی ٹیرفوں پر جاری مذاکرات نے پاکستان کے پاور سیکٹر میں نمایاں طور سے غیر یقینی صورتحال پیدا کر دی ہے۔ آزاد معاہدوں پر دوبارہ گفت و شنید سے سرمایہ کار کا اعتماد درہم برہم ہونے کا اندیشہ ہے جو طویل مدت میں ضرر رساں ثابت ہو سکتا ہے۔ بلند تر کپیسٹی پیمنٹس نے بلاشبہ حالیہ برسوں میں توانائی کی باسکٹ پرائس میں اضافہ کیا ہے جس کے سبب پاکستانی صنعتیں اور گھرانے شمسی توانائی استعمال کرنے پر مجبور ہوئے نتیجتاً گرڈ میں پیدا ہونے والی بجلی کی طلب کم ہو گئی۔ گرڈ کی بجلی کی طلب میں یہ کمی اور کپیسٹی کے ایٹو کو گھمبیر تر بناتی ہے اور آئی پی پیز کی افادیت میں کمی آتی ہے جو پاور سیکٹر کی مالیاتی صلاحیتیں بری طرح متاثر ہو سکتی ہیں۔ تاہم پرائیویٹ آئی پی پیز کے ساتھ دوبارہ مذاکرات کرتے ہوئے حکومت کی توجہ بجلی کی قیمتوں کو متاثر کرنے والے دیگر عوامل سے ہٹ گئی ہے جن میں سرکاری ملکیت والے RLNG پلانٹ اور سی پیک پروجیکٹس، بجلی کی چوری اور ڈسٹری بیوشن کے نقصانات شامل ہیں جس سے ان اصلاحات کی مجموعی مالی افادیت محدود رہے گی۔

طویل مدتی حل لاگتوں میں قلیل مدت میں کمی لانے والے اقدامات سے بھی کچھ زیادہ اقدامات کے متقاضی ہوتے ہیں۔ مسابقتی پیشکش، توانائی کی کم ترین لاگت والی منصوبہ بندی، چوری اور لائن کے نقصانات پر قابو پانے اور گرڈ کو جدید ترین بنانے جیسی ساختی اصلاحات کئے بغیر پاکستان کا سرکلر ڈیٹ بھی کم نہیں ہوگا اور قیمتوں میں غیر یقینی بھی قائم رہے گی۔ بار بار مذاکرات کرنے سے ملک کی ساکھ بھی کمزور ہوتی ہے جس سے توانائی کے انفراسٹرکچر کے لئے مطلوب سرمایہ کاری میں کافی کمی واقع ہو سکتی ہے۔

اگرچہ پاکستان کی اصلاحات کے نفاذ کا صحیح نگاہ پاور سیکٹر میں استحکام لانا ہے لیکن آئی پی پیز کے ساتھ جارحانہ انداز سے نمٹنے سے سرمایہ کار میں اعتماد کا فقدان اور مالیاتی عدم استحکام دونوں ہی برقرار رہیں گے۔ آگے بڑھنے کا پائیدار طریقہ ایسے شفاف مذاکرات، مساوی بوجھ اٹھانے کی سوچ، اور ساختی اصلاحات کا متقاضی ہوتا ہے جو توانائی کی پالیسیوں کو مالیاتی حقائق کے عین مطابق بنائیں۔ نااہلی اور مالیاتی دباؤ کی جڑ کو کاٹے بغیر ملک کو بار بار توانائی کے بحران کا سامنا کرنا پڑ سکتا ہے جو اس سیکٹر کی بڑھوتی کے ساتھ ساتھ اقتصادی بہتری کے خواب کو شرمندہ تعبیر نہیں ہونے دے گا۔

اظہار تشکر

بورڈ اپنے حصص یافتگان سے ان کے اعتماد اور حمایت کے لیے اظہار تشکر کرتا ہے۔ ہم اپنے تمام اسٹیک ہولڈرز، بشمول تمام مالیاتی اداروں اور دیگر کے بھی مشکور ہیں جو مسلسل ہماری مدد اور حمایت کے لیے ہمارے ساتھ شریک رہے ہیں۔ ہم انہیں یقین دلاتے ہیں کہ ان کے مفادات کا خیال رکھا جائے گا۔

a۔ بورڈ آف ڈائریکٹرز کا مشاہرہ، کمپنی کے مالی حجم اور آپریشنل پیچیدگی کے حوالے سے مسابقتی اور موزوں ہوگا اور اس کا مقصد کمپنی کو کامیابی سے چلانے کے لیے درکار ارکان کو کمپنی کے ساتھ کامیابی سے منسلک رکھنا، قدر میں اضافے کی حوصلہ افزائی کرنا اور کشش پیدا کرنا ہے۔ مشاہرہ کسی بھی طرح ڈائریکٹرز کی خود مختاری پر نہ تو اثر انداز ہونے کی کوشش ہے اور نہ ہی سمجھوتہ ہے۔

b۔ بورڈ، اگر مناسب سمجھے، اپنے ڈائریکٹرز کے مشاہرے کی مناسب سطح کا تعین کرنے کے لیے کسی آزاد مشیر کی خدمات حاصل کر سکتا ہے۔

c۔ بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے ایگزیکٹو ڈائریکٹرز اور DLL گروپ کے دیگر اداروں کے ملازمین نان-ایگزیکٹو ڈائریکٹرز کو کوئی مشاہرہ ادا نہیں کیا جائے گا۔

d۔ بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کی جانب سے کیے جانے والے کسی سفری یا دیگر ضروری اخراجات اصل کی بنیاد پر ادا کیے جائیں گے۔

ڈائریکٹرز کی تربیت کا پروگرام

کمپنی ڈائریکٹرز کی تربیتی پروگرام کے تحت ڈائریکٹرز کی سرٹیفیکیشن کے معاملے میں پابند ہے۔

منسلک پارٹیوں سے معاملات

زیر جائزہ سال کے دوران ایسوسی ایٹڈ کمپنیوں/منسلک پارٹیوں کے ساتھ کئے گئے تمام تر سودوں کی سفارشات بورڈ کی آڈٹ کمیٹی نے کیں جن کی منظوری کمپنی کے بورڈ آف ڈائریکٹرز نے دی۔ متعلقہ پارٹیوں کے ساتھ کئے گئے تمام سودے آزادانہ اور خود مختارانہ بنیادوں (arm's length basis) پر کئے گئے۔

بعد ازاں ہونے والے واقعات

مالی سال کے اختتام اور زیر نظر رپورٹ کی تیاری کی تاریخ کے درمیان ایسی کوئی ماڈی تبدیلی عمل میں نہیں آئی یا ایسے معاہدے نہیں کئے گئے جو کمپنی کی مالی حیثیت پر اثر انداز ہو سکیں۔

مستقبل کا منظر نامہ

معیشت اور سرمایہ مارکیٹیں

اگرچہ حکومت نے ساختی اصلاحات کے نفاذ کے ضمن میں معنی خیز کام کیا ہے تاہم یہی چلن اور رفتار قائم رکھی جانے سے ہی فائدہ ہوگا کیونکہ اس سے فوری حاصل ہونے والے فوائد تو پہلے ہی حاصل کئے جا چکے ہیں۔ ان اصلاحات سے حاصل ہونے والے فوری فوائد سے اسی راہ پر چل کر طویل مدت میں حاصل ہونے والے فوائد کو نظر انداز نہیں کرنا چاہیئے اور سرکاری ملکیت میں چلائے جانے والے اداروں کی نج کاری، صنعتوں کو ڈی ریگولرائز کرنے، اشیائے صرف کی قیمتوں کا تقرر مارکیٹ کی نسبت سے کرنے اور سخت مالیاتی انضباط قائم کرنے کی کوششوں سے توجہ ہٹنی نہیں چاہیئے۔

زری پالیسی میں ہم مزید زری کی توقع کر رہے ہیں جس سے طلب میں اضافہ، لاگتوں میں کمی، اور سرمایہ کاری کو حوصلہ ملنا چاہیئے۔ تاہم اس سے بیرونی کھاتوں پر دباؤ بڑھنے کا خدشہ ہے جس سے کرنسی کی قدر میں کمی واقع ہو سکتی ہے۔ اگر پالیسی اقدامات نپے تلے اور متوازن رہیں گے تو ملکی معیشت پر ان کا اثر مثبت رہے گا۔

انسانی وسائل اور مشاہرہ کمیٹی (HR&RC)

مؤرخہ 31 دسمبر، 2024ء کو ختم ہونے والے سال کے دوران، انسانی وسائل اور مشاہرہ کمیٹی (HR&RC) کا ایک (01) اجلاس منعقد ہوا۔ اس اجلاس میں حاضری کی صورت حال ذیل کے مطابق رہی:

کمیٹی کے موجودہ اراکین

ڈائریکٹر کا نام	اجلاس	شریک ہوئے	منعقد ہوئے
جناب رؤفیل محمد	1	1	1
جناب عبدالصمد داؤد	1	1	1
جناب محمد امین	1	1	1

ڈائریکٹرز کی ذمہ داری کا بیان

- کمیٹی کے ڈائریکٹرز، درج ذیل کے مطابق، پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کے تحت کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں:
- کمیٹی کی انتظامیہ کی جانب سے تیار کردہ مالی گوشوارے کمیٹی کے معاملات، اس کے آپریشنز، نقدی کے بہاؤ (cash flow) اور ایکویٹی میں تبدیلی کی صورت حال درست طور سے پیش کرتے ہیں۔
 - کمیٹی کے کھاتے (books of account) موزوں انداز میں مرتب کئے گئے ہیں۔
 - مالی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا اطلاق تسلسل کے ساتھ کیا گیا ہے اور حسابی تخمینے (accounting estimates) مناسب اور محتاط تخمینوں پر مبنی ہیں۔
 - مالی گوشواروں کی تیاری میں پاکستان پر قابل اطلاق بین الاقوامی مالی رپورٹنگ کے معیارات کا خیال رکھا گیا ہے اور ان سے کسی قسم کے انحراف کا مناسب انداز میں انکشاف کیا گیا ہے۔
 - کمیٹی کے اندرونی کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مضبوط ہے اور اس پر مؤثر انداز میں عمل درآمد کے ساتھ اسے مانیٹر بھی کیا جاتا ہے۔
 - کمیٹی کے معاملات کے معمول کے مطابق جاری رہنے کے بارے میں کسی قسم کے شکوک و شبہات نہیں پائے جاتے ہیں۔
 - لسٹنگ ریگولیشنز میں تفصیلاً بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی ماڈی انحراف نہیں پایا جاتا ہے۔
 - گزشتہ چھ (06) برسوں کے دوران کا اہم آپریٹنگ اور مالی ڈیٹا، خلاصے کی شکل میں، اس رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹرز کا مشاہرہ

بورڈ آف ڈائریکٹرز نے ”بورڈ کے ڈائریکٹرز اور بورڈ کے مقرر کردہ افراد کے مشاہرے کے تعین کی پالیسی“ کی منظوری دی ہے جس کے خاص خاص پہلو ذیل میں بیان کیے گئے ہیں:

، حاضری ذیل کے مطابق رہی:

موجودہ بورڈ

ڈائریکٹر کا نام	اجلاس	
	منعقد ہوئے	شریک ہوئے
جناب روہیل محمد	5	5
جناب عبدالصمد داؤد	5	5
محترمہ سبرینہ داؤد	5	3
جناب شفیق احمد	5	3
جناب محمد امین	5	4
جناب محمد بلال احمد*	5	5
جناب محمد شمعون چوہدری	5	5

* جناب محمد بلال نے بورڈ سے مورخہ 13 جنوری 2025 کو استعفیٰ دیا اور ان کی خالی کردہ نشست جناب سکندر حاضری کی مورخہ 13 جنوری 2025 کو بحیثیت ڈائریکٹر کمپنی تقرری سے پُر کر دی گئی ہے۔

بورڈ آڈٹ کمیٹی کے اجلاس

بورڈ آف ڈائریکٹرز نے، کوڈ آف کارپوریٹ گورننس کی تعمیل میں، ایک آڈٹ کمیٹی قائم کی ہے جو اندرونی انضباط اور اس پر عمل درآمد کی نگرانی کرتی ہے۔ یہ کمپنی اپنے قیام کے وقت سے ہی نہایت عمدگی سے کام کرتی رہی ہے۔ بورڈ کے سامنے پیش کرنے اور اشاعت سے قبل، آڈٹ کمیٹی نے مالی گوشواروں کا، سہ ماہی، ششماہی اور سالانہ بنیادوں پر جائزہ لیا۔ آڈٹ کمیٹی نے، انتظامیہ کے نام ان کے مراسلے سمیت، مختلف مسائل پر بھی ایکسٹرنل آڈیٹرز کے ساتھ تفصیلی بات چیت کی۔ آڈٹ کمیٹی نے انٹرنل آڈیٹرز کی دریافتوں کا جائزہ بھی لیا اور، کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق، انٹرنل اور ایکسٹرنل آڈیٹرز کے ساتھ الگ الگ ملاقاتیں بھی کی ہیں۔

مورخہ 31 دسمبر، 2024 کو ختم ہونے والے سال کے دوران، بورڈ کی آڈٹ کمیٹی کے کل چار (04) اجلاس منعقد ہوئے۔ اپنی متعلقہ مدت کے حساب سے حاضری کی صورت حال ذیل کے مطابق رہی:

کمیٹی کے موجودہ اراکین

ڈائریکٹر کا نام	اجلاس	
	منعقد ہوئے	شریک ہوئے
جناب محمد امین	4	4
جناب شفیق احمد	4	4
جناب محمد بلال احمد	4	4

کو یکجا کر کے ہم یہ اہداف حاصل کرنے کی کوشش کریں گے۔

متنوع، مساوات اور شمولیت (DE&I)

اپنی متنوع افرادی قوت اور برادریوں کے ساتھ کمپنی متنوع، مساوات اور شمولیت کی وکالت کرتی ہے۔ متنوع، مساوات اور شمولیت ہماری کمپنی کی ایک کلیدی ترجیح ہے جو کمپنی کے پائیدار اور اخلاقی کاروباری معمولات کا ایک لازمی حصہ ہیں۔ اس عہد کی تکمیل کیلئے کمپنی نے متنوع، مساوات اور شمولیت سے متعلق ایک جامع پالیسی تشکیل دی ہے جو ہمارے ادارے میں صنفی اور نسلی متنوع کے فروغ کی کاوشوں کی رہنمائی کرتی ہے۔ اس میں متنوع جاب بورڈ کو کام میں لانے اور متنوع انٹرویو پینلز کی تشکیل کو یقینی بنانے سمیت بھرتی کے قابل شمولیت اور جامع طریقوں کا نفاذ شامل ہے۔

خطرات کا انتظام

اینگرو ہولڈنگز کی سرگرمیاں اسے مختلف و متنوع مالیاتی خطرات کے سامنے لے آتی ہیں: مارکیٹ رسک (بشمول انٹرسٹ رسک، کرنسی رسک اور پرائس رسک)، کریڈٹ رسک، اور لکویڈیٹی رسک اینگرو ہولڈنگز کا مجموعی رسک مینجمنٹ کا نظام مالیاتی مارکیٹوں کی غیر یقینیوں کو مرکز نگاہ رکھتا ہے اور مالیاتی کارکردگی کو لاحق مضرات میں کمی لانے کے طریقے تلاش کرتا ہے۔

چنانچہ خطرات کو قابو میں رکھنے کی پالیسیاں اینگرو ہولڈنگز کو درپیش مالی خطرات کی نشان دہی اور تجزیے اور خطرات کی مناسب حدود طے کرنے اور انہیں کنٹرول کرنے نیز حدود کی پابندی پر نگاہ رکھنے کے لئے تشکیل دی گئی ہیں۔ مارکیٹ کے حالات اور کمپنی کی سرگرمیوں پر رد عمل ظاہر کرنے کے لئے رسک مینجمنٹ پالیسیوں اور نظاموں کا باقاعدگی سے جائزہ لیا جاتا ہے۔

بورڈ آف ڈائریکٹرز

ڈائریکٹرز کی کل تعداد میں درج ذیل شامل ہیں:

6	مرد ڈائریکٹرز
1	خاتون ڈائریکٹرز
	بورڈ کے ارکان کی ترکیب درج ذیل ہے:
2	خود مختار ڈائریکٹرز
3	نان-ایگزیکٹو ڈائریکٹرز
1	ایگزیکٹو ڈائریکٹرز
1	خاتون ڈائریکٹر (نان-ایگزیکٹو)

بورڈ آف ڈائریکٹرز کے اجلاس

مورخہ 31 دسمبر، 2024ء کو ختم ہونے والے سال کے دوران، بورڈ آف ڈائریکٹرز کے کل پانچ (5) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی، اپنی متعلق مدت کے دوران

جائزہ لیا جاتا ہے۔

کارپوریٹ گورننس

کمپنی کی انتظامیہ عمدہ کارپوریٹ گورننس اور بہترین طریقہ کار پر عمل درآمد کی پابند ہے۔ پاکستان اسٹاک ایکسچینج کی جانب سے اس کی رول بک میں وضع کردہ کوڈ آف کارپوریٹ گورننس کی شرائط کی تکمیل اور لسٹنگ ریگولیشنز میں طے کیے گئے قواعد و ضوابط پر عمل درآمد یقینی بنایا جاتا ہے۔ اس بارے میں ایک بیان، اس رپورٹ کیساتھ منسلک ہے۔

کاروباری ضابطہ اخلاق (کوڈ آف کنڈکٹ)

بورڈ نے کاروباری ضابطہ اخلاق اختیار کیا ہے جس سے تمام ملازمین آگاہ ہیں اور انہوں نے اس بیان پر دستخط بھی کیے ہیں۔ اس ضابطہ اخلاق پر، پورے ادارے میں سختی سے عمل کیا جاتا ہے اور تمام ملازمین اس میں بیان کردہ کاروباری اصولوں پر عمل کرتے ہیں۔

نظریہ اور مقصد

کمپنی کے نظریہ اور مقصد کی عکاسی کرنے والا بیان اس رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی، اپنی ذیلی کمپنیوں کے توسط سے سبز اور قابل تجدید توانائی کے ذرائع پر منتقلی کے ذریعے ماحولیات پر مثبت اثر پیدا کرنے کے ساتھ ساتھ مقامی برادریوں پر بھی اپنا اثر ڈالنے کی کوشش کر رہی ہے۔ سال کے دوران کمپنی کی ایک ذیلی کمپنی نے گھارو، سندھ میں واقع ایک مقامی اسکول کو گود لیا ہے۔ برادری کی بنیاد پر چلائے جانے والا یہ منتخب کردہ اسکول ونڈ پلانٹ کے قرب وجوار میں واقع چھ دیہاتوں کے 250 خاندانوں والی آبادی کو خدمات فراہم کر رہا ہے۔ اس اسکول کا انفراسٹرکچر بہتر بنایا گیا اور اساتذہ بھرتی کرنے اور مرمت و دیکھ بھال سمیت اسکول چلانے کی ذمہ داری ایک مقامی این جی او کو سونپی گئی۔ اس اسکول کی شروعات 56 طلباء سے ہوئی تھی جبکہ حالیہ طور پر یہاں 142 طلباء و طالبات تعلیم حاصل کر رہے ہیں۔

کارپوریٹ سماجی ذمہ داری (CSR) کمپنی کی اخلاقیات اور پالیسی کا بنیادی پہلو ہے جس پر عمل درآمد مسلسل اور پوری بنجیدگی سے کیا جاتا ہے۔ کمپنی مستقل طور سے سماجی ذمہ داری والی سرگرمیوں میں حصہ لیتی رہی ہے۔ ان سرگرمیوں کو مزید منظم بنانے کی غرض سے ہم نے پائیداری اور کارپوریٹ سماجی ذمہ داری کے تحت SECP کی CSR گائیڈ لائنز 2013 اور کمپنیز ایکٹ 2017 کے خطوط پر ایک منوثر پالیسی تشکیل دی ہے۔

پائیداری سے منسلک خطرات

پائیداری سے منسلک خطرات میں عام طور سے شامل ہیں آب و ہوا کی تبدیلی، ناقابل تجدید توانائی کے وسائل میں کمی اور ماحول میں بگاڑ۔ عملی سرگرمیاں اپنانے، قابل تجدید توانائی کی پالیسیاں اختیار کرنے، سبز اقدامات اٹھانے سے کمپنی کا مقصد پائیدار مستقبل میں اپنا حصہ ڈالنا ہے۔ انتظامیہ نے مخصوص اور قابل پیمائش ESG اہداف مقرر کر لئے ہیں جو زیادہ سے زیادہ پائیدار لچک کے حصول اور مثبت سماجی اثرات پیدا کرنے کے کمپنی کے اسٹریٹجک مقاصد کے عین مطابق ہیں۔ تحفظ، کمیونٹی اور گردش معیشت

آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، آئندہ سالانہ اجلاس عام کے اختتام پر سبکدوش ہو رہے ہیں اور دوبارہ تقرری کے لیے اپنی خدمات پیش کرتے ہیں۔ آڈٹ کمیٹی نے میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی، کمپنی کے آڈیٹرز کی حیثیت سے، برائے سال اختتام 31 دسمبر، 2025ء کے لیے دوبارہ تقرری کی سفارش کی ہے اور بورڈ نے بھی اس سفارش کی توثیق کی ہے۔

حصص کا کاروبار، اوسط قیمتیں اور پاکستان اسٹاک ایکسچینج

سال کے دوران پاکستان اسٹاک ایکسچینج میں کمپنی کے 1,434,257 حصص کا کاروبار ہوا۔ روزانہ کاروباری دن کے اختتام کی شرح کی بنیاد پر کمپنی کے حصص کی اوسط قیمت 222.35 روپے رہی جبکہ 2024ء کے دوران، 52 ہفتوں کے دوران زیریں و بلند کی بنیاد پر، یہ قیمت بالترتیب 262.75 روپے سے 177.10 روپے فی حصص رہی۔

حصص یافتگی کا رجحان

مؤرخہ 31 دسمبر، 2024ء کو کمپنی کی حصص یافتگی کے رجحان کے ساتھ دیگر ضروری معلومات، اس رپورٹ کے آخر میں، نمائندگی کے فارم (Proxy Form) کے ہمراہ دستیاب ہیں۔

مارکیٹ میں سرمایہ کاری اور بی قدر (Market Capitalization & Book Value)

سال کے اختتام پر، مارکیٹ میں کمپنی کی سرمایہ کاری 15,581 ملین روپے (2023: 12,779 ملین روپے) تھی اور مارکیٹ میں اس کی قدر 262.75 روپے فی حصص (2023: 215.50 روپے فی حصص) رہی جبکہ بریک اپ ویلیو 120.09 روپے فی حصص (2023: 71.85 روپے فی حصص) رہی۔

اہم آپریٹنگ اور مالی اعداد و شمار

گزشتہ چھ (06) برسوں کے دوران کا اہم آپریٹنگ اور مالی ڈیٹا، مختصر طور پر، اس رپورٹ کے ساتھ منسلک ہے۔

گریجویٹ فنڈ

کمپنی کے ملازمین کی مالی اعانت کے لئے فنڈز سے حاصل ہونے والے ریٹائرمنٹ کے فوائد کا سال میں ایک مرتبہ آڈٹ کیا جاتا ہے اور مناسب سرمایہ کاری کے ذریعے انھیں محفوظ بنایا جاتا ہے۔ 31 دسمبر، 2024ء تک فنڈ کے ذریعے فراہم کردہ فوائد کے تحت گریجویٹ منسوبے کے اثاثوں کی قدر 5.541 ملین روپے تھی (2023: 4.778 ملین روپے)۔

خطرات کا انتظام

کمپنی کی رسک مینجمنٹ پالیسیاں کمپنی کو درپیش مالی خطرات کی نشاندہی اور تجربے کے لیے اور خطرات کی مناسب حدود طے کرنے اور انھیں کنٹرول کرنے نیز حدود کی پابندی پر نگاہ رکھنے کے لیے تشکیل دی گئی ہیں۔ مارکیٹ کے حالات اور کمپنی کی سرگرمیوں پر عمل ظاہر کرنے کے لیے رسک مینجمنٹ پالیسیوں اور نظاموں کا باقاعدگی سے

اینڈھن و توانائی کے شعبہ میں ہماری ملکیت محفوظ رہی ہے کیونکہ وصولی کی شرح میں بنیادی بہتری آنے سے OGDCL اور PPL میں نقدی کا بہاؤ مضبوط ہوا ہے۔ یہ واقعہ ان دونوں اداروں کی بیلنس شیٹس میں واضح دکھائی دیتا ہے اور اس نے سرمایہ کار کا اعتماد بڑھایا ہے اور قدرکاری میں مزید بہتری آئی ہے۔ نمایاں بات یہ رہی کہ مختصر مدت کے لئے ہی سہی لیکن OGDCL کا مارکیٹ میں سرمایہ ایک کھرب پاکستانی روپے سے تجاوز کر گیا تھا۔ OGDCL یہ سنگ میل عبور کرنے والی پاکستان اسٹاک ایکسچینج کی تاریخ میں واحد کمپنی ہے۔ مزید یہ کہ اینڈھن اور توانائی کمپنیوں کو اپنی گیس کی پیداوار کا 35% تک نجی خریداروں کو براہ راست فروخت کرنے کی اجازت دینے کا حکومت کا حالیہ اقدام ایسا خوش آئند اقدام ہے جو ایک جانب تو نقدی کے بہاؤ میں بہتری لائے گا اور دوسری جانب اس سیکٹر میں نئی سرمایہ کاری کے اخراجات میں کمی لانے میں مدد و معاون ثابت ہوگا۔

پاکستان کی ایک بڑی آئی ٹی کمپنی، سسٹمز لمیٹڈ میں ہم نے اپنی حیثیت بدستور قائم رکھی ہے۔ یہ کمپنی قدر بڑھانے ہماری مددگار ہے۔ ڈالروں میں آمدنی کے اس کے ماڈل کی بدولت سسٹمز لمیٹڈ ڈالروں میں آمدنی کے حوالے سے ترقی کر رہی ہے اور حالیہ ہفتوں میں کمپنی نے اپنی قدر میں قابل ذکر اضافہ کیا ہے۔ سسٹمز کے تا دیر پھلنے پھولنے کے حوالے سے ہمارا یقین پختہ ہے۔

مالیاتی رپورٹ

مالی کارکردگی

جاری آپریشنوں سے گروپ (DLL اور اسکی ذیلی کمپنیاں) کی مجموعی آمدنی 4,660 ملین روپے رہی جو گزشتہ برس کی اسی مدت کے دوران، 5,880 ملین روپے رہی تھی۔ سال 2024ء کے لیے گروپ کا انضمام شدہ خام مجموعی منافع 3,409 ملین روپے رہا جبکہ گزشتہ برس، اسی عرصے کے دوران، یہ منافع 4,079 ملین روپے تھا۔ ایسوسی ایٹ کمپنی سے حاصل ہونے والے منافع سے ملنے والا حصہ 2,273 ملین روپے تھا جس میں گزشتہ برس کے مقابلے میں 926 ملین روپے کا اضافہ دیکھا گیا۔ مبلغ 597 ملین روپے کے ٹیکس کے بعد، جاری آپریشنز سے، بعد از ٹیکس منافع 9,188 ملین روپے حاصل ہوا جو سال 2023ء میں حاصل ہونے والے 9,398 ملین روپے کے منافع سے کم تھا۔ منقطع کئے گئے آپریشنوں اور ڈسپوزل گروپ سے ہونے والا نقصان 22 ملین روپے رہا جو گزشتہ سال کی اسی مدت کے دوران 351 ملین روپے رہا تھا۔ اس تبدیلی کی بڑی وجہ ڈسپوزل گروپ کے اثاثہ جات کی از سر نو تخمینہ کاری کی دفعہ کی منسوختی تھی جو 3,121 ملین روپے مالیت کے تھے۔

انفرادی طور پر کمپنی کو اپنی متعلقہ کمپنی کی جانب سے 818 ملین روپے کا منافع منقسمہ بھی موصول ہوا جبکہ گزشتہ برس 1,403 ملین روپے حاصل ہوا تھا۔ دوران سال کمپنی کو اپنی ذیلی کمپنی TGL کی جانب سے بھی 1,050 ملین روپے کا منافع منقسمہ بھی حاصل ہوا۔

فی حصص کمائی

سنہ 2024ء کے لیے غیر انضمام شدہ کمائی فی حصص 51.50 روپے رہی جبکہ سال 2023ء میں 15.48 روپے فی حصص رہی تھی جس کی بڑی وجہ TGL سے حاصل ہونے والا منافع تھا۔ سال 2024ء کے لئے ہولڈنگ کمپنی کے مالکان سے قابل نسبت فی حصص کمائی 154.95 روپے تھی جبکہ گزشتہ برس کی اسی مدت کے دوران (3.55) روپے فی حصص خسارہ ہوا تھا۔ 2024ء کے لئے ڈسپوزیل گروپ اور منقطع کئے گئے آپریشنوں سے ہونے والا انضمام شدہ فی شیئر خسارہ (0.37) روپے تھا جبکہ گزشتہ برس کی اسی مدت کے دوران (5.92) روپے فی حصص کمائی ہوئی تھی۔

صوبہ سندھ کے ضلع تھر میں واقع شمسی توانائی کا پروجیکٹ ایگریمنٹ کے مطابق گاہک کو صاف بجلی مہیا کرنے میں بدستور مصروف کار رہا۔

ہوا سے توانائی کے منصوبے (Wind Energy Project)

Tenaga Generasi Limited (TGL) کا 49.5MW پلانٹ تسلی بخش انداز میں کام کر رہا ہے اور دستیابی اور BOP کے نقصانات کے متوقع اہداف پورے کر رہا ہے۔ زیر جائزہ مدت کے دوران BOP نقصانات %1.6 رہے جبکہ ہدف %4.6 تھا اور پلانٹ کی دستیابی %97.0 کے مقرر کردہ ہدف کے برخلاف %99.42 فیصد رہی۔ صحت، تحفظ اور ماحول (HSE) کو ترجیح حاصل رہی اور COD کے بعد 3,004 دن محفوظ انداز سے کام ہوا جو 713,137 محفوظ انسانی گھنٹے کے مساوی ہے۔ جبکہ TRIR اور حادثات کی شرح صفر رہی۔

دوسری جانب زیر جائزہ سال کے دوران ونڈ پاور پلانٹ کی تخفیف میں کافی سے زیادہ اضافہ ہوا۔

ہوا کی کم دستیابی اور تخفیف کے سبب زیر جائزہ سال کے دوران مالیاتی کارکردگی متاثر ہوئی ہے اور بجلی پیدا کرنے والے کی جانب سے غیر مثالی تخفیف کے نتیجے میں پروجیکٹ کو 1,468 ملین روپے کا خسارہ اٹھانا پڑا۔

2024 کے دوران فروخت کی جانے والی بجلی کی مقدار 103.305 GWh تھی۔ زیر جائزہ سال کے دوران NPMV کی کل مقدار 21.638 GWh رہی جو گزشتہ برس کی اسی مدت کے دوران 42.61 GWh رہی تھی۔

جولائی کے مہینے میں کمپنی نے 1,400 ملین روپے کے عبوری منافع منقسمہ کا اعلان کیا۔

سال کے دوران کمپنی نے TGL کی فروخت کا انکشاف کیا تھا جس کی long-stop تاریخ 6 ستمبر 2024 مقرر تھی، جسے سیل پر چیز ایگریمنٹ میں درج کیا گیا تھا۔ اس سودے کی تکمیل کی شرائط مذکورہ تاریخ تک پوری نہیں کی جاسکیں۔ کمپنی کی بہترین کوششوں کے باوجود خریدار نے سودے کی کارروائی مکمل کرنے میں دلچسپی ظاہر نہیں کی ہے۔

ایکویٹی پورٹ فولیو

اپنے پورٹ فولیو کی مضبوط کارکردگی کے ایک اور سال کی خبر دیتے ہوئے ہمیں دلی مسرت محسوس ہو رہی ہے جس دوران %93.9 کی آمدنی حاصل ہوئی اور جو KSE-100 انڈیکس کی %84.3 کی کارکردگی سے بلند تھی۔ ہم نے جن موضوعات پر اپنے پورٹ فولیو کی تشکیل کی ہے وہ بدستور منافع فراہم کر رہی ہے جس سے اپنی حکمت عملی پر ہمارا یقین پختہ ہوا ہے۔

بینکاری سیکٹر میں ہماری سرفہرست ملکیت ہماری قدر میں اضافے کا اہم ذریعہ رہی اور لسٹڈ کمپنیوں میں یونائیٹڈ بینک لمیٹڈ (یو بی ایل) شاندار کارکردگی کا مظاہرہ کرنے والے اسٹاکس میں شامل رہا۔ شرح سود میں کمی آجانے کے نتیجے میں یو بی ایل نے بھرپور فائدہ اٹھایا ہے اور ہم سمجھتے ہیں کہ اس نے کم شرح سود والے ماحول سے آئندہ بھی فائدہ اٹھانے کے لئے خود کو اچھی طرح تیار کر لیا ہے۔ اس سیکٹر میں ایک اہم پیش رفت ADR پر مبنی ٹیکس کاری کی منسوخت تھی جو ہمیں یقین ہے کہ مارکیٹ پر مبنی بینکاری ماحول پیدا کرنے اور طویل مدت میں صنعتی ترقی میں مدد فراہم کرے گی۔

داؤد لارنس پور لمیٹڈ

ڈائریکٹر ز رپورٹ

برائے اختتام سال 31 دسمبر 2024

داؤد لارنس پور لمیٹڈ ("کمپنی") کے ڈائریکٹر ز مسرت کے ساتھ 31 دسمبر، 2024 کو ختم ہونے والے سال کے لئے سالانہ رپورٹ اور آڈٹ شدہ مالی گوشوارے پیش کرتے ہیں۔

مرکزی سرگرمی

کمپنی کی بنیادی سرگرمی اپنی ذیلی اور منسلک کمپنیوں میں سرمایہ کاری کا انتظام کرنا ہے، جو تجارتی اور صنعتی صارفین کو قابل تجدید توانائی کے حل (بنیادی طور پر شمسی اور ہوا سے متعلق) فراہم کرتی ہیں۔ اس کے علاوہ، کمپنی مقامی کپیٹل مارکیٹ میں سرمایہ کاری کے پورٹ فولیو کا بھی فعال طور پر انتظام کرتی ہے۔

میکرو اکنامک ماحول

گزشتہ برسوں کے مقابلے میں 2024 کے دوران اقتصادی منظر نامہ مستحکم رہا جو ایک خوش آئند تبدیلی تھی البتہ سال کے آخر میں ایک بڑی پیش رفت ہوئی..... مسٹر ڈونلڈ ٹرمپ نے امریکہ کی صدر رات ایک بار پھر سنبھالی۔ ان کے پالیسی منوقف، جس میں سرفہرست امریکہ کے اہم تجارتی شراکت داروں پر ٹریف کا نفاذ ہے، سے توقع ہے کہ دنیا بھر میں ٹریف کی ایک جنگ شروع ہو جائے گی اور امریکی ڈالر کو استحکام ملے گا۔ یہی نہیں بلکہ تیل کو بطور ایندھن استعمال کرنے کی ٹرمپ کی مضبوط حمایت نے ملک میں پیدا ہونے والے تیل کا استعمال بڑھانے کو ان کے ایجنڈے میں سرفہرست رکھ دیا ہے جو آنے والے مہینوں میں تیل کی عالمی قیمتوں میں کمی کا سبب بن سکتا ہے۔ پاکستان کے لئے یہ ایک مثبت پیش رفت ہوگی جو سخت اقتصادی پالیسیوں اور انضباط کے سبب پہلے سے موجود میکرو اکنامک قوتوں میں مزید اضافہ کرے گی۔

ملک کے اندر واقعتاً استحکام اور چمک بھی دکھائی دیے۔ مہنگائی کا گراف بدستور پستی کی جانب گامزن رہا اور جنوری 2025 میں CPI انڈیکس کی شرح 2.4% ریکارڈ کی گئی۔ اس صورتحال نے زرعی پابندیوں میں نرمی کی گنجائش پیدا کی اور پالیسی ریٹ کم کر کے 12% مقرر کیا گیا جس میں کسی حد تک مزید کمی کی توقع ہے۔ تاہم سب سے بڑی تشویش ٹیکسوں کی وصولی ہے جو بجٹ میں مقرر کردہ ہدف سے کم رہی ہے..... جس سے مالیاتی استحکام کی کوششوں پر منفی اثر پڑ سکتا ہے۔ سمت سے ذرا سا بھی انحراف اقتصادی استحکام کے لئے پریشان کن ثابت ہوگا تاہم آئی ایم ایف کے میعادى جائزے ایسے اہم انضباطی اقدامات ثابت ہوں گے جو درست سمت میں رکھیں گے۔ حکومت نے زرعی آمدنی پر ٹیکس سمیت کئی ایک ساختی اصلاحات نافذ کی ہیں اور جائزے کی کامیابی..... مقامی اور بیرونی..... ہر دوسرا سرمایہ کاروں کا اعتماد بڑھائے گی اور ساتھ ہی مثبت ریٹنگ مزید بہتر کرنے کی راہ بھی ہموار کرے گی۔

کاروباری جائزہ

شمسی توانائی کا پلانٹ

سال کے دوران شیئر پر چیز ایگریمنٹ (SPA) کے تحت آنے والے تمام معاہدوں کی تکمیل کرتے ہوئے ریون انرجی لمیٹڈ (REL) فروخت کی گئی اور یہ سودا اکتوبر 2024 کو پایہ تکمیل تک پہنچا۔

PHYSICAL SHAREHOLDERS

Bank Account Details for Payment of Cash Dividend
(Mandatory Requirement as per the Companies Act, 2017)

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

<u>Details of Shareholder</u>	
Name of shareholder	
Folio No.	
CNIC No.	
Cell number of shareholder	
Landline number of shareholder, if any	
<u>Details of Bank Account</u>	
Title of Bank Account	
International Bank Account Number (IBAN) " Mandatory "	PK _____ (24 digits) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's name	
Branch name and address	
It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant / Share Registrar accordingly.	
_____ Signature of shareholder	

You are requested to kindly send photocopy of this letter immediately duly filled in and signed by you along with legible photocopy of your valid CNIC at the Company's Share Registrar Office, **CDC Share Registrar Services Limited, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Karachi. 74400, Pakistan.**

CDS SHAREHOLDERS

Bank Account Details for Payment of Cash Dividend
(Mandatory Requirement as per the Companies Act, 2017)

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank accounts of entitled shareholder as designated by them. In pursuance of the direction given by Securities and Exchange Commission of Pakistan (SECP), kindly immediately contact your relevant CDC Participant/CDC Investor Account Services Department and provide them your bank mandate information including International Bank Account Number (IBAN) which is now mandatory for all cash dividend payments.

In order to comply with regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide requisite bank mandate information to your respective Participant/CDC Investor Account Services Department immediately.

ELECTRONIC TRANSMISSION CONSENT FORM

Shareholders who wish to receive the Company's Annual Report through email are requested to complete the requisite form below. CDC shareholders are requested to submit their Electronic Transmission Consent Form along with their CNIC directly to their broker (participant)/CDC; while shareholders having physical shares are to send the forms and a copy of their CNIC to the Company's Share Registrar, Messrs. CDC Share Registrar Services Limited, CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahra-e-Faisal, Karachi.

Electronic Transmission Consent Form

I Mr. / Ms. _____
S/o, D/o, W/o _____ hereby consent to have the Dawood Lawrencepur Limited Audited Financial Statements and Notice of Annual General Meeting delivered to me via email on my email address provided below:

Folio /CDC Account No.	
Postal Address:	
Email Address:	
Contact No:	
CNIC No.:	

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my email address or withdrawal of my consent to email delivery of the Company's Audited Financial Statements and Notice of the Meeting.

Dear Shareholder,

**REQUEST FORM FOR HARD COPY OF
ANNUAL AUDITED ACCOUNTS**

Shareholders may request a hard copy of the Annual Audited Accounts along with notice of general meetings to be sent to their registered address instead of receiving the same in electronic form. If you require a hard copy of the Annual Audited Accounts, please fill the following form and send it to our Share Registrar or Company Secretary at the address given below.

Date: _____

I/We _____ request that a hard copy of the Annual Audited Accounts along with notice of general meetings be sent to me through post. My/our particulars in this respect are as follows:

Folio /CDC A/c No.	
Postal Address:	
Email Address:	
Contact No:	
CNIC No.	
Signature	

The form may be sent directly to Dawood Lawrencepur Limited Share Registrar or Company Secretary at the following address:

CDC Share Registrar Services Limited
CDC House, 99-B, Block "B", S.M.C.H.S
Main Shakra-e-Faisal, Karachi, Pakistan
Tel: +92 (21) 111-111-500
Website: <http://www.cdcsrsl.com>

Dawood Lawrencepur Limited
Dawood Centre, M.T. Khan Road
Karachi -75530, Pakistan
Tel: +92 (21) 35632200
Email: company.secretary@dawoodhercules.com
Website: www.dawoodlawrencepur.com

If you are a CDC Account Holder, you should submit your request directly to your CDC Participant through which you maintain your CDC account.

Proxy Form

I/We _____ of _____
, being member of Dawood Lawrencepur Limited and holder of _____
Ordinary Shares, as per:

Share Register Folio No. _____ and/or
CDC Participant ID No. _____ Sub A/c No. _____

hereby appoint _____ of _____ as my/our proxy to
attend, speak, and vote for me/us and on my/our behalf, at the Annual General Meeting (AGM) of
the Company to be held on Friday, April 25, 2025 at 3:00 PM at the Karachi School for Business
Leadership (KSBL) situated at National Stadium Road, Opposite Liaquat National Hospital, Karachi -
74800, Karachi and via video link facility, and at any adjournment thereof.

Signed this _____ day of _____ 2025

WITNESSES:

1. Signature: _____
Name: _____
Address: _____

CNIC No. or _____
Passport No. _____

Signature on
Revenue Stamps
of Rupees Fifty

2. Signature: _____
Name: _____
Address: _____

CNIC No. or _____
Passport No. _____

IMPORTANT:

1. This Proxy Form, duly completed, must be deposited at the Company's Registered Office, not less than forty-eight (48) hours before AGM.
2. CDC shareholders and their proxies are each requested to attach and attested photocopy of their valid Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.
3. All proxies attending the AGM are requested to bring their original CNIC/Passport for identification.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Dawood Lawrencepur Limited
9th Floor, Dawood Centre, M.T. Khan Road.
Karachi - 75530
Tel: +92 21 35632200
www.dawoodlawrencepur.com

نمائندگی کا فارم

میں رہم _____ ساکن _____
بحیثیت ممبر داؤد لارنس پولیٹیکنک کے رکن و حامل _____ عام حصص بمطابق شیئر رجسٹرڈ فولیو نمبر _____ اور ریاستی ڈی سی
کے شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____ محترم محترمہ _____
_____ ساکن _____ کو بروز جمعہ مورخہ ۲۵ اپریل ۲۰۲۵ بوقت ۳:۰۰ بجے دوپہر بمقام کراچی اسکول آف بزنس اینڈ لیڈرز شپ (KSBL) نیشنل اسٹیڈیم روڈ، بالمقابل لیاقت نیشنل ہسپتال، کراچی 74800 - میں ویڈیو لنک کی سہولت کے
ساتھ منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا/ کرتی ہوں۔

دستخط _____ بروز _____ ۲۰۲۵

مطلوبہ (پچاس روپے کا)
ریونیوٹکٹ چسپاں کریں اور دستخط کریں

گواہ (۱)

دستخط گواہ:

نام:

پتہ:

قومی شناختی کارڈ نمبر یا:

پاسپورٹ نمبر:

گواہ (۲)

دستخط گواہ:

نام:

پتہ:

قومی شناختی کارڈ نمبر یا:

پاسپورٹ نمبر:

نوٹ:

- تمام نامزدگیاں اسی صورت میں موثر ہوں گی جب پر کسی فارم بنام کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقررہ وقت سے ۲۸ گھنٹے قبل موصول ہوں۔
- سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرداً فرد درخواست ہے کہ وہ اپنے کمپیوٹر یا قومی شناختی کارڈ کی تصدیق شدہ نقل یا پاسپورٹ، نمائندگی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔
- تمام پر کسی ہولڈرز اپنی شناخت کے لئے اجلاس کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ ضرور پیش کریں۔

AFFIX
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